



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 1736

DATE FILMED 2/25/88 CAMERA NO. 4

CAMERAMAN GPC

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PUBLIC RECORD INDEX - MUR 1736

1. Complaint, dtd 2 July 84, filed by David E. Price (Executive Director, North Carolina Democratic Party).
2. Ltr, dtd 9 July 84, Kenneth A. Gross (Associate General Counsel) to D.E. Price.
3. Ltrs (3), dtd 9 July 84, K.A. Gross to a) Southeastern Advertising, Inc., b) Mark L. Stephens (Helms for Senate Committee), c) J.C.D. Bailey.
4. Ltr, dtd 16 July 84, K.A. Gross to James R. Trotter (Treas, Nash/Edgecomb Billboard Fund).
5. Ltr, dtd 16 July 84, Cleveland P. Cherry to FEC, re: req. ext. time.
6. Ltr, dtd 17 July 84, C.P. Cherry to FEC.
7. Ltr, dtd 23 July 84, K.A. Gross to C.P. Cherry, re: grant ext. time.
8. Ltr, dtd 23 July 84, J.R. Trotter to FEC, re: req. ext. time.
9. Ltr, dtd 27 July 84, K.A. Gross to J.R. Trotter, re: grant ext. time.
10. Ltr, dtd 31 July 84, Daniel A. Rowley (Counsel for Helms for Senate Committee) to FEC, re: grant ext. time, w/atch (Statement Designation Counsel).
11. Ltr, dtd 2 Aug 84, K.A. Gross to D.A. Rowley, re: grant ext. time.
12. Response, dtd 14 Aug 84, J.R. Trotter as Treasurer of Nash-Edgecombe Billboard Fund.
13. Ltr, dtd 15 Aug 84, D.A. Rowley to FEC, Response of Helms for Senate Committee.
14. Ltr, dtd 15 Aug 84, J.D. Batts to FEC, w/atch Responses of Southeastern Advertising and of J.C.D. Bailey.
15. First General Counsel's Report, 31 Aug. 84.
16. Memo, 6 Sept. 84, M.W. Emmons to C.N. Steele, Subj: Objections to 1st G.C. Report.
17. General Counsel's Report, 16 Nov 84.

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18. Memo, 20 Nov 84, M.W. Emmons to C.N. Steele, Subj: Objections to G.C. Report, w/atch (comment sheet).
19. Certification of Commission action, 30 Nov. 84.
20. Ltr, 4 Dec 84, (No Further Action re Helms for Senate), K.A. Gross to D.A. Rowley.
- 20a. Memo, 5 Dec 84, M.W. Emmons to C.N. Steele, Subj: Approval of Subpoenas and Orders, w/atch (Subpoenas and Orders to 1) J.D. Batts, 2) J.R. Trotter).
21. Response, dtd 13 Dec 84, J.D. Batts to FEC, w/atch (Motion to quash).
22. Ltr, dtd 14 Dec 84, J.R. Trotter to FEC, w/atch.
23. General Counsel's Opposition to Motion to Quash or Modify Subpoenas and Orders, 21 Dec 84.
24. Memo, 26 Dec 84, Subj: Objections to G.C. motion.
25. Certification of Commission action, 9 Jan 85.
26. Ltr, dtd 11 Jan 85, K.A. Gross to J.D. Batts.
27. Ltr (4), dtd 11 Jan 85, K.A. Gross to a) J.D. Batts, b) Faye Stevens (Transcript Reporter, c) Rhonda Cathcart (General Services Administration), d) J.R. Trotter, re: deposition arrangement.
28. Ltr, dtd 19 Jan 85, J.R. Trotter to FEC w/atch (ledger sheets).
29. Ltr, dtd 24 Jan 85, J.D. Batts to FEC, w/atch (subpoena documents).
30. Ltr, dtd 24 Jan 85, J.D. Batts to FEC, w/atch (subpoena documents).
31. Ltrs, dtd 14 Feb 85 K.A. Gross to: a) J.R. Trotter; b) R. Cathcart; c. Faye Stevens; d) J.D. Batts.
32. Deposition of J.R. Trotter, 20 Feb 85.
33. Ltr, 21 Feb 85, J.D. Batts to FEC.
34. Deposition of J.C.D. Bailey, 7 Mar 85.
35. Comprehensive Investigative Report, 29 March 85.

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36. Memo, 2 Apr 85, M.W. Emmons to C.N. Steele, Subj: Objections to Comprehensive Investigative Report.
37. General Counsel's Report, 24 May 85.
38. Memo, 30 May 85, M.W. Emmons to C.N. Steele, Subj: Objections to G.C. Report.
39. Certification of Commission action, 5 June 85.
40. Ltrs, dtd 18 June 85, John W. McGarry (FEC) to a) Bruce M. Clagett (Counsel for Helms and M.L. Stephens).
41. Ltr, dtd 26 June 85, Elliott Schulder (Counsel for Helms) to FEC, re: req. ext. time.
42. Ltr, dtd 27 June 85, Sandra T. Anspach (Secr. to J.R. Trotter) to FEC.
43. Ltr, dtd 2 July 85, J.R. Trotter to J.W. McGarry.
44. Ltr, dtd 11 July 85, J.R. Trotter to FEC. (Request for pre-probable cause conciliation).
45. Ltr, dtd 15 July 85, K.A. Gross to Elliott Schulder.
46. Ltr, dtd 22 July 85, E. Schulder to FEC, w/atch (Response to RTB by Helms for Senate Cmte and Mark L. Stephens as treasurer).
47. Ltr, dtd 14 Aug 85, C.P. Cherry to FEC.
48. General Counsel's Report, 23 Aug 85.
49. Certification of Commission action, 29 Aug 85.
50. Ltr, dtd 6 Sept. 85, K.A. Gross to J.R. Trotter.
51. Ltr, dtd 20 Sept 85, C.P. Cherry to FEC.
52. Ltr, dtd 24 Dec. 85, C.P. Cherry to FEC.
53. Memo, 7 May 86, C.N. Steele to the Commission, Subj: G.C. Brief, w/atch (Brief and ltr to J.D. Batts).
54. General Counsel's Report, 7 May 86.
55. Certification of Commission action, 9 May 86.
56. Ltr, dtd 15 May 86, K.A. Gross to J.R. Trotter.

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57. Ltr, dtd 15 May 86, Joan D. Aikens (Chairman, FEC) to E. Schulder (No Further Action re: Helms for Senate Cmte and Mark L. Stephens as Treasurer).
58. Ltr, dtd 13 May 86, C.P. Cherry to FEC.
59. Ltr, dtd 3 June 86, J.R. Trotter to FEC (Designation of Jim Gale as new counsel to Nash/Edgecome Billboard Fund and J.R. Trotter).
60. Ltr, dtd 5 June 86, C.P. Cherry to FEC, w/encl (Response Brief of Southeastern Advertising, Inc., and J.C.D. Bailey).
61. Ltr, dtd 5 June 86, L.M. Noble to C.P. Cherry.
62. Ltr, dtd 6 June 86, James L. Gale (Counsel for N/EBF and J.R. Trotter) to FEC, w/atch (Statement designating counsel).
63. Ltr, dtd 2 July 86, J.L. Gale to FEC.
64. Ltr, dtd 3 July 86, L.M. Noble to J.L. Gale.
65. General Counsel's Report, 3 July 86.
66. Ltr, 11 Jul 86, J.L. Gale to FEC.
67. Memo, 30 Sept 86, C.B. Steele to The Commission w/atch (G.C. Brief and cover ltr to Nash/Edgecome Billboard Fund and J.R. Trotter, Treasurer).
68. General Counsel's Report, 22 Sept. 86.
69. Certification of Commission action, 1 Oct 86.
70. Ltr, dtd 6 Oct 86, C.N. Steele to C.P. Cherry.
71. Ltr, dtd 7 Oct 86, Charles N. Anderson, Jr. (Counsel for Nash/Edgecombe Billboard Fund and J.R. Trotter)
72. Ltr, dtd 16 Oct 86, C.P. Cherry to FEC.
73. Ltr, dtd 20 oct 86, L.M. Noble to C.N. Anderson, re: grant ext time.
74. Ltr, dtd 9 Nov 86, C.N. Anderson to FEC, w/atch (Reply Brief for N/EBF and J.R. Trotter).
75. Ltr, dtd 16 Jan 87, C.P. Cherry to FEC.
76. General Counsel's Report, 15 Apr 87.

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77. Memo, 20 Apr 87, M.W. Emmons to Lawrence M. Noble (Acting General Counsel), Subj: Objections to G.C. Report, w/atch (comment sheet).
  78. Certification of Commission action, 22 Apr 87.
  79. Ltr, dtd 23 Apr 87, L.M. Noble to C.P. Cherry, w/atch (Conciliation agreement) with Southeastern Advertising, Inc., and J.C.D. Baile).
  80. General Counsel's Report, 15 Apr 87.
  81. Certification of Commission action, 6 May 87.
  82. Ltr, dtd 13 May 87, L.M. Noble to James L. Gale.
  83. Ltr, dtd 29 May 87, C.P. Cherry to FEC, w/atch (civil penalty check).
  84. Ltr, dtd 1 June 87, J.L. Gale to FEC.
  85. Statement of Reasons, 21 July 87.
  86. Ltr, dtd 28 Aug 87, J.L. Gale to FEC, w/atch (civil penalty check)
  87. General Counsel's Report, 2 Oct. 87.
  88. Certification of Commission action, 7 Oct 87,
  89. Ltrs (2), dtd 13 Oct 87, L.M. Noble to a) D.E. Price, b) Exec. Director North Carolina Democratic Party.
  90. Ltr, dtd 13 Oct 87, L.M. Noble to J.L. Gale, w/atch (Conciliation agreement W/Nash/Edgecombe Billboard Fund and J.R. Trotter).
  91. Closing ltrs (2), dtd 13 Oct 87, L.M. Noble to a) D.A. Rowley (Helms for Senate) and b) C.P. Cherry (Southeastern Adv., Inc., and J.C.D. Bailey)
  92. Ltr, dtd 14 Oct 87, J.L. Gale to FEC.
  93. Ltr, dtd 21 Oct. 87, J.C.D. Bailey to FEC, w/atch (Statement for the Record).
  94. Ltr, dtd 28 Oct 87, J.L. Gale to FEC.

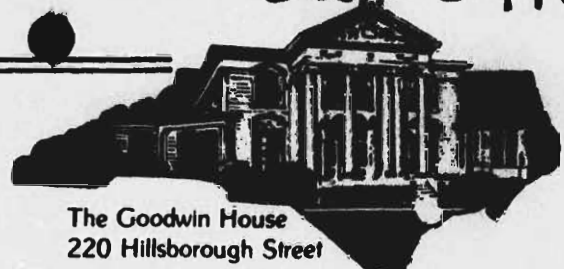
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NOTE: In preparing its file for the public record, O.G.C. routinely removes those documents in which it perceives little or no public interest, and those documents, or portions thereof, which are exempt from disclosure under the Freedom of Information Act.

60# 3916

# The Democratic Party of North Carolina

Post Office Box 12196  
Raleigh, North Carolina 27605-2196 • Telephone (919) 821-2777



The Goodwin House  
220 Hillsborough Street

July 2, 1984

MUR  
1736

84 JUL 3 2 45 58 PM '84

RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

Ms. Lee Ann Elliott, Chairman  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463

Re: Federal Election Campaign Act Violations  
U.S. Senate Election, North Carolina

Dear Chairman Elliott:

As Executive Director of the Democratic Party of North Carolina and as a registered voter of North Carolina, I am writing to report what I believe are multiple and continuing violations of the Federal Election Campaign Act by the Helms for Senate Committee and one of its officials, J.C.D. Bailey. The violations arise from a series of purportedly "independent" political advertisements which are paid for by J. C. D. Bailey. (See Attachments A, B, C, D, and E). For the reasons stated in this letter, I believe these political advertisements constitute illegal excessive contributions to the Helms for Senate campaign and violations of the registration, reporting, and political advertising provisions of the federal election laws.

## Background

The Helms for Senate committee is the principal campaign committee of Jesse Helms, the Republican candidate for election to the U.S. Senate from North Carolina. J.C.D. Bailey is a Helms's campaign official who is a member of the Helms for Senate statewide finance committee and chairman of the Nash County Helms for Senate committee. (See Attachments D, E and F). The Helms for Senate committee reported contributions of \$376.00 from J. C. D. Bailey in 1983.

Over the past few months, J. C. D. Bailey has sponsored an "independent" media campaign that has clearly exceeded the individual contribution limits of \$1,000.00 per election. (See 2 USC §441a(1)(A)). On June 6, 1984 and June 7, 1984, J.C.D. Bailey paid for newspaper political advertisements with the obvious purpose of influencing the U.S. Senate election in North Carolina. (See Attachments A,

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B and C). The first advertisement appeared in the News & Observer which quoted advertising charges of \$1,894.20 to \$3,039.12 for running a political ad of equal size. The second advertisement appeared in The Evening Telegram which quoted an advertising charge of \$334.95 for an equivalent political ad. A third advertisement appeared in the Nashville Graphic which quoted an advertising charge of \$150.00 for running a similar size political ad.

J. C. D. Bailey began sponsoring the newspaper advertisements the day after David Flaherty, Chairman of the Republican Party of North Carolina and spokesman for Jesse Helms, held a press conference which raised essentially the same issues and used practically the same language found in the "independent" advertisements.

J.C.D. Bailey has also paid for two billboard advertisements intended to influence the U.S. Senate race in North Carolina. (See attachments D and E). One billboard advertisement appears on a billboard owned by Whiteco which indicated that the billboard was placed under a twelve month contract for a purchase price of \$2,700.00. The other billboard advertisement appears on a billboard owned by Glasgow which quoted an advertising rate of \$250.00 per month for a comparable billboard. These billboards currently advertise the political message as shown on the photographs (Attachments D and E) and I am informed and believe J. C. D. Bailey intends to continue this political advertising message through the date of the election in November, 1984.

In addition to sponsoring these political advertisements, J. C. D. Bailey is soliciting political contributions through the billboard advertising. The billboard advertisement directs potential contributors to call Southeastern Advertising, Inc. to contribute money to defray the costs of the billboard. (See Attachments D and E). On information and belief, Mr. Bailey is the principal shareholder, president and chief executive officer of Southeastern Advertising, Inc. Southeastern Advertising, Inc. has been distributing bumper stickers on behalf of the candidacy of Jesse Helms. (See Attachment F).

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Ms. Lee Ann Elliott, Chairman  
July 2, 1984  
Page Three

The graphics on an "official" billboard of the Helms for Senate committee (See Attachment G) are the same as those on the "independent" billboards and bumper stickers. On information and belief, Southeastern Advertising, Inc. does not produce their graphic designs and therefore it obtained the graphics used in each of the advertisements with the knowledge, consent, and cooperation of the Helms for Senate committee.

The only reasonable inference to be drawn from these acts is that J. C. D. Bailey and the Helms for Senate committee have consulted and cooperated in an attempt to mislead the voters of North Carolina into believing that a "concerned citizen" is behind these advertisements when, in reality, it is the Helms for Senate committee.

Unlawful "Independent Expenditures"

As an official of the Helms for Senate Committee, J. C. D. Bailey is expressly prohibited under federal election law from making "independent" expenditures on behalf of Jesse Helms' candidacy. The applicable federal regulation, 11 CFR 109.1(b)(4)(i)(B), provides that an expenditure is presumed to be a contribution to the candidate if:

(B) Made by or through any person who is, or has been authorized to raise or expend funds, who is, or has been, an officer of an authorized committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate, the candidate's committee or agent;

Furthermore, the financing of the republication of campaign materials is considered a contribution to the candidate. Federal regulation 11 CFR 109.1(d)(1) provides:

The financing of the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign materials prepared by the candidate, his campaign committees, or their

Ms. Lee Ann Elliott, Chairman  
July 2, 1984  
Page Four

authorized agents shall be considered a contribution for the purpose of contribution limitations and reporting responsibilities by the person making the expenditure but shall not be considered an expenditure by the candidate or his authorized committees unless made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate or any authorized agent or committee thereof.

J. C. D. Bailey is clearly prohibited from making "independent expenditures" as a result of his official position with the Helms for Senate committee. 11 CFR 109.1(b)(4)(i)(B).

Furthermore,, since Southeastern Advertising, Inc. did not "independently" produced the advertising graphics, consultation or coordination between the Helms for Senate committee and J. C. D. Bailey was necessary to obtain and reproduce the graphic design of these advertisements. A comparison of the "official" graphics of the Helms for Senate billboard on attachment G with the graphics of the "independent" billboards on attachments D and E demonstrates that J. C. D. Bailey is using official campaign materials for purportedly "independent" expenditures in support of Jesse Helms in violation of Federal election law.

#### Illegal and Excessive Contributions

I believe that J.C.D. Bailey has violated the Federal Election Campaign Act by paying a sum in excess of \$1,000.00 for these political advertisements. (See 2 U.S.C. §441a(1)(A) and 11 C.F.R. 109.1(b)(4)(i)(B)). As an official of the Helms for Senate Committee, any payments by Mr. Bailey for advertising which influences the U.S. Senate race in North Carolina would clearly constitute an in-kind contribution to the Helms Committee. (See 11 C.F.R. 109.1(b)(4)(i)(B)). Furthermore, the republication or distribution of official campaign materials constitutes a contribution. 11 CFR 109.1(d)(1). Individuals are prohibited by 2 U.S.C. §441a(1)(A) from making

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Ms. Lee Ann Elliott, Chairman  
July 2, 1984  
Page Five

contributions, including in-kind contributions to a principal campaign committee, which exceed the sum of \$1,000.00 per election.

Failure to Register as a Political Committee and Report Contributions and Expenditures

Furthermore, if J. C. D. Bailey is soliciting and receiving contributions and expending sums in excess of \$1,000.00 to defray the cost of the billboards and influence a federal election, he is required to register as a political committee and report all contributions and expenditures. (See 2 USC §431(4)A, §433(a) and 434(b)(4)(H)(i)). He has failed to do so as of the date of this letter.

Corporate Contributions

The Commission will note that the billboard advertisements ask the public to contact Southeastern Advertising, Inc. to make contributions to offset the cost of the billboard. I request the Commission, as part of its investigation, determine whether Southeastern Advertising, Inc. is making illegal corporate contributions to the Helms for Senate committee by providing telephone and other services in connection with the solicitation of contributions to influence a federal election. (See 2 USC §441b).

Acceptance of Illegal Contributions

I further believe that the Helms for Senate committee has violated the Federal Election Campaign Act by accepting excessive campaign contributions from J.C.D. Bailey in violation of 2 U.S.C. §441a(f). In addition, I request the Federal Election Commission to monitor the Helms for Senate Committee's reports to make certain that the Committee discloses the full value of the in-kind contributions in compliance with 2 U.S.C. §434 and refunds to Mr. Bailey any sums he has contributed in excess of the permissible contribution limit of \$1,000.00 under 2 U.S.C. §441a(a)(1).

Ms. Lee Ann Elliott, Chairman  
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Deceptive Political Advertising

The Commission will observe that both billboard advertisements solicit contributions to defray the costs of the billboard advertising. To comply with 2 USC §441d(a) an appropriate disclaimer must be provided. The notice on the billboard does not comply with the disclaimer provisions of the Federal Election Campaign Act because it fails to disclose whether the Helms for Senate Committee authorized the advertisement.

I am informed and believe that these political advertisements were the product of consultation and coordination between the Helms for Senate Committee and J.C.D. Bailey and are placed under the name of Mr. Bailey in order to mislead voters into believing that a "concerned citizen" is behind the advertisements when, in fact, it is the Helms Committee. The voters in North Carolina are entitled to know who truly sponsors political advertising and federal election law requires disclaimers to reveal that information. As part of your investigation into these contributions, I further request the Commission to investigate and determine whether 2 U.S.C. §441d(a) was violated by ascribing J.C.D. Bailey as the sponsor of the advertisements instead of the Helms for Senate Committee.

Relief Sought - Injunctions and Sanctions

Because of the grossly excessive contributions involved and the continuing violations by these parties (the billboard advertisements remain in place), I ask the Commission to take immediate measures to enjoin these continuing violations of the Federal Election Campaign Act and to impose sanctions for all past violations. I further ask that the Commission advise J. C. D. Bailey and the Helms for Senate committee that any continuing violations after this date will be considered willful and subject to appropriate sanctions.

I submit this letter under oath and pursuant to the provisions of 2 U.S.C. §437g(a)(1) as a formal complaint against J.C.D. Bailey and the Helms for Senate Committee.

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Ms. Lee Ann Elliott, Chairman  
July 2, 1984  
Page Seven

I would appreciate your immediate investigation of these matters.

Sincerely,

*David E. Price*

David E. Price  
Executive Director  
North Carolina Democratic Party

DEP/efc

SWORN TO AND SUBSCRIBED  
before me this 2nd day  
of July, 1984.

*Budine L. Adams*  
Notary Public

My Commission Expires:

2/25/85

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Attachments to Complaint,  
filed by D.E. Price

have been removed from this position in the Public Record File either because they duplicate documents located elsewhere in this file, or because they reflect exempt information.

For Attachment all see 17

_____	_____
_____	_____
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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 9, 1984

Mr. David E. Price  
Executive Director  
North Carolina Democratic Party  
P. O. Box 12196  
Raleigh, North Carolina 27605-2196

Dear Mr. Price:

This letter is to acknowledge receipt of your complaint which we received on July 3, 1984, against J.C. D. Bailey, the Helms for Senate Committee and the Southeastern Advertising, Inc. which alleges violations of the Federal Election Campaign laws. A staff member has been assigned to analyze your allegations. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Commission takes final action on your complaint. Should you have or receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as your original complaint. For your information, we have attached a brief description of the Commission's procedure for handling complaints. If you have any questions, please contact Barbara Johnson at (202) 523-4143.

Sincerely,

Charles N. Steele  
General Counsel

  
By Kenneth A. Gross  
Associate General Counsel

Enclosure

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 9, 1984

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Southeastern Advertising, Inc.  
Box 312  
Rocky Mount, North Carolina 27801

Re: MUR 1736

Dear Sir or Madam:

This letter is to notify you that on July 3, 1984 the Federal Election Commission received a complaint which alleges that the Southeastern Advertising, Inc. may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 1736. 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 Southeastern Advertising, Inc. in connection with this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(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 a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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17/9/94

PS Form 3811, Dec. 1980

● **SENDER:** Complete items 1, 2, 3, and 4. Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one):

☒ Show to whom, date, and address of delivery .....

☐ Show to whom and date delivered .....

☐ RESTRICTED DELIVERY (The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$ 8

3. ARTICLE ADDRESSED TO: David Heice  
Executive Director  
North Carolina Democratic Party  
P.O. Box 12196  
Raleigh, NC 27605-2196

4. TYPE OF SERVICE:

☐ REGISTERED ☐ REGISTERED & INSURED ☐ REGISTERED MAIL

ARTICLE NUMBER 943227

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

DATE OF DELIVERY

5. ADDRESSEE'S ADDRESS (Only if required)

6. UNABLE TO DELIVER BECAUSE

7. OFFICIAL BUSINESS

1984

ST. ALBANS VILLAGE, N.Y.

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

If you have any questions, please contact Stephen Mims, the attorney assigned to this matter at (202) 523-4143. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele  
General Counsel

By *Kenneth A. Gross*  
Associate General Counsel

Enclosures

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

11/9/84

PS Form 3811, Dec. 1980

● **SENDER:** Complete items 1, 2, 3, and 4.  
Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one).  
☐ Show to whom and date delivered .....  
☒ Show to whom, date, and address of delivery..  
2. ☐ **RESTRICTED DELIVERY**  
(The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$

3. **ARTICLE ADDRESSED TO:**  
Southeastern Advertising, Inc.  
Box 312  
Rocky Mount, NC 27801

4. **TYPE OF SERVICE:**  
☐ REGISTERED ☐ INSURED  
☒ CERTIFIED ☐ COO  
☐ EXPRESS MAIL

ARTICLE NUMBER  
943229

(Always obtain signature of addressee or agent)

I have received the article described above.  
SIGNATURE ☐ Addressee ☒ Authorized agent  
*Herb W. Porter*

5. **DATE OF DELIVERY**  
7-16-84

6. **ADDRESSEE'S ADDRESS** (Only if requested)  
P.O. Box 312

7. **UNABLE TO DELIVER BECAUSE:**

7a. **EMPLOYEE'S RETURN**

ROCKY MOUNT, NC  
JUL 16 1984  
USPO

1736 SM



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 9, 1984

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Mr. Mark L. Stephens  
Helms for Senate Committee  
1233 Pond Street  
Cary, North Carolina 27511

Re: MUR 1736

Dear Mr. Stephens:

This letter is to notify you that on July 3, 1984 the Federal Election Commission received a complaint which alleges that the Helms for Senate Committee and you as Treasurer, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 1736. 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 connection with this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

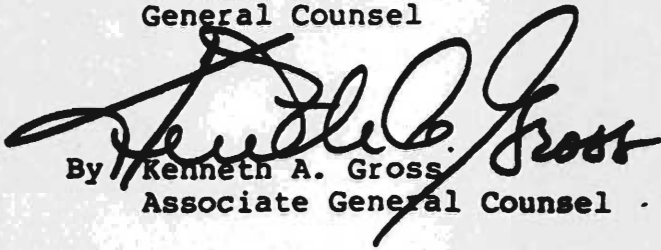
If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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If you have any questions, please contact Stephen Mims, the attorney assigned to this matter at (202) 523-4143. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele  
General Counsel

By   
Kenneth A. Gross  
Associate General Counsel

Enclosures

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

PS Form 3811, Dec. 1990

• **SENDER:** Complete items 1, 2, 3, and 4.  
Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one):  
☐ Show to whom and date delivered  
☒ Show to whom, date, and address of delivery

2. ☐ **RESTRICTED DELIVERY**  
(The restricted delivery fee is charged in addition to the return receipt fee.)

**TOTAL** 2

3. **ARTICLE ADDRESSED TO:**  
Mark L. Stephens  
Helms for Sen. Cmte.  
1233 Pond St.  
Cary, NC 27511

4. **TYPE OF SERVICE:**  
☐ REGISTERED ☐ INSURED  
☒ CERTIFIED ☐ COD  
☐ EXPRESS MAIL

**ARTICLE NUMBER**  
943231

**(Always obtain signature of addressee or agent)**

I have received the article described above.  
**SIGNATURE** ☐ Addressee ☐ Authorized agent  
C. H. Stephens

5. **DATE OF DELIVERY**

6. **ADDRESSEE'S ADDRESS** (Only if requested)

7. **UNABLE TO DELIVER BECAUSE:**

7a. **EMPLOYEE'S INITIALS**  
CA

1736 SM



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 9, 1984

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Mr. J. C. D. Bailey  
501 Shadey Circle  
Rocky Mount, North Carolina 27801

Re: MUR 1736

Dear Mr. Bailey:

This letter is to notify you that on July 3, 1984 the Federal Election Commission received a complaint which alleges that you may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 1736. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate, in writing, that no action should be taken against you in connection with this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

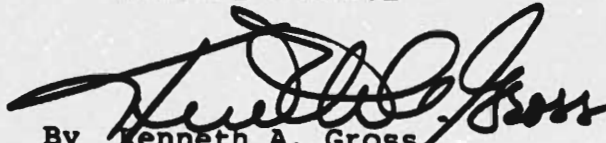
If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

3c

If you have any questions, please contact Stephen Mims, the attorney assigned to this matter at (202) 523-4143. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele  
General Counsel

By   
Kenneth A. Gross  
Associate General Counsel

Enclosures

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

11-184

75 Form 3811, Dec. 1989

● **SENDER:** Complete items 1, 2, 3, and 4.  
Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one).  
☐ Show to whom and date delivered .....  
☒ Show to whom, date, and address of delivery..  
2. ☐ **RESTRICTED DELIVERY** .....  
(The restricted delivery fee is charged in addition to the return receipt fee.)

**TOTAL \$** \_\_\_\_\_

3. **ARTICLE ADDRESSED TO:**  
JCD Bailey  
501 Shadey Circle  
Rocky Mount, NC 27801

4. **TYPE OF SERVICE:** **ARTICLE NUMBER**  
☐ REGISTERED ☐ INSURED  
☒ CERTIFIED ☐ COD  
☐ EXPRESS MAIL **943230**

(Always obtain signature of addressee or agent)  
I have received the article described above.  
**SIGNATURE** ☐ Addressee ☐ Authorized agent  
5. *Mrs. Jack Bailey*  
DATE OF DELIVERY

6. **ADDRESSEE'S ADDRESS** (Only if required)  
501 SHADEY CIR.

7. **UNABLE TO DELIVER BECAUSE:** 7a. **EMPLOYEE'S INITIALS**

1736 SM

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

ROCKY MOUNT, NC  
JUL 16 1984  
USPO



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 16, 1984

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

James R. Trotter, Treasurer  
Nash/Edgecombe Billboard Fund  
P.O. Box 228  
105 South Franklin Street  
Rocky Mount, North Carolina 27801

Re: MUR 1736

Dear Mr. Trotter:

This letter is to notify you that on July 3, 1984 the Federal Election Commission received a complaint which alleges that the committee and you, as treasurer, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 1736. 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 connection with this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(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 a statement authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Stephen Mims, the attorney assigned to this matter at (202) 523-4143. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele  
General Counsel

*[Signature]*  
By: Kenneth A. Gross  
Associate General Counsel

Enclosures

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

mix 1136 mins

PS Form 3811, Oct. 1980

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● **SENDER:** Complete items 1, 2, 3, and 4.  
Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one).  
☐ Show to whom and date delivered .....  
☒ Show to whom, date, and address of delivery..  
2. ☐ **RESTRICTED DELIVERY**  
(The restricted delivery fee is charged in addition to the return receipt fee.)

**TOTAL \$** \_\_\_\_\_

3. **ARTICLE ADDRESSED TO:** James R. Trotter, Jr.  
Nash Lodgecombe Billboard Farm  
P.O. Box 228  
105 South Franklin Street  
Rocky Mt, NC 27801

4. **TYPE OF SERVICE:**  
☐ REGISTERED ☐ INSURED  
☒ CERTIFIED ☐ COD  
☐ EXPRESS MAIL

**ARTICLE NUMBER**  
943248

(Always obtain signature of addressee or agent)

I have received the article described above.

**SIGNATURE** ☐ Addressee ☐ Authorized Agent  
*S. J. Ansper*

5. **DATE OF DELIVERY**  
7-20-84

6. **ADDRESSEE'S ADDRESS** (Only if requested)

7. **UNABLE TO DELIVER BECAUSE:**

7a. **EMPLOYEE'S INITIALS**

ROCKY MOUNT, NC  
POST OFFICE  
JUL 20 1984  
USPO

7/16/84

88040672851

Post Office Box 1828  
Rocky Mount, North Carolina 27801

RECEIVED AT THE FEC

84 JUL 19 10:28

GCC #4017

July 16, 1984

Kenneth A. Gross, Esquire  
Associate General Counsel  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463

Re: MUR 1736

Dear Mr. Gross:

Reference is made to your letter dated July 9, 1984, in which you state that your committee has received a complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended, by Southeastern Advertising, Inc. The President of Southeastern Advertising, Inc., Mr. J. C. D. Bailey, will be out of town the remainder of the week and their attorney, Mr. James R. Trotter, is on vacation until Monday, July 23, 1984. Therefore, it is necessary that the respondent, Southeastern Advertising, Inc., request an extension of time until August 15, 1984, in which to answer the allegations set forth in the complaint.

I spoke with Mr. Stephen Mims of your office today and he indicated that he did not believe such an extension will be a problem. Accordingly, please confirm by letter to Mr. J. C. D. Bailey, Southeastern Advertising, Inc., Post Office Box 312, Rocky Mount, N.C., 27801, that such an extension is granted.

Thank you for your assistance in this matter.

Very truly yours,

*Cleveland P. Cherry*

Cleveland P. Cherry

CPC/aas

60 : DIV 51 JUL 1984

5

Post Office Box 1828  
Rocky Mount, North Carolina 27801

July 17, 1984

Kenneth A. Gross, Esquire  
Associate General Counsel  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463

RE: MUR 1736

Dear Mr. Gross:

After speaking with Mr. Stephen Mims of your office this morning in regards to the complaint filed against Southeastern Advertising, Inc., additional papers alleging a complaint against Mr. J. C. D. Bailey, individually, were received. As reported, he will be out of town the remainder of the week and his attorney, Mr. James R. Trotter, is on vacation until Monday, July 23, 1984. Therefore, it is necessary that the respondent, J. C. D. Bailey, request an extension of time until August 15, 1984, in which to answer the allegations set forth in the complaint.

I assume that since Mr. Mims indicated there would be no problem with such an extension insofar as Southeastern Advertising, Inc. is concerned, the same will be true as to Mr. Bailey. Accordingly, please confirm by letter to Mr. J. C. D. Bailey, 501 Shady Circle, Rocky Mount, North Carolina, 27801, that such an extension is granted.

Thank you for your assistance in this matter.

Very truly yours,



Cleveland P. Cherry

CPC/aas



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 23, 1984

Cleveland P. Cherry, Esquire  
Post Office Box 1828  
Rocky Mount, N.C. 27801

RE: MUR 1736  
Southeastern Advertising, Inc.

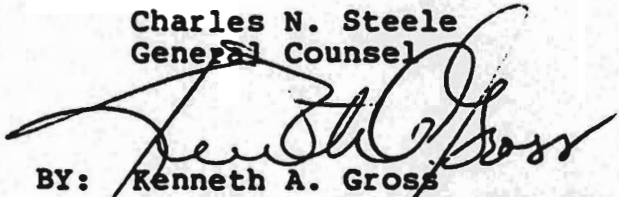
Dear Mr. Cherry:

This responds to your letters of July 16 and 17, 1984, wherein you requested a 15 day extension of time to respond to the complaint in the above-captioned matter. It is our understanding that although you do not anticipate representing Southeastern Advertising, Inc., or Mr. Bailey in this matter, the request is submitted on their behalf in the absence of Mr. Bailey and his counsel, Mr. James R. Trotter.

Under the circumstances set forth in your letters, your request for a 15 day extension is granted. A response to the complaint should, therefore, be submitted to the Commission not later than August 15, 1984. Should you have any questions, please contact Stephen Mims, the attorney assigned to this matter at (202) 523-4143.

Sincerely,

Charles N. Steele  
General Counsel

BY:   
Kenneth A. Gross  
Associate General Counsel

cc: Mr. J.C.D. Bailey

88040672854

JAMES R. TROTTER  
ATTORNEY AT LAW  
POST OFFICE BOX 228  
105 SOUTH FRANKLIN STREET  
ROCKY MOUNT, NORTH CAROLINA 27801

RECEIVED AT THE FEC

84 JUL 25 4:18

July 23, 1984

AREA CODE 919  
977-1383  
977-1194

GCC  
#4148

Kenneth A. Gross, Esq.  
Associate General Counsel  
Federal Elections Commission  
Washington, D.C. 20463

Re: MUR 1736

Dear Mr. Gross:

I was on vacation last week. As a consequence your letter dated July 16, 1984, addressed to me as Treasurer of the Nash/Edgecombe Billboard Fund, was not seen by me until today.

In an informal telephone conversation this morning with Steven Mims, Esq. I asked that I be given until August 15, 1984, to respond to your letter. Mr. Mims said that he did not think that there would be any objection to my being given the extension but suggested that I make a formal request for it in writing.

Therefore, this is to formally request that the time for me to respond to your letter dated July 16, 1984, be extended to August 15, 1984.

I will appreciate it if you will favor me with an early reply indicating whether the extension will be granted.

Yours very truly,

*James R. Trotter*

JRT/sta

02:01 52707

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P. O. BOX 7566

WASHINGTON, D. C. 20044

TELEPHONE  
(202) 662-6000

WRITER'S DIRECT DIAL NUMBER

(202) 662-5344

TWX: 710 622-0005 (CS WSH)  
TELEX: 88-893 (COVLING WSH)  
TELECOPIER INFORMATION:  
(802) 662-6280  
CABLE: COVLING

GCC  
# 4223

July 31, 1984

BY HAND

Kenneth A. Gross, Esq.  
Associate General Counsel  
Federal Election Commission  
Room 700  
1325 K Street, N.W.  
Washington, DC 20463

Re: MUR 1736

Dear Mr. Gross:

Pursuant to my conversation with Mr. Mims of your office, I am writing to request an extension of time until August 20, 1984, to respond to the complaint in the above matter on behalf of the Helms for Senate Committee. A statement of designation of counsel from the Helms for Senate Committee specifying this firm as its attorney in MUR 1736 shall be forthcoming shortly.

As I explained to Mr. Mims, through an inadvertance, this firm did not receive the complaint in the above matter until last week. Unfortunately, all of the attorneys who will be working on this matter have schedules that preclude preparation of an adequate answer by August 1, the due date.

We understand that others involved in this matter have received an extension until August 15 to respond. While we appreciate Mr. Mims' assurance that it is likely we can have until August 15, an additional five days would be extremely helpful in light of our schedules. All of us have overlapping vacation schedules that will keep most of us out of the office until after Labor Day. I will be on vacation from August 2 until August 13. The other attorneys working on this matter will be out of the office for the remainder of the month. We are asking to have until August 20 to respond so that we can utilize the week of the 13th to prepare our response.

13 12 16 11

COVINGTON & BURLING

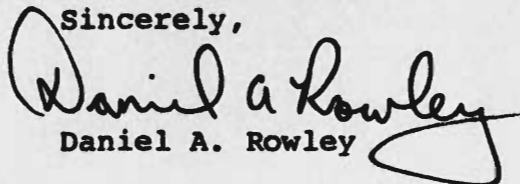
Kenneth A. Gross, Esq.

Page 2

July 31, 1984

Thank you for your assistance on this matter. If you need additional information, please do not hesitate to call.

Sincerely,

  
Daniel A. Rowley

cc: Stephen Mims, Esq.

88040672857

**STATEMENT OF DESIGNATION OF COUNSEL**

RECEIVED AT THE FEC

MUR 1736

84 AUG 3 4 8: 38

**NAME OF COUNSEL:** Tom Farr &

John Bolton  
Covington & Burling  
1201 Pennsylvania Ave., N.W.  
Washington, D.C. 20044

**ADDRESS:** Maupin, Taylor & Ellis  
Suite 200  
Merrill Lynch Bldg.  
3201 Glenwood Ave.  
Raleigh, N.C. 27612

(202) 662-6000

**TELEPHONE:** (919) 781-6800

GCC  
#4253

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.

July 30, 1984  
Date

  
Signature

**RESPONDENT'S NAME:** Helms for Senate Committee  
Mark L. Stephens

**ADDRESS:** 3325 Executive Dr., Suite 113  
Raleigh, N. C. 27609

**HOME PHONE:** (919) 469-3585

**BUSINESS PHONE:** (919) 876-8522

29:64 6 JUL



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 2, 1984

Daniel A. Rowley, Esquire  
Covington & Burling  
P.O. Box 7566  
1201 Pennsylvania Avenue, N.W.  
Washington, DC 20044

Re: MUR 1736  
Helms for Senate Committee

Dear Mr. Rowley:

This responds to your letter of July 31, 1984, wherein you requested an extension of time in which to submit a response to the complaint in the above-captioned matter. As you noted in your letter, this Office has already granted extensions in this matter to other respondents through August 15, 1984. After considering the circumstances set forth in your letter as the basis for the requested extension, I have decided not to grant the extension requested. I have, however, decided to grant you a fifteen day extension. Your response, therefore, should be filed with this Office not later than August 15, 1984.

Should you have any questions, please contact Stephen Mims, the attorney assigned to this matter at 523-4143.

Sincerely,

Charles M. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel

88040672859

11

JAMES R. TROTTER  
ATTORNEY AT LAW  
POST OFFICE BOX 228  
105 SOUTH FRANKLIN STREET  
ROCKY MOUNT, NORTH CAROLINA 27801

RECEIVED AT THE FEC  
HAND DELIVERED  
84 AUG 15 P 4: 33  
GCC# 4345

AREA CODE 919  
977-1383  
977-1194

August 14, 1984

Charles N. Steele, Esq.  
General Counsel  
Federal Election Commission  
Washington, D.C. 20463

Attn: Kenneth A. Gross, Esq.  
Associate General Counsel

Re: MUR 1736

Dear Mr. Steele:

This will acknowledge receipt of the letter dated July 16, 1984, addressed to me by Kenneth A. Gross, Esq. in your behalf.

Reference is made to the letter of Mr. Gross to me dated July 27, 1984, extending to August 15, 1984, my time for responding to your letter.

Reference is also made to:

(a) My letter addressed to the Federal Election Commission dated August 11, 1983, and the filings accompanying the same. That letter will hereafter be referred to as "my August 11, 1983, letter."

(b) My letter addressed to the Federal Election Commission dated October 10, 1983, and the filing accompanying the same.

(c) My letter addressed to the Federal Election Commission dated January 30, 1984, and the filing accompanying the same.

(d) My letter addressed to the Federal Election Commission dated April 6, 1984, and the filing accompanying the same.

7/16/84 P 2:18

88040672860

Charles N. Steele, Esq.  
August 14, 1984  
Page 2

(e) My letter addressed to the Federal Election Commission dated July 12, 1984, and the filing accompanying the same.

Your letter dated July 16, 1984, is addressed to me as "Treasurer" of Nash/Edgecombe Billboard Fund. In response it should be pointed out that "Nash/Edgecombe Billboard Fund" is simply a name used for convenience to collectively designate the individuals referred to in my August 11, 1983 letter, who pooled their resources to pay for the billboards there referred to. Nash/Edgecombe Billboard Fund has never been intended to be a "committee" as that word is defined in the Federal Election Campaign Act of 1971, as amended. Nor, has it ever been intended that I be the "treasurer" of a "committee," as such. In writing this letter I am writing solely for myself and not in behalf of the other individuals who are collectively designated as "Nash/Edgecombe Billboard Fund." Further, I have no authority to act for the other individuals in this matter.

Among other things, your letter stated that on July 3, 1984, the Federal Election Commission received a complaint which alleges that "the committee and you, as treasurer, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended" and that a copy of the complaint was enclosed. There was enclosed with your letter a copy of a letter dated July 2, 1984, addressed to Federal Election Commission by David E. Price, Executive Director, North Carolina Democratic Party. Presumably, that is the "complaint" referred to. It will be so regarded for the purposes of this letter.

Charles N. Steele, Esq.  
August 14, 1984  
Page 3

I have reviewed the complaint. No where in it am I or Nash/Edgecombe Billboard Fund mentioned. Accordingly, I am at a loss to know in what way the complaint alleges that I may have violated the Federal Election Campaign Act of 1971, as amended. Hence, I am unable to make a specific response to your letter.

However, the following may be of help in your investigation of Mr. Price's complaints.

1. The J.C.D. Bailey referred to in the complaint is among the individuals collectively designated as "Nash/Edgecombe Billboard Fund."

2. The billboards shown in Exhibits D, E and H of the complaint are the billboards that Nash/Edgecombe Billboard Fund has been paying for. (For convenience, the billboard shown on Exhibit D will be referred to as "the Tarboro Street billboard," that shown on Exhibit E as "the U.S. 64 West billboard," that on the top of Exhibit H as "the N.C. 97 East billboard" and that on the bottom of Exhibit H as "the U.S. 301 South billboard." The four billboards will be referred to collectively as "the billboards.")

3. In the spring of 1983, I met with some of my fellow townsmen who support Senator Jesse Helms to discuss informally what could be done in Nash and Edgecombe Counties (our home counties) to aid Senator Helms' re-election to the United States Senate. At that meeting Mr. Bailey showed us photographs of a billboard that he had had put up on Tarboro Street in Rocky Mount at his own expense and that he said he intended to keep in place until the November 1984 election. He suggested that one of the

Charles N. Steele, Esq.  
August 14, 1984  
Page 4

things that we could do for Senator Helms would be to put up similar billboards at other sites in Nash and Edgecombe Counties. Some, but not all, of us felt that putting up the billboards would be a good idea and after the meeting adjourned we agreed to make monthly payments to put up three more billboards in the same format as the Tarboro Street billboard. In addition we agreed to assume paying for the Tarboro Street billboard. I was designated to collect and disburse funds. Mr. Bailey was to see to it that the billboards were put up and kept in place. Southeastern Advertising, Inc. was to be used as the intermediary in dealing with the billboard companies.

4. The group did not at that meeting and has not since selected a collective designation for itself. Because I wanted to avoid any suggestion that the billboard undertaking was done in concert, consultation or cooperation with Senator Helms, his agents or his authorized committee, I selected and used the name "Nash/Edgecombe Billboard Fund."<sup>1</sup> A depository account (checking) was opened in that name. Checks have been received and disbursed

---

<sup>1</sup>While my memory concerning it is not clear, prior to the U.S. 64 South and the N.C. 97 East billboards being put up, the name "Nash County for Jesse Helms" may have been used to refer to our group in one or more conversations I had with Mr. Bailey concerning the billboards. That this may have been the case is supported by the fact that the first monthly payment notice that I mailed to our group suggested that the individuals make their checks payable to "Nash County for Jesse Helms" and my own check was made payable to "Jesse Helms Billboard Fund."

Charles N. Steele, Esq.  
August 14, 1984  
Page 5

disbursed in that name.

5. My activities in connection with Nash/Edgecombe Billboard Fund have been to:

- (a) send payment notices and receive checks;
- (b) open and maintain a depository (checking) account;
- (c) pay invoices submitted by Southeastern Advertising, Inc.; and
- (d) make the referenced filings.

6. While I had previously seen all but one of the billboards (I had not seen the N.C. 97 East billboard) and was aware that each bore what appeared to be an attribution legend at the bottom, I had not read the attribution legends on the billboards until the day after the day I received your letter dated July 16, 1984.<sup>2</sup> When I read the legends I found that they were inappropriate in two respects. First they stated that the billboards were being paid for by sources other than Nash/Edgecombe Billboard Fund. Second, they solicited contributions to help pay for their costs when, in fact, Nash/Edgecombe Billboard Fund was not soliciting contributions from anyone for any purpose. I immediately stopped payments for the billboards and advised that payments for them would not be resumed until the attribution legends were removed

---

<sup>2</sup>I did so because Mr. Mims of your office suggested in an informal telephone conversation that I had with him the day I received your letter that, based upon what I was telling him about Nash/Edgecombe Billboard Fund, the legends might be inappropriate.

Charles N. Steele, Esq.  
August 14, 1984  
Page 6

and replaced by a legend attributing payment to Nash/Edgecombe Billboard Fund and without a solicitation of contributions. A recent inspection showed that this is being done.

7. I have not and to my knowledge and belief none of the individuals referred to collectively as "Nash/Edgecombe Billboard Fund" have not, acted in concert with, consulted with or cooperated with Senator Helms, any of his agents or his authorized committee in putting the billboards in place or in paying for them. It is my information and belief that all of us, while supporters of Senator Helms, have acted and are acting wholly independently of Senator Helms, his agents and his authorized committee in the billboard undertaking.

8. While the attribution legends on the billboards were inappropriate, in my opinion their inappropriateness did not constitute a violation of the Federal Election Campaign Act of 1971, as amended, for the following reasons:

(a) The payments for the billboards were independent expenditures made by a group of individuals who pooled their resources to fund the expression of a commonly held political opinion of Jesse Helms' qualifications to be a United States Senator, i.e., that Jesse Helms has been "right" in the positions that he has taken as a United States Senator. In making the expenditures we were singly and collectively exercising a fundamental First Amendment right.

(b) The billboards do not expressly advocate the election

or defeat of a clearly identified candidate. No where is there communicated expressions such as "vote for," "elect," "support," "cast your ballot for" or "Jesse Helms for" any public office. Nor, is there communicated "vote against," "defeat," or "reject" anyone for any public office. The communication is only that "Jesse Helms Is Right" and the way in which it is felt that he is right, i.e. (i) "He Protects The Free Enterprise System," (ii) "He Has Reduced Your Taxes," (iii) "He Protects The Farmer" and (iv) "He Protects The Taxpayer And Helps The Farmer." No where are the words "Senate" or "Senator" communicated. No where is it communicated that Jesse Helms is a candidate for any public office. No where is the reader's vote for Jesse Helms solicited or is it said that the reader's vote will be appreciated. In fact, no where are the words "vote" or "election" used.

(c) The Federal Election Campaign Act of 1971, as amended, does not require attribution legends in connection with independent expenditures unless the expenditures are for communications that expressly advocate the election or defeat of a clearly defined candidate.

10. Because the expenditures by Nash/Edgecombe Billboard Fund were independent expenditures not expressly advocating the election or defeat of a clearly defined political candidate they are beyond the scope of the Federal Election Campaign Act of 1971, as amended. The filings that have been made were made because the

Charles N. Steele, Esq.  
August 14, 1984  
Page 8

difficulty that I was experiencing in reading and applying the Act and the regulations interpreting and applying the Act led me to exercise an abundance of precaution against running afoul of the Act. However, as was stated in my August 11, 1983, letter and the other letters referenced above, I do not acknowledge that a reporting obligation existed or exists.

I hope that the foregoing will be helpful. I am not aware that I have violated the Federal Election Campaign Act of 1971, as amended, in any way. To the end that there is any suggestion that there has been a violation of the Act, I stand ready to cooperate with the Federal Election Commission however I can.

Yours very truly,

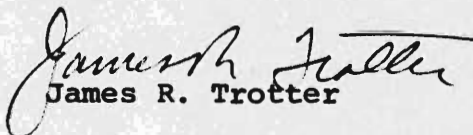
*James H. Faller*

NORTH CAROLINA

NASH COUNTY

James R. Trotter, being first duly sworn says: I wrote and am familiar with the contents of the foregoing letter; the contents of the same are true to my own knowledge except where stated to be upon information and belief and where so stated, I believe them to be true.

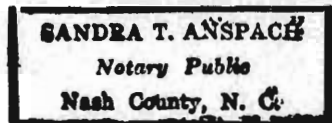
This 14<sup>th</sup> day of August, 1984.

  
James R. Trotter

Sworn to and subscribed  
before me this 14<sup>th</sup> day  
of August, 1984.

  
Notary Public

My Commission expires: Sept. 11, 1984



**13**

Charles N. Steele, Esq.  
Page 2  
August 15, 1984

before placing the newspaper advertisements attached to the complaint. Accordingly, the Federal Election Commission ("Commission") should find no reason to believe that the Helms for Senate Committee has violated FECA with respect to Mr. Bailey's independent expenditure project.

#### FACTS

The Helms for Senate Committee is Senator Helms' principal campaign committee, as that term is defined in FECA and the Commission's regulations, and is duly registered as such with the Commission. The Helms for Senate Committee registered with the Commission on January 21, 1983. See Affidavit of Mark L. Stephens, Treasurer, Helms for Senate Committee, attached hereto as Exhibit A, ¶ 1.

In August 1983, the Helms for Senate Committee, in an effort to create publicity for Senator Helms' reelection effort, formed a group of prominent North Carolina supporters of Senator Helms' campaigns in past elections. That group was called the North Carolina Finance Steering Committee ("Steering Committee"). The Steering Committee is the committee referred to in the Raleigh News and Observer article attached as Exhibit F to the Democratic Party's complaint. As the News and Observer article notes, Mr. Bailey was a member of the Steering Committee, but he was not an officer. See Exhibit A ¶ 5.

The Steering Committee, as noted, was formed solely for the purposes of publicity. Officials of the Helms for Senate Committee viewed the Steering Committee as being a common campaign vehicle where a group of people allows their names to be used in support of a candidate. See id. ¶ 6. The Steering Committee never held a meeting. Id. It was never authorized by the Helms for Senate Committee to engage in any fund-raising activities on behalf of Senator Helms' campaign. The Steering Committee in fact never engaged in fund raising for Senator Helms' campaign, and it was never informed of the plans, projects, or needs of Senator Helms' campaign. Id.

At about the time the Steering Committee was formed, Mark L. Stephens, the Treasurer of the Helms for Senate Committee, did hear rumors that billboards and bumper stickers advocating the reelection of Senator Helms were being distributed in Nash County. He did not know who was distributing these materials. See id. ¶ 7. Because county Republican parties in North Carolina in the past had used their own funds to purchase materials supporting Senator Helms' campaign without consulting with the Senator's

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August 15, 1984

principal campaign committee, Mr. Stephens did not feel it necessary to inquire further into these activities in Nash County. Id. No one reported these activities to the Helms for Senate Committee as an in-kind contribution to it. Id. ¶ 8.

It is true that the graphics used in the billboards and bumper stickers, pictures of which are attached to the complaint as Exhibits D, E, G, and H, are similar to graphics used by Senator Helms' official campaign in 1978. The graphics used in 1978, however, were generally available to members of the public on buttons, bumper stickers, literature, and other campaign materials distributed throughout the state. Id. ¶ 9. As Mr. Stephens has stated in his sworn affidavit, the Helms for Senate Committee did not authorize the use of these graphics by Mr. Bailey with respect to the 1984 campaign. Id. ¶ 10. Senator Helms' 1978 and 1984 campaigns, moreover, did not and will not utilize billboard advertising. Id. Exhibit H to the complaint thus is not an "official" Helms billboard.<sup>1/</sup>

When Mr. Stephens became aware in February 1984 that Mr. Bailey was conducting an independent-expenditure project in Nash County on behalf of Senator Helms, he instructed all paid employees of the Helms for Senate Committee who might have contact with Nash County that they should have no further contact with Mr. Bailey. He explained to them that this was necessary under the requirements of FECA and the Commission's regulations. Id. ¶ 11.

The Democratic Party's complaint points out that the billboard advertisements provided as Exhibits D and E to the complaint solicit the payment of funds to an entity entitled Southeast Advertising, Inc., with which Mr. Bailey is affiliated. Mr. Stephens has had a search made of the Helms for Senate Committee records, and it has received no contributions from Southeast Advertising, Inc. Id. ¶ 13. The only contributions that the Helms for Senate Committee has received to date from Mr. Bailey were in the amounts of \$1,000 for the primary election and \$376 for the general election. These contributions were paid for by checks drawn upon Mr. Bailey's personal account. Id. The Helms for Senate Committee duly reported these contributions by Mr. Bailey to the Commission. Id.

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<sup>1/</sup> The complaint (pp. 3, 4) states that Exhibit "G" is an official Helms billboard. However, Exhibit G is a photostat of a bumper sticker. Presumably the complaint meant to refer to Exhibit H.

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Mr. Stephens also has examined the newspaper advertisements apparently purchased by Mr. Bailey and attached as Exhibits A-C of the Democratic Party's complaint. As Mr. Stephens' sworn affidavit indicates, the Helms for Senate Committee was not consulted by Mr. Bailey prior to the placement of these advertisements. Id. ¶ 12.

#### DISCUSSION

As was authoritatively established by the United States Supreme Court in Buckley v. Valeo, 424 U.S. 1 (1976), individuals have a constitutional right to make independent expenditures supporting the election of candidates for federal office. As the Court noted, and as FECA and the Commission's regulations recognize, so long as there is no cooperation, consultation, or coordination between the candidate or his authorized committee and the individual conducting the independent expenditure project, any such projects are perfectly permissible. 424 U.S. at 39-51; 2 U.S.C. § 441a(a) (7) (B); 11 C.F.R. pt. 109.

The Democratic Party's complaint relies upon two provisions in the Commission's regulations that state in certain circumstances that an independent expenditure will be presumed to have been a contribution to a candidate. First, if the independent expenditure is made by any person who is or has been authorized to raise or to expend funds for a candidate, or who is, or has been, an officer of a candidate's authorized committee, then the expenditure in question is presumed not to be independent. See Democratic Party Complaint at 3; 11 C.F.R. § 109.1(b) (4) (i) (B). Second, as the Democratic Party notes, if Mr. Bailey had republished campaign materials of Senator Helms' campaign with its authorization, then such activity would constitute an in-kind contribution to the Helms for Senate Committee. See Democratic Party Complaint at 3; 11 C.F.R. § 109.1(d) (1).

Of course, as the regulations themselves make clear, these presumptions are rebuttable. If they were not, serious due-process concerns would be raised by them. See, e.g., Leary v. United States, 395 U.S. 6 (1969); Tot v. United States, 319 U.S. 463 (1943). Here, however, as the foregoing statement of facts shows, the facts upon which the Democratic Party relies in its complaint do not even trigger the applicability of the presumptions.

The Democratic Party first argues that because Mr. Bailey served on the Steering Committee he was or is an officer of the Helms for Senate Committee and is thereby authorized to

Charles N. Steele, Esq.

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raise or to expend funds on behalf of the Committee. The Steering Committee, however, has existed only on paper. As shown, it has never held a meeting, it has never been authorized to raise funds, it has never raised funds, and it has never been consulted on the financial plans, projects, or needs of the Helms for Senate Committee. Accordingly, Mr. Bailey's membership in this honorary group of prominent individuals cannot make him an officer of the Helms for Senate Committee, nor has it authorized him to raise or to expend funds on behalf of the Helms for Senate Committee.

If membership in such a honorary group were to give rise to the presumption involved in the Commission's regulations, serious difficulties would ensue. Candidates frequently purchase newspaper advertising listing groups of prominent individuals who support the candidate. These groups frequently are labeled as being a "committee." Such individuals, however, are not the types of individuals that the Commission's regulations reach. The purpose of the regulations is to ensure that those involved in the candidate's campaign, either by serving as an officer and thereby being privy to the candidate's plans, projects, or needs, or those involved in raising funds or spending them for the candidate, will not be allowed to conduct independent expenditure projects.

By contrast, if an individual by reason of membership in an honorary group that happens to be called a committee could be regarded as an officer or fund raiser, it would severely hamper that individual's constitutional right to engage in independent-expenditure projects. Accordingly, Mr. Bailey's serving as a member of the Steering Committee, an honorary organization, cannot be said to have triggered the presumption in the Commission's regulations.

Second, the Democratic Party argues that, because the graphics used in the bumper stickers and billboards in Nash County utilize graphics similar to those used in Senator Helms' 1978 campaign, Mr. Bailey is financing the dissemination or republication of Senator Helms' campaign materials. As shown, however, the 1978 graphics were widely distributed throughout North Carolina in 1978 in a variety of forms. They thus were available to every member of the general public. The Helms for Senate Committee is not utilizing these graphics for the 1984 election. It did not authorize Mr. Bailey's use of them in the 1984 election. Moreover, Mr. Stephens' affidavit shows that the Helms for Senate Committee has no billboards in this campaign.

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Thus the complaint's assertion that the picture attached to it as Exhibit G is of an "official" Helms billboard is untrue.1/

The Helms for Senate Committee takes no position on the issues raised at pages 4-5 of the Democratic Party's complaint, which alleges that Mr. Bailey has failed to register as a political committee and report contributions and expenditures. Nor does the Helms for Senate Committee take a position on the adequacy of the notice placed on Mr. Bailey's advertising, raised on page 6 of the complaint.

The reason we take no stand on these issues is because the Helms for Senate Committee has no control over Mr. Bailey. The Helms for Senate Committee has no obligation under federal law to ask Mr. Bailey to cease his project on behalf of Senator Helms. Indeed, Mr. Bailey has a constitutional right to engage in such projects. When the Helms for Senate Committee definitely learned that Mr. Bailey was conducting an independent-expenditure project, its treasurer instructed its paid employees to have no further contact with Mr. Bailey so that there would be no implication that the two efforts were coordinated in any way. There is no more that the Helms for Senate Committee could have done in this regard.

This, then, disposes of the Democratic Party's final argument with respect to the Helms for Senate Committee. The Democratic Party, at page 5 of its complaint, argues that the Helms for Senate Committee violated FECA by accepting Mr. Bailey's excessive campaign contributions.2/ Mr. Bailey never reported his expenditures to the Helms for Senate Committee; there is no way it could know how much they were. Because the presumptions found in the Commission's regulations are not triggered by the facts the Democratic Party alleges, and because the Helms for Senate Committee had no obligation to investigate Mr. Bailey's conduct or to ask him to cease it, it cannot be

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1/ See footnote 1, page 3 above.

2/ This is the obverse of the argument (pages 4-5 of the complaint) that Mr. Bailey has exceeded his \$1,000 contribution limit and made corporate contributions to the Helms for Senate Committee.

Charles N. Steele, Esq.

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August 15, 1984

said that Mr. Bailey's independent expenditures were in-kind contributions to the Helms for Senate Committee. By definition, independent expenditures are not contributions. Thus this argument of the Democratic Party also must fall.<sup>1/</sup>

CONCLUSION

For the reasons stated above, the Commission should find no reason to believe that the Helms for Senate Committee violated any provisions of FECA, and the Democratic Party's complaint should be dismissed.

Respectfully submitted,

*Brice M. Claggett*  
Brice M. Claggett

*John R. Bolton*  
John R. Bolton

*Daniel A. Rowley*  
Daniel A. Rowley

---

<sup>1/</sup> It is not clear where the newspaper advertisements attached as Exhibits A-C to the complaint fit into the Democratic Party's legal theory. They are referred to only in the discussion of the facts in the complaint (pp. 1-2) and are never mentioned again. In any event, Exhibits A-C refer to events that had been public knowledge for almost six months before the advertisements appeared and there was no prior consultation by Mr. Bailey with the Helms for Senate Committee about these advertisements. See Exhibit A ¶ 12.

## BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

HELMS FOR SENATE COMMITTEE

MUR 1736

AUG 15 P 3:49

AFFIDAVIT OF MARK L. STEPHENS,  
TREASURER, HELMS FOR SENATE COMMITTEE

Mark L. Stephens, having been duly sworn, states as follows:

1. I am the Treasurer of the Helms for Senate Committee, the principal campaign committee of Senator Jesse Helms in his campaign for reelection to the United States Senate for North Carolina. The Helms for Senate Committee registered with the Federal Election Commission ("FEC") on January 21, 1983.

2. I have read the complaint dated July 2, 1984, filed with the FEC by the Democratic Party of North Carolina, entitled MUR 1736 by the FEC. The complaint refers to an independent-expenditure project supporting Senator Helms' reelection in Nash County, North Carolina. The complaint states that this project is being run by Mr. J.C.D. Bailey of Nash County. The complaint specifically refers to the following activities: (1) Mr. Bailey has purchased newspaper advertisements on June 6 and 7, 1984, in the Raleigh News and Observer, the Rocky Mount Evening Telegram, and the Nashville Graphic; (2) Mr. Bailey has put up two billboards in Nash County; (3) Mr. Bailey has produced and distributed bumper

stickers in Nash County; and (4) the two billboards in Nash County solicit contributions for Southeast Advertising, Inc., a corporation with which Mr. Bailey is connected.

3. After reading the complaint, I examined, or had examined under my direction, the records of the Helms for Senate Committee and have discussed this matter with employees of the Helms for Senate Committee familiar with the Committee's activities in Nash County. Based on that investigation, and my own recollection of events, I have ascertained the following with respect to the complaint's allegations.

4. In August 1983, the Helms for Senate Committee filed its quarterly report with the FEC. At that time, to engender publicity for Senator Helms' campaign, we announced at a press conference the formation of a group of prominent backers of Senator Helms located throughout the state. This group was called the North Carolina Finance Steering Committee ("Steering Committee").

5. I have read Exhibit F to the complaint in MUR 1736, which is an excerpt from the August 6, 1983, edition of the Raleigh News and Observer. The "finance panel" referred to in this article is in fact the Steering Committee referred to in the preceding paragraph. Mr. Bailey was a member of the Steering Committee.

6. The purpose of the Steering Committee was to gain publicity for Senator Helms' campaign. It was similar to the device frequently used with respect to individuals and groups

that support a candidate but which have no formal function in the campaign organization. For example, a list of prominent individuals supporting a candidate frequently is used in advertisements and is denominated a "committee" even though it has no function. The Steering Committee never held a meeting. It never was authorized to raise funds nor did it actually engage in any fund-raising activities. It was never consulted on or informed about any of the Helms for Senate Committee's plans, projects, or needs regarding the reelection campaign of Senator Helms.

7. During the summer and fall of 1983, I heard rumors that billboards and bumper stickers were being utilized in Nash County supporting Senator Helms. I did not inquire as to who was distributing these billboards and bumper stickers. In the past, the various county Republican Party organizations in North Carolina have used some of their funds to distribute material supporting the election or reelection of Senator Helms, so I felt there was no reason for me to inquire further about the Nash County activities.

8. My general experience as Treasurer of the Helms for Senate Committee has been that, where an individual makes an in-kind contribution to the Committee, that individual reports such contribution to the Committee so that the Committee can report it to the FEC. At no time since January 1983 has the Helms for Senate Committee received a report from any one that he was making in-kind contributions to the Helms for Senate Committee in the form of billboards or bumper stickers in Nash County.

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9. I have examined the samples of bumper stickers and billboards attached to the complaint in MUR 1736 as Exhibits D, E, G, and H. The graphics utilized in these materials are graphics used by the Helms campaign in the 1978 election. They were generally available to anyone on all literature, bumper stickers, buttons, and other materials distributed by the Helms for Senate Committee's predecessor in 1978 to the general public. The Helms for Senate Committee is not using these graphics in 1984. A sample of the 1984 Helms for Senate Committee graphics is attached to this affidavit as Attachment A.

10. The Helms for Senate Committee never authorized, encouraged, or otherwise approved Mr. Bailey's use of these 1978 graphics in Nash County in 1983 or thereafter. The complaint at page 3 states that Exhibit G is a picture of an "official" billboard of the Helms campaign. It is not. The Helms campaign did not use billboards in the 1978 campaign, and it has no plans to use them in the 1984 campaign.

11. I first definitely became aware that Mr. Bailey was conducting an independent-expenditure project in February 1984. At that time, I instructed all paid employees of the Helms for Senate Committee who might have contact with individuals from Nash County that they were to have no further contact with Mr. Bailey. I explained to them that federal election law prohibited such contacts.

12. I also have reviewed the June 6 and 7, 1984, newspaper advertisements attached as Exhibits A, B, and C to the

complaint in MUR 1736. Neither I nor any one else on behalf of the Helms for Senate Committee ever consulted with Mr. Bailey prior to the placement of these advertisements in any manner. The events described in those advertisements were public knowledge since January 1983 (as the date on the newspaper reproduced in the advertisement shows).

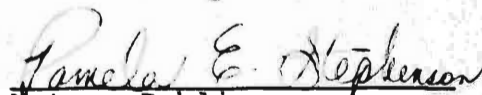
13. The complaint points out that Southeast Advertising, Inc., with which Mr. Bailey is affiliated, has solicited payments to it to support the Nash County efforts of Mr. Bailey. To my knowledge, neither Mr. Bailey nor any company with which he is connected has forwarded any money collected by Southeast Advertising as a result of these solicitations to the Helms for Senate Committee. The only money we have received from Mr. Bailey to date is \$1,000 for the primary election and \$376 for the general election. These contributions were made by personal checks drawn on Mr. Bailey's account and duly reported to the FEC in our relevant quarterly reports.

\* \* \*

The foregoing facts are true and correct to the best of my knowledge and belief and are made in good faith.

  
Mark L. Stephens

Subscribed and sworn to before me this 14 day of August, 1984.

  
Notary Public

My Commission expires: 6/5/85

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# Jesse



**FARMERS FOR HELMS '84**

# Jesse

**HELMS**

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 1736

NAME OF COUNSEL: Daniel A. Rowley, Esq.

ADDRESS: Covington & Burling

1201 Pennsylvania Ave., N.W.

Washington, DC 20044

TELEPHONE: (202) 662-5344

10515 23:48

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.

8/14/84  
Date

[Signature]  
Signature

RESPONDENT'S NAME: Helms for Senate Committee

ADDRESS: 3325 Executive Drive

Raleigh, NC 27619

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

BUSINESS PHONE: (919) 876-8522

RECEIVED AT THE FEC.  
GCC#7256  
84 AUG 17 P12:47

JEFF. D. BATTS

ATTORNEY AT LAW

P. O. DRAWER 4847

JEFF. D. BATTS

ROCKY MOUNT, NORTH CAROLINA 27803-4847

505 SUNSET AVENUE  
919/977-6450

August 15, 1984

CERTIFIED MAIL NO. P 482 486 428  
RETURN RECEIPT REQUESTED

Mr. Stephen Mims  
Attorney  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D. C. 20463

Re: MUR 1736

Dear Mr. Mims:

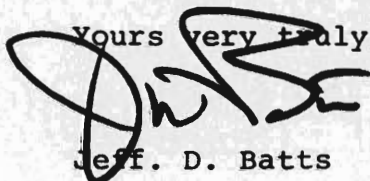
Enclosed are:

1. Respondents' Statement in Support of No Action in Response to the Complaint;
2. Statement of Designation of Counsel by Southeastern Advertising, Inc.; and
3. Statement of Designation of Counsel by J. C. D. Bailey.

We also enclose a duplicate of this transmittal letter (without enclosures) on which we request acknowledgment of receipt and that you return it to the undersigned in the enclosed self-addressed, stamped envelope. Thank you.

We appreciate your courtesy in extending the time within which this Response could be filed. There has been no intent to violate any provisions of the applicable statutes and if your review indicates any possibility, we request that you advise us because we want to be aware of it and in complete compliance with all statutes and regulations.

Yours very truly,



Jeff. D. Batts

JDB/db

Enclosures

cc: Southeastern Advertising, Inc.  
Mr. J. C. D. Bailey

AUG 17 P 1:43

88040672884

FEDERAL ELECTION COMMISSION  
Washington, D. C. 20463

IN RE: SOUTHEASTERN ADVERTISING, INC. )  
P. O. Box 312 )  
Rocky Mount, N. C. 27801 )  
Respondent ) MUR 1736  
IN RE: J. C. D. BAILEY )  
501 Shady Circle Drive )  
Rocky Mount, N. C. 27801 )  
Respondent )

AUG 17 P 1:43

RESPONDENTS' STATEMENT IN SUPPORT OF  
NO ACTION IN RESPONSE TO THE COMPLAINT

This statement by Southeastern Advertising, Inc. and J. C. D. Bailey, respondents, is filed to demonstrate that no action should be taken against it and him, or either, in response to the complaint filed in this matter.

FACTS

Southeastern Advertising, Inc. is a North Carolina corporation with its offices now located at 621 North Church Street, Rocky Mount, North Carolina. The corporation was formed and its business commenced in 1955. All shares now issued and outstanding are owned by J. C. D. Bailey and members of his family.

The corporate business is advertising and sales promotion. It has its own sales/design, administrative and clerical staff. The ingenuity and creativity of and the merchandising and business ability of J. C. D. Bailey

has always been the spirit of and basis for success of the business operations.

J. C. D. Bailey resides at the address stated in the caption. He is the major shareholder and President of an independent franchisee operation.

. . . Bumper Stickers

On or about January 13, 1983, Southeastern Advertising, Inc. submitted an order to Gill Studios, Inc., a screen printing business in Kansas, for certain bumper stickers. The order sets forth the specific advertising imprint desired as follows:

JESSE	IS
HELMS	RIGHT
"THESE BUMPER SIGNS AVAILABLE FROM SOUTHEASTERN ADVERTISING, INC. Box 312, ROCKY MOUNT, N.C. \$1 each or 7 for \$5. Write for special prices on custom made bumper signs."	

Also attached to the order was a depiction of the bumper sticker desired, which consisted of two parts:

1. The left portion was the name "Jesse Helms" on a color background; and
2. The right portion was to contain the words "is right" and the phrase "He Protects the Taxpayers."

The two portions were to be separated by a bold slash mark and the colors of the various words, phrases, stars and background were to be as indicated on the depiction furnished.

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The bumper sticker, as thus composed, was created solely by and is attributed exclusively to J. C. D. Bailey. The left portion containing the name "Jesse Helms" was derived by him from the graphics used by the Jesse Helms Campaign for Senate in 1978, and from one of those in his possession, the machine copy was made for the above referenced depiction. The right portion was drawn, by freehand and in ink, by J. C. D. Bailey with the words "is right" shown in bold outline letters of the same case and with the phrase "He Protects the Taxpayers" indicated in both capitalized and lower case. The placement of the various components on the bumper sticker was the decision of J. C. D. Bailey.

Proof of the bumper sticker as ordered was mailed to Southeastern Advertising, Inc. in late January, 1983, and approved, by telephone, by administrative personnel of Southeastern Advertising, Inc. on or about February 7, 1983.

Beginning in February, 1983, Southeastern Advertising, Inc. forwarded a sample of the bumper sticker to several outlets of a chosen industry.

Also on or about that time, in 1983, a sample of the bumper sticker was sent to a representative of the Helms for Senate Committee advising them of the availability of the bumper stickers and that such were for sale by Southeastern Advertising, Inc. On or about February 24, 1983, a sample was sent to the office of Senator Jesse Helms. To the

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extent of the knowledge of J. C. D. Bailey and the administrative staff of Southeastern Advertising, Inc. responsible for maintaining this account, these instances are the first knowledge that any political committee and the office of Senator Jesse Helms had about the existence of the bumper sticker, its design and availability. There were no orders placed to purchase bumper stickers nor has the bumper sticker been used by any political committee, to the extent of the knowledge of either respondent.

Beginning in early 1984, other contacts were made by Southeastern Advertising, Inc. to solicit orders for the bumper sticker, as well as poster signs, buttons and other paraphernalia available for both Jesse Helms and for Jim Martin's gubernatorial campaign. The persons and organizations contacted were those thought to be interested in the support of Senator Jesse Helms and for the candidacy of Jim Martin for Governor of North Carolina, and therefore, would be prospective purchasers.

On July 24, 1984, Southeastern Advertising, Inc. placed an ad in the local newspaper offering for sale bumper stickers, yard signs, and lapel buttons for both Jesse Helms and Jim Martin.

Sales of the bumper stickers, and other items have been made continuously since early 1983 and continue through the current date, but as stated above, none of the sales are to Senator Jesse Helms or to Helms for Senate Committee.

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From time to time, J. C. D. Bailey individually purchased some of these bumper stickers from Southeastern Advertising, Inc. None of the purchases were less than the cost. The distribution of and use of the bumper stickers purchased by J. C. D. Bailey has always been based upon the personal wishes and plans of J. C. D. Bailey without any consultation or coordination with the Jesse Helms candidacy through or by the candidate, his agent or an authorized committee.

#### Billboards

Sometime in March or April, 1983, Lewis Advertising Agency, Inc., Rocky Mount, North Carolina, adapted the bumper sticker design and graphics for a painted billboard. Lewis Advertising Agency, Inc. invoiced Southeastern Advertising, Inc. for all charges, including two months space rental for the billboard at U. S. 64 Tarboro Street. Once the U. S. 64 Tarboro Street billboard was in place, J. C. D. Bailey invited selected people to make contributions to maintain that billboard and also others within the Rocky Mount area.

On May 13, 1983, an Agreement was signed with Whiteco for three signs, i.e., (i) U. S. 64 Tarboro Street, (ii) U. S. 301 By-Pass, and (iii) N. C. 97 East. Each of the agreements reflect the contracting party as "Nash County Jesse Helms for Senate Committee, c/o Southeastern Advertising, Inc., P. O. Box 312, Rocky Mount, North Carolina 27801" and

was signed by J. C. D. Bailey. The capacity in which J. C. D. Bailey signed each Agreement is as the principal officer of Southeastern Advertising, Inc. which was the agency to implement and supervise the installation of the billboards.

On or about July, 1983, a fourth billboard was authorized by Agreement with Glasgow Sign Service, Nashville, North Carolina to be installed at U. S. 64 By-Pass West. The Agreement reflects the contracting party thereto in the same manner as the above three Agreements and J. C. D. Bailey again was the signatory. Southeastern Advertising, Inc. was to be the agency through which the installation was to be implemented and supervised. Again, J. C. D. Bailey signed as the principal of Southeastern Advertising, Inc. He did not sign as an authorized member of the Nash County Jesse Helms for Senate Campaign or any other political group.

The Agreements for the respective signs reflect effective dates and charges as follows:

1. U. S. 64 Tarboro Street, effective May 1, 1983, and continuing until December 1, 1984, with monthly charges of \$225.00 each.
2. U. S. 301 By-Pass, effective June 1, 1983, and continuing until December 1, 1984, with monthly charges of \$250.00 each.
3. N. C. 97 East, effective June 1, 1983, and continuing until December 1, 1984, with monthly charges of \$170.00 each.

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4. U. S. 64 By-Pass West, effective September 1, 1983, and continuing until October 31, 1984, with monthly charges of \$175.00 each.

All billings by Whiteco and Glasgow for monthly rental and changes, and billings by Lewis Advertising, Inc. for art charges were forwarded to and charged to the account of Southeastern Advertising, Inc., which in turn billed James R. Trotter, Treasurer, for "Nash/Edgecombe Billboard Fund" who in turn paid all invoices submitted to him by Southeastern Advertising, Inc. to that agency.

James R. Trotter, has furnished recently to the undersigned counsel, at such counsel's request, copies of "Report of Receipts and Disbursements" filed by him with Federal Election Commission. Based upon these reports, which bear the FEC identification number CO0169433, quarterly reports have been filed for each of the periods or quarters ending June 30, 1983, December 31, 1983, March 31, 1984, and June 30, 1984.

The respective billboards, when installed, appeared as follows:

1. U. S. 64 Tarboro Street

Legend:

"This Billboard Is Political Advertising  
Paid For By J. C. D. Bailey. Contributions  
To Keep This In Place Will Be Appreciated.  
Call Southeastern Advertising, Inc. (977-3149)  
P.O. Box 312, Rocky Mount, N.C."

Copy:

"Jesse  
Helms

Is  
Right

He Protects The Free Enterprise System"

2. U. S. 301 By-Pass

Legend:

"This Billboard Is Political Advertising Paid For By Nash County Jesse Helms For Senate Committee, Helen Laughery Chairperson. Contributions To Keep This In Place Will Be Appreciated. Call Southeastern Advertising (977-3149) P.O. Box 312, Rocky Mount, N.C."

Copy:

"Jesse  
Helms

Is  
Right

He Has Reduced Your Taxes."

3. N. C. 97 East

Legend:

"This Billboard Is Political Advertising Paid For By Nash County Jesse Helms For Senate Committee Helen Laughery Chairperson. Contributions To Keep This In Place Will Be Appreciated. Call Southeastern Advertising, Inc. (977-3149) P.O. Box 312, Rocky Mount."

Copy:

"Jesse  
Helms

Is  
Right

He Protects the Farmers."

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4. U. S. 64 West

Legend:

"This Billboard Is Political Advertising Paid For By Nash County Jesse Helms For Senate Committee, J. C. D. Bailey, Chairman. Contributions To Keep This In Place Will Be Appreciated. Call Southeastern Advertising, Inc., (977-3149) P.O. Box 312, Rocky Mount, N.C."

Copy:

"Jesse  
Helms / Is  
Right

He Protects The Taxpayer and Helps The Farmer."

By letter dated July 24, 1984, James R. Trotter, advised Southeastern Advertising, Inc. that, in response to a complaint made to the Federal Election Commission by David E. Price, Jr., Executive Director of North Carolina Democratic Party, he had inspected personally the billboards. His inspection indicated to him that the legends were inappropriate and must be changed. He directed that the attribution legends should be as follows:

"Paid for by Nash/Edgecombe Billboard Fund, James R. Trotter, Treasurer. Not authorized by Senator Helms or any authorized committee of Senator Helms."

The records of Southeastern Advertising, Inc. reflect only two donations received by it. Both were received March 22, 1983, one for \$20.00 and one for \$25.00. These funds were forwarded by Southeastern Advertising, Inc. to James R. Trotter. The only activity of Southeastern Advertising,

Inc. since the above date has been to supervise the installation, maintenance, and changes, in the billboard with the two owners thereof and submit periodic invoices to James R. Trotter, Treasurer. None of the other contributions made to the above Fund were solicited by nor received by Southeastern Advertising, Inc.

Jim Hunt Newspaper Ad

On June 6, 1984, the News and Observer, Raleigh, North Carolina, and the Evening Telegram, Rocky Mount, North Carolina, and on June 7, 1984, the Nashville Graphic, Nashville, North Carolina, published an ad under a requested legend of "Paid for by J. C. D. Bailey In Interest of Good Government."

The amounts paid, per invoice received by J. C. D. Bailey, are as follows:

<u>News and Observer</u>	\$1,894.20
<u>Evening Telegram</u>	314.65
<u>Nashville Graphic</u>	155.00

The News and Observer added at the top center of the ad the words "Paid Political Advertising" and rephrased the legend at the bottom to read "Paid for by J. C. D. Bailey, 501 Shadey [sic] Circle Dr., Rocky Mount, in Interest of Good Government."

Individual Activities of J. C. D. Bailey

During the summer of 1983, J. C. D. Bailey indicated his consent to someone, whose specific identity he does not

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recall, that his name could be used publicly as a part of the Helms for Senate campaign with emphasis upon soliciting contributions. The consent given was limited to the use of his name. There was no promise by J. C. D. Bailey made for solicitation nor were any contacts made by him, nor did he perform any other affirmative duties. There was no authority given to J. C. D. Bailey nor did he request any. There have been no meetings, no organization and no activity to the extent known to or participated in by J. C. D. Bailey. During the late summer of 1983 and culminating in approximately September, 1983, J. C. D. Bailey advised two staff members of the Helms for Senate Committee, and one principal of the Congressional Club Foundation of his disagreement with and adverse reaction to the type of solicitation, especially the mail variety, being conducted and the general emphasis, theme and nature of the campaign. J. C. D. Bailey actively solicited the opinions of other known contributors whom he felt would share his lack of agreement for the mail solicitation approach. By the approximate dates recalled, he had informed the staff members of the Helms for Senate Committee that he would not serve on any authorized committees because of the aforementioned agreements and of his further desire to work independently in such manner as he determined and without any relationship with them.

RESPONSE OF SOUTHEASTERN ADVERTISING, INC.

1. Bumper Stickers. The above described activities of Southeastern Advertising, Inc. with respect to the

bumper stickers are commercial activities only. The Federal Election Campaign Act of 1971, as amended, has no application to purely commercial activity. The activities described above of Southeastern Advertising, Inc. performed by and on its behalf, constitute purely commercial activity.

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Your Opinion Request No. 784, dated October 4, 1976, is an authoritative basis for the foregoing contention. O/R No. 784 does state that such commercial activity is outside the statutory provisions as long as it "is pursued exclusively as a business venture without any connection or contact with the candidate, any agent or representative of the candidate or any political party or organization . . . ." The factual statement above indicates that the commercial activity was so pursued without any such connection or contact. The bumper stickers were conceived, designed, ordered, proof approved and in inventory before any others, to the extent of the knowledge of the respondents, were aware of the existence of such. The only "connection or contact," if it may be deemed such at all, was to those persons and organizations who were either a direct market, or hopefully would be and those persons were advised, and furnished samples, that the bumper stickers had been conceived, were printed and supplies were on hand for the purpose of sale. We respectfully suggest that this is not a "connection or contact" which would detract from the

exclusivity of the business operations because, on the contrary, such notice and communications further business operations independently and in and of itself prove the activities to be exclusively a business venture.

2. Billboards.

a. Alleged Applicable Law. The complaint alleges the violation of 2 USC §§ 441b and 441d, and selected extracts therefrom are as follows:

§441b. Contributions or expenditures by . . . corporations, . . .

(a) It is unlawful . . . for any corporation whatever . . . to make a contribution or expenditure in connection with any election at which . . . a Senator . . . to, Congress are to be voted for . . . or any officer or any director of any corporation . . . to consent to any contribution or expenditure by the corporation . . . prohibited by this section.

"(b) . . .

"(2) For purposes of this section . . . the term "contribution or expenditure" shall 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 election to any of the offices referred to in this section . . .

" . . .

"(4) (A) . . . it shall be unlawful--

"(i) for a corporation . . . to solicit contributions to such a fund from any person other than its stockholders and their families and its executive or administrative personnel and their families . . .

" . . .

"§441d. Publication and distribution of statements and solicitations . . .

"(a) Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or solicits any contribution through any . . . outdoor advertising facility . . . such communication--

"(1) . . .

"(2) . . .

"(3) if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee."

b. The response of Southeastern Advertising, Inc. to each of the allegations contained in the complaint, is as follows:

(1) Commercial Activity. The expenditures made by Southeastern Advertising, Inc., have been in accordance and consistent with its normal business operations and limited exclusively to its own commercial activity, by its implementation and supervision of the billboards and the invoicing to the Treasurer of the Fund. The only exception was the receipt of two donations in March, 1983, in the aggregate amount of \$45.00, in which it acted as a conduit only since the entire amount was forwarded by Southeastern Advertising, Inc. to the designated Treasurer.

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(2) Solicitation of Contributions.

Section 441b(b) (4) provides that a corporation cannot "solicit contributions" from persons other than the related group therein described. Each of the billboards contain the following two sentences:

"Contributions To Keep This In Place  
Will Be Appreciated. Call Southeastern  
Advertising, Inc. . . ."

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Surely the complaint does not assert that this means that the corporation itself is soliciting contributions. It is obvious that Southeastern Advertising, Inc. is not soliciting contributions when the preceding sentence is read. It identifies a county organization in three instances and an individual in the other. Obviously, Southeastern Advertising, Inc. is acting as a mere conduit, at best, for receiving any tendered contributions. Its actions show only two nominal contributions received, the total amount of which was forwarded to the Treasurer of the Fund. This represents no affirmative act or effort by this corporation to solicit contributions.

There has been neither a contribution nor an expenditure made by Southeastern Advertising, Inc. as provided in section 441b(a). The activity of Southeastern Advertising, Inc. has been to pay the owners of the billboards the rental and other charges incurred and to receive payment from the Treasurer of the Fund according to its invoices submitted to him. This does not constitute "any direct or indirect

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payment, distribution, loan, advance, deposit or gift of money, or any services, or anything of value . . . to any candidate . . ." as included, according to section 441b(b)(2), within the term "contribution or expenditure."

(3) Disclaimer. Southeastern Advertising, Inc. has now been advised that the appropriate legends did not appear on the billboards. It acknowledges notification received from James R. Trotter, Treasurer, directing a different attribution legend to be displayed, which change order has been authorized by it to each of the sign companies. The original attribution legends have been painted over and the attribution legend reflected on each of the four billboards now reads as follows:

"Paid For By Nash/Edgecombe Billboard Fund, James R. Trotter, Treasurer. Not Authorized By Senator Helms Or Any Authorized Committee Of Senator Helms."

The activity of Southeastern Advertising, Inc. again is that of an agency conducting its commercial business in accordance with the wishes and directions of its customer. It has made no expenditure nor has it solicited any contributions to itself within the provisions of section 441d(a).

RESPONSE OF J. C. D. BAILEY

1. Bumper Stickers.

a. Alleged Applicable Law. The complaint alleges the violation of 2 USC §§ 431(4)(A), 443(a),

434(b)(4)(H)(i), 441a(1)(A), 441b, and 441d(a), and the extracts thereof upon which the complaint is believed to rely are as follows:

"§431. Definitions

"When used in this Act:

. . .

"(4) The term 'political committee' means--

"(A) any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year; . . .

. . .

"§433. Registration of political committees

"(a) Statements of organization. Each authorized campaign committee shall file a statement of organization no later than 10 days after designation pursuant to section 432(e)(1). Each separate segregated fund established under the provisions of section 441b(b) shall file a statement of organization no later than 10 days after establishment. All other committees shall file a statement of organization within 10 days after becoming a political committee within the meaning of section 431(4).

. . .

"§434. Reporting requirements

. . .

"(b) Contents of reports. Each report under this section shall disclose--

. . .

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"(4) for the reporting period and the calendar year, the total amount of all disbursements, and all disbursements in the following categories:

. . .

"(H) for any political committee other than an authorized committee--

"(i) contributions made to other political committees;

. . .

"§441a. Limitations on contributions and expenditures

"(a) Dollar limits on contributions.

"(1) No person shall make contributions--

"(A) to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000;

. . .

"§441b. Contributions or expenditures . . . corporations . . .

"(a) It is unlawful . . . for any corporation whatever . . . to make a contribution or expenditure in connection with any election at which . . . a Senator . . . to Congress are to be voted for, . . . or any officer or any director of any corporation . . . to consent to any contribution or expenditure by the corporation . . . prohibited by this section.

. . .

(2) For purposes of this section . . . the term "contribution or expenditure" shall 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 election to any of the offices referred to in this section . . .

. . .

"(4) (A) . . . it shall be unlawful--

"(i) for a corporation . . . to solicit contributions to such a fund from any person other than its stockholders and their families and its executive or administrative personnel and their families, and

. . .

"44ld. Publication and distribution of statements and solicitations . . .

"(a) Whenever any person . . . solicits any contribution through any . . . outdoor advertising facility . . . such communication--

"(1) if paid for and authorized by a candidate, an authorized political committee or a candidate, or its agents, shall clearly state that the communication has been paid for by such authorized political committee, or

"(2) if paid for by other persons but authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication is paid for by such other persons and authorized by such authorized political committee;

"(3) if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

. . ."

The individual respondent contends that 2 USC §§ 431(17), 431(18) and 441a(7) are applicable and controlling:

"§431. Definitions

"When used in this Act:

. . .

"(17) The term 'independent expenditure' means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

"(18) The term 'clearly identified' means that--

"(A) the name of the candidate involved appears;

"(B) a photograph or drawing of the candidate appears; or

"(C) the identity of the candidate is apparent by unambiguous reference.

. . .

"§441a. Limitations on contributions and expenditures

"(a) Dollar limits on contributions.

. . .

"(7) For purposes of this subsection--

. . .

"(B) (i) expenditures made by any person in cooperation, consultation, or concert, with, or at the request or suggestion of, a candidate, his authorized political committees, or their agents, shall be considered to be a contribution to such candidate;

"(ii) the financing by any person of the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign materials prepared by the candidate, his campaign committees, or their authorized agents shall be considered to be an expenditure for purposes of this paragraph . . ."

b. The response of J. C. D. Bailey to each of the allegations contained in the complaint is as follows:

(1) The individual purchases by

J. C. D. Bailey constitute independent expenditures. From time to time bumper stickers have been purchased by J. C. D. Bailey from the corporation (but never less than the cost thereof). The complaint alleges the ultimate conclusion, without the specificity to support the same, that an individual purchase would constitute a "contribution" by J. C. D. Bailey. In fact, such purchases constitute individual expenditures which would be construed in accordance with the term "independent expenditure" as defined in sections 431(17) and 431(18) which are set forth above.

The applicable federal regulations appear at 11 C.F.R. § 109.1 and selected provisions thereof are as follows:

"(a) 'Independent expenditure' means an expenditure by a person for a communication expressly advocating the election or defeat of a clearly identified candidate which is not made with 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 candidate.

"(b) For purposes of this definition--

. . .

"(2) 'Expressly advocating' means any communication containing a message advocating election or defeat, including but not limited to the name of the candidate, or expressions such as 'vote for,' 'elect,' 'support,' 'cast your ballot for,' and 'Smith for Congress,' or 'vote against,' 'defeat,' or 'reject.'

. . .

"(4) 'Made with 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 the candidate' means--

"(i) Any arrangement, coordination, or direction by the candidate or his or her agent prior to the publication, distribution, display, or broadcast of the communication. An expenditure will be presumed to be so made when it is--

"(A) Based on information about the candidate's plans, projects, or needs provided to the expending person by the candidate, or by the candidate's agents, with a view toward having an expenditure made;

"(B) Made by or through any person who is, or has been, authorized to raise or expend funds, who is, or has been, an officer of an authorized committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate, the candidate's committee or agent;

. . .

"(d) (1) The financing of the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign materials prepared by the candidate, his campaign committees, or their authorized agents shall be considered a contribution for the purpose of contribution limitations and reporting responsibilities by the person making the expenditure but shall not be considered an expenditure by the candidate or

his authorized committees unless made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate or any authorized agent or committee thereof.

. . ."

The purchase by J. C. D. Bailey from Southeastern Advertising, Inc. of bumper stickers for his personal use and distribution do not constitute contributions for the following reasons:

1. "Independent expenditures" are narrowly defined to apply only to expenditures for communications that in express terms advocate the election or defeat of a clearly identified candidate for federal office. Further, "express advocacy" includes, but is not limited to, a message advocating election or defeat of a clearly identified candidate that comprises the name of the candidate, and expressions such as "vote for," "elect," "support," "cast your ballot for," "Smith for Congress," "vote against," "defeat," or "reject" along with the name of the candidate which must be mentioned in the communication. The bumper stickers contain none of these terms of "express advocacy," which terms are to be strictly construed according to the opinion of Buckley v. Valeo, 424 U.S. 1, 78 (1976). If the communication at issues does not contain "express advocacy," such communication is not an "independent expenditure" and is, therefore, not subject to statutory provisions. Schwarz and

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Straus, Federal Regulation of Campaign Financing and Political Activity, §2.06[2], at pages 2-92.

2. There was no arrangement, coordination, or direction by the candidate or his agent prior to the publication, distribution, and display of the subject bumper sticker. The presumptions set forth in § 441a(a)(7) and 11 C.F.R. § 109.1(b)(4)(i) are not applicable to the pending matter:

a. The expenditures personally made by J. C. D. Bailey were in accordance with his personal wishes and plans. Neither the candidate nor an agent provided to J. C. D. Bailey the plans, projects or needs of the candidate with a view towards having these expenditures made.

b. As stated above, since approximately September, 1983, J. C. D. Bailey has considered the use of his name as "honorary" at best and has even withdrawn to that extent from the "finance committee" which was the subject of the newspaper articles in the News and Observer on Saturday, August 6, 1983. J. C. D. Bailey from and after September, 1983, approximately, has not met with, or in any other way been a part of such a committee, its chairman or any of the members thereof. The basis for the separation of himself from that group was his disagreement with the method of mail solicitation. As stated, the reaction of J. C. D. Bailey was to disagree strenuously, to advise the

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Helms for Senate Committee and also the Congressional Club Foundation that he was working independently and he would not serve on any of the various committees. Therefore, the presumption raised by 11 C.F.R. §109.1(b)(4)(i) when viewed with the contradictory evidence that no such arrangement, coordination or direction was present, cannot prevail.

c. The bumper sticker, which is the subject of the independent expenditures, is an original production of Southeastern Advertising, Inc. The concept was derived by J. C. D. Bailey, acting as an officer of Southeastern Advertising, Inc. It does not represent a "graphic or other form of campaign material" prepared by the candidate, his campaign committee or their authorized agents. Therefore, it is incorrect to consider, as provided in 2 U.S.C. § 441a(a)(7)(B)(ii) and 11 C.F.R. § 109.1(a)(1), the financing thereof as a contribution.

2. Billboards.

a. Alleged Applicable Law. The complaint alleges the violation of 2 USC §§ 431(4)(A), 433(a), 434(b)(4)(H)(i), 441a(1)(A), 441b, and 441d(a), and the extracts thereof upon which the complaint is believed to rely are set forth in paragraph 1a of this Response of J. C. D. Bailey and incorporated herein.

b. The response of J. C. D. Bailey to each of the allegations contained in the complaint is as follows:

(1) Separate Fund; Not Independent

Expenditures. Section 431(11) defines "person" to include "any other organization or group of persons." The "Nash/Edgecombe Billboard Fund" may be within the all inclusive catchall to which reference is made. The inquiry then is whether the expenditures made by the separate fund are "independent expenditures" as defined in sections 431(17) and 431(18) and the regulations promulgated thereunder. The regulations provide that such an expenditure must be one which "expressly advocate[s]." This is strictly construed to be a communication containing a message advocating election or defeat, including but not limited to the name of the candidate, or expressions such as "vote for," "elect," "support," "cast your ballot for," and "Smith for Congress," or "vote against," "defeat," or "reject." None of the subject billboards contained "express advocacy" as defined. Therefore, the expenditures for such communication are not within the provisions of the subject statute.

The idea of billboards, the concept thereof, the presentation of and the contribution support for the billboards is attributed to the various persons and agencies referred to previously herein, all of whom and which are situated in or about Nash and Edgecombe Counties, North Carolina. There has been no improper relationship between the spending fund and the candidate mentioned. The extent of knowledge possessed

by the candidate, his agents or authorized committees, is unknown by J. C. D. Bailey or by the principals of Southeastern Advertising, Inc. There was no arrangement, coordination or direction by the candidate or his agent prior to the publication, distribution or display of the billboards.

(2) The Expenditure By J. C. D. Bailey to The Separate Fund is Not a "Contribution." Initially, the communication made by the billboards is not an "independent expenditure" because it does not contain "express advocacy." It is, therefore, not subject to nor included within the statutory provisions.

Next, the financial support of the separate fund by J. C. D. Bailey cannot be considered a "contribution" because the presumption of arrangement, coordination or direction on 11 C.F.R. § 109.1 is rebutted by contradictory facts.

(i) The expenditure is not based on information about the candidate's plans, projects or needs which were provided to the fund or any participants thereof, including J. C. D. Bailey.

(ii) J. C. D. Bailey, with others, has contributed financial support to the billboard fund. This does not cause all such expenditures to be deemed "made with the cooperation . . ." of the candidate or any agent or authorized committee of the candidate. The complaint refers to the inclusion of the name of J. C. D. Bailey in a press release of the "finance committee" of the Senate

for Helms Campaign as hereinbefore stated. There have been no efforts extended by J. C. D. Bailey as a part of such "committee" and, in fact, he has advised them that he would not participate as part of any such group. As hereinbefore stated, J. C. D. Bailey, because of a disagreement with the methods and procedures followed, advised the Helms for Senate Committee that he would no longer serve as a member of any committee and would proceed independently. The presumption cannot prevail in view of this direct and contradictory fact.

This causes the focus to be primarily on the personal financial support to the separate Fund. The conclusion is that such are not "independent expenditures" within the statutory provision because of the absence of "express advocacy." In either instance, such personal support is not properly considered a "contribution."

(3) Disclaimer. J. C. D. Bailey is now aware, and has been since receipt of the complaint that the appropriate legends did not appear on the billboards. He knows that Southeastern Advertising, Inc. has received notification from James R. Trotter, Treasurer, directing a different attribution legend to be displayed, which change order has been authorized by Southeastern Advertising, Inc. to each of the sign companies. The original attributions legend have been painted over and the attribution legend reflected on each of the four billboards now reads as follows:

"Paid For By Nash/Edgecombe Billboard  
Fund, James R. Trotter, Treasurer. Not  
Authorized By Senator Helms Or Any Authorized  
Committee Of Senator Helms."

3. Newspaper Ads.

a. Alleged Applicable Law. The complaint alleges the violation of 2 USC 441a(1)(A) and the extract thereof upon which the complaint is believed to rely is set forth in paragraph 1a of this Response of J. C. D. Bailey and incorporated herein.

b. The response of J. C. D. Bailey to the allegation contained in the complaint is as follows:

(1) "Independent expenditures," as defined in section 431(17), are expenditures for communications that expressly advocate the election or defeat of a clearly identified candidate. There must be "express advocacy" for such expenditures to be independent expenditures and obliged to be reported. The term "expressed advocacy" is strictly construed and if the communications do not contain such wording they are not "independent expenditures" and need not be reported.

(2) The definition of "express advocacy" includes need for a candidate to be "clearly identified" as provided in section 431(18). The identity of the candidate must be apparent by unambiguous reference. See 11 C.F.R. § 109.1(b)(3). To be so identified means that the name of the candidate appears, a photograph or drawing of the candidate

appears, or the identity of the candidate is otherwise apparent by unambiguous reference. None of this criteria is met by these ads. There is no reference to any election campaign engaged in or contemplated to be engaged in by Jim Hunt and there is no reference whatsoever to Senator Jesse Helms.

Respectfully submitted,

Jeff. D. Batts  
Attorney at Law  
P. O. Drawer 4847  
505 Sunset Avenue  
Rocky Mount, NC 27801  
(919) 977-6450

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STATEMENT OF DESIGNATION OF COUNSEL

60044356

MUR 1736

NAME OF COUNSEL: Jeff. D. Batts

ADDRESS: P. O. Drawer 4847

505 Sunset Avenue

Rocky Mount, NC 27803-4847

TELEPHONE: (919) 977-6450

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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.

SOUTHEASTERN ADVERTISING, INC.

August 14, 1984  
Date

J. C. D. Bailey  
Signature J. C. D. Bailey, President

RESPONDENT'S NAME: Southeastern Advertising, Inc.

ADDRESS: P. O. Box 312

621 North Church Street

Rocky Mount, NC 27801

HOME PHONE: N/A

BUSINESS PHONE: (919) 977-3149

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**STATEMENT OF DESIGNATION OF COUNSEL**

MUR 1736

NAME OF COUNSEL: Jeff. D. Batts

ADDRESS: P. O. Drawer 4847  
505 Sunset Avenue  
Rocky Mount, NC 27803-4847

TELEPHONE: (919) 977-6450

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.

August 14, 1984  
Date

J. C. D. Bailey  
Signature J. C. D. Bailey

RESPONDENT'S NAME: J. C. D. Bailey

ADDRESS: 501 Shady Circle Drive  
Rocky Mount, NC 27801

HOME PHONE: (919) 442-5548

BUSINESS PHONE: (919) 977-0950

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FEDERAL ELECTION COMMISSION  
1325 K Street, N.W.  
Washington, DC 20463

RECEIVED  
OFFICE OF THE FEC  
COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT

84 AUG 31 P 3:59

Date and Time of Transmittal  
By OGC to the Commission

8/31/84 - 4:00

MUR # 1736

Date Complaint Received

By OGC July 3, 1984

Date of Notification to

Respondents July 16, 1984

Staff Member Mims

**SENSITIVE**

COMPLAINANT'S NAME: David E. Price, Executive Director of the  
Democratic Party of North Carolina

RESPONDENTS' NAMES: Helms for Senate Committee and Mark L.  
Stephens, as treasurer; J.C.D. Bailey;  
Southeastern Advertising, Inc.; the  
Nash/Edgecombe Billboard Fund and James R.  
Trotter as treasurer.

RELEVANT STATUTE: 2 U.S.C. §§ 433(a), 434(b), 441a(a)(1)(A),  
441a(f), 441b(a) and 441d.

INTERNAL REPORTS CHECKED: April, 1984 Quarterly Report of  
Receipts and Disbursements filed by  
the Helms for Senate Committee;  
Reports filed by the Nash/Edgecombe  
Billboard Fund

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

The complainant alleges that an individual, J.C.D. Bailey,  
has spent more than \$1,000 for certain media expenditures  
(newspaper ads and billboards) promoting the re-election efforts  
of Senator Jesse Helms. The newspaper ads contain disclaimer  
notices that indicate they were paid for by Mr. Bailey. The  
notices do not, however, state whether they were authorized by  
Senator Helms but, rather that the comments were made by Mr.  
Bailey "as a concerned citizen." In addition, certain billboard  
ads solicit contributions to defray their cost, and potential

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contributors are urged to send contributions to Southeastern Advertising, Inc., Rocky Mount, North Carolina. Mr. Bailey, the complainant alleges, is an officer and principal shareholder of Southeastern Advertising, Inc. One billboard indicates it was paid for by the "Nash County Jesse Helms for Senate Committee," identifying J.C.D. Bailey as Chairman, while another carries a notice that it was also paid for by the Nash County Jesse Helms for Senate Committee, but instead identifies Helen Laughery as its Chairman.

According to the complaint, Mr. Bailey serves in at least two official capacities in the Helms campaign -- member of the Helms finance committee, and chairman of the Nash County Helms for Senate Committee. Ms. Laughery is also listed in the newspaper article as a member of the finance committee.

The complaint alleges violations of 2 U.S.C. §§ 441a(a)(1)(A), 441a(f), 434(b), 433(a), 441(b) and 441(d), and requests injunctive relief citing the continuing nature of the violations.

#### STATUS OF THE MATTER

Respondents requested extensions of time until August 15, 1984, to file responses to the complaint. This Office granted the extension requests, recently obtained lengthy responses from the various counsel, and is currently in the process of review and analysis. While we are not in a position to make

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recommendations at this time, we will forward a General Counsel's Report with appropriate recommendations to the Commission shortly.

Charles N. Steele  
General Counsel

August 31, 1984  
Date

BY: Kenneth A. Gross  
Kenneth A. Gross  
Associate General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM TO:

CHARLES N. STEELE  
GENERAL COUNSEL

FROM:

MARJORIE W. EMMONS *MWE*

DATE:

SEPTEMBER 6, 1984

SUBJECT:

MUR 1736: FIRST G.C. REPORT  
signed AUGUST 31, 1984.

The above-named document was circulated to the Commission on a 24 hour no-objection basis at 11:00 a.m. on September 4, 1984.

There were no objections to the report.

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**SENSITIVE**

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED  
THE FEC  
SECRETARY

84 NOV 16 AIO: 51

In the Matter of  
Helms for Senate Committee  
and Mark L. Stephens,  
as treasurer;  
J.C.D. Bailey;  
Southeastern Advertising, Inc.;  
Nash/Edgecombe Billboard Fund  
and James R. Trotter, as  
treasurer

MUR 1736

**GENERAL COUNSEL'S REPORT**

**I. SUMMARY OF ALLEGATIONS**

In its complaint filed on July 2, 1984, the North Carolina Democratic Party alleged numerous violations of the Federal Election Campaign Act of 1971, as amended ("the Act") by an individual, J.C.D. Bailey, a corporation closely affiliated with Mr. Bailey, Southeastern Advertising, Inc., and the Helms for Senate Committee. The basis for the allegations are several billboard ads placed in the vicinity of Rocky Mount, North Carolina (Exhibits A, B, C, and D), bumper stickers that are offered for sale by Southeastern Advertising, Inc. (Exhibit E), and an ad placed by Mr. Bailey in several North Carolina newspapers (Exhibits F, G and H).

A central issue in the complaint is the question of Mr. Bailey's relationship to the Helms for Senate Committee ("the Helms campaign"). The complainant cites an article that appeared in The News and Observer (Raleigh, N.C.), August 6, 1983, (Exhibit I) "Campaign for Helms forms finance panel." According to the newspaper article, "[t]he campaign organization of Senator Jesse A. Helms has begun putting together a finance committee

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consisting largely of high-powered figures from North Carolina's corporate infrastructure." Thirteen names were initially revealed, including Mr. Jack C.D. Bailey and Helen Laughrey of Rocky Mount. Based upon Mr. Bailey's reported role as an official in the Helms campaign, and the presumption contained in 11 C.F.R. § 109.1(b)(4)(i) involving expenditures by campaign officials, complainant asserts that Mr. Bailey's expenditures were made "with 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 candidate." See also 2 U.S.C. § 441a(a)(7)(B).

The complainant also cites to the "disclaimer" notice on one of the billboards (Exhibit B) that reads, "Paid for by the Nash County Helms for Senate Committee, Helen Laughrey, Chairperson." Noting the similarities in the graphic design of this billboard with the ones purportedly placed by Mr. Bailey, the complainant argues that the provisions of 11 C.F.R. § 109.1(d) would apply to the expenditures made by Mr. Bailey for the billboards, thereby making them in-kind contributions to the Helms campaign.<sup>1/</sup>

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<sup>1/</sup> "The financing of the dissemination, distribution, or republication, in whole or in part, of . . . any written, graphic, or other form of campaign materials prepared by the candidate, his campaign committees, or their authorized agents shall be considered a contribution for the purpose of contribution limitations and reporting responsibilities by the person making the expenditure . . . [and] shall . . . be considered an expenditure by the candidate . . . [and] his authorized committees . . . [if] made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate or any authorized agent or committee thereof."

Moreover, the complainant provides evidence that the costs of the billboards exceeded \$1,000. The complainant argues, therefore, that J.C.D. Bailey violated 2 U.S.C. § 441a(a)(1)(A) and the Helms campaign violated 2 U.S.C. § 441a(f) on the basis of expenditures made by Bailey in behalf of Senator Helms' campaign.

The Helms campaign, it is further argued, violated 2 U.S.C. § 434(b) by its failure to report Bailey's expenditures as in-kind contributions.

Relying upon the facts relating to the establishment of the relationship between Bailey and the Helms campaign, the complainant similarly concludes that the newspaper advertisements placed by Mr. Bailey (Exhibits F, G and H) also constitute coordinated expenditures. As previously mentioned, in addition to the billboard advertisements, Mr. Bailey took out advertisements in several North Carolina newspapers. Each advertisement appeared on the same day, is identical and carried the following messages at the bottom of the page: "As A Concerned Citizen, I Think The Voters Are Entitled To Know The Answer To This Question" followed by "Paid For By J.C.D. Bailey, 501 Shady Circle Dr., Rocky Mount, In Interest Of Good Government" (Attachment F) or "Paid For By J.C.D. Bailey In Interest Of Good Government." (Attachments G and H). The complaint alleges that Mr. Bailey "began sponsoring the newspaper advertisements the day after David Flaherty, Chairman of the Republican Party of North Carolina and spokesman for Jesse Helms, held a press conference which raised essentially the same issues

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and used practically the same language found in [Mr. Bailey's] advertisements." The focus of the advertisement is an article that appeared in The NC Landmark Limited, January 5, 1984, a publication distributed without cost to the reader.<sup>2/</sup> The article charged that Governor Hunt had received a substantial contribution from "Gay Activists."

II. FACTUAL AND LEGAL ANALYSIS

1. The Billboard and Newspaper Advertisements - Facts

As noted earlier, some confusion existed regarding who actually placed the billboard advertisements. The complainant's contention that the billboards placed by Mr. Bailey were reproductions of the Helms campaign's official graphics is based upon similarities between Bailey's advertisements and an "official" billboard placed by the Nash County Helms for Senate Committee.

The Nash County Helms for Senate Committee is not a registered political committee. There is, according to the response filed by James R. Trotter, as treasurer of the Nash/Edgecombe Billboard Fund (the "Billboard Fund") (Exhibit J), no such organization.<sup>3/</sup> All of the billboards identified in the complaint were placed by

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<sup>2/</sup> The NC Landmark Limited is incorporated under North Carolina law.

<sup>3/</sup> See footnote 1 and Exhibit J. wherein Mr. Trotter explains that the Nash County Helms for Senate Committee billboard is actually a billboard paid for by the fund.

the Nash/Edgecombe Billboard Fund<sup>4/</sup> with the apparent expectation that they would remain until the November 1984 election. A summary of the copy of each billboard follows.<sup>5/</sup>

A. U.S. 64 Tarboro Street (Exhibit A)<sup>6/</sup>

Copy: "Jesse Helms is Right  
He Protects The Free Enterprise System"

Disclaimer:

"This Billboard Is Political Advertising Paid for By J.C.D. Bailey. Contributions To Keep This In Place Will Be Appreciated. Call Southeastern Advertising, Inc. (977-3149) P.O. Box 312, Rocky Mount, N.C."

B. U.S. 301 By-Pass (Exhibit B)

Copy: "Jesse Helms Is Right  
He Has Reduced Your Taxes"

Disclaimer:

"This Billboard Is Political Advertising Paid For By Nash County Jesse Helms for Senate Committee, Helen Laughrey, Chairperson. Contributions To

<sup>4/</sup> Mr. Trotter, in his response at pages 3-4, points out that one of the billboards was originally placed by Mr. Bailey prior to organization of the Billboard Fund. The organizers of the Fund agreed they would place three other similar billboards and assume responsibility for paying for the one placed by Bailey. As noted in Mr. Bailey's response, and discussed, infra, no mention was made on the billboards of the Nash/Edgecombe Billboard Fund until after respondents received notification of this complaint. See n.6 below.

<sup>5/</sup> Due to the lack of clarity in the photographs submitted by the complainant, we rely upon the response submitted by Mr. Jeff Batts, counsel to Mr. Bailey and Southeastern Advertising, Inc., for the detail. (Exhibit K).

<sup>6/</sup> Mr. Trotter and Mr. Bailey (Exhibits J and K, respectively) indicate that, subsequent to the filing of the complaint, the disclaimers on all of the billboards have been changed to read: "Paid for by Nash/Edgecombe Billboard Fund, James R. Trotter, Treasurer. Not authorized by Senator Helms or any authorized committee of Senator Helms."

Keep This In Place Will Be Appreciated. Call  
Southeastern Advertising (977-3149) P.O. Box 312,  
Rocky Mount, N.C."

C. N.C. 97 East (Exhibit C)

Copy: "Jesse Helms Is Right  
He Protects The Farmers"

Disclaimer:

"This Billboard Is Political Advertising Paid For  
By Nash County Jesse Helms for Senate Committee,  
Helen Laughrey, Chairperson. Contributions To  
Keep This In Place Will Be Appreciated. Call  
Southeastern Advertising (977-3149) P.O. Box 312,  
Rocky Mount, N.C."

D. U.S. 64 West (Exhibit D)

Copy: "Jesse Helms Is Right  
He Protects The Taxpayer and Helps The Farmer"

Disclaimer:

"This Billboard Is Political Advertising Paid for  
By Nash County Jesse Helms For Senate Committee,  
J.C.D. Bailey, Chairman. Contributions To Keep  
This In Place Will Be Appreciated. Call  
Southeastern Advertising, Inc. (977-3149) P.O. Box  
312, Rocky Mount, N.C."

2. The Billboard and Newspaper Advertisements -  
Legal Analysis

- a) Are the billboard and newspaper  
advertisements in-kind contributions?

The Office of General Counsel believes the facts  
presently before the Commission support the conclusion that the  
expenditures for the four billboards made by the Nash/Edgecombe  
Billboard Fund and Mr. Bailey are coordinated expenditures.  
Similarly, the cost paid for the newspapers advertisements  
(Exhibits F, G, and H) by Mr. Bailey are coordinated  
expenditures.

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Section 109.1 of the Commission's Regulations sets out the tests for independence to determine whether a person has made an independent expenditure. The Regulation further states that in the case where a person makes an expenditure "with the cooperation or prior consent of, or in consultation with, or at the request or suggestion of, a candidate or any agent or authorized committee of a candidate" that expenditure "shall be a contribution in-kind to the candidate and an expenditure by the candidate...." 11 C.F.R. § 109.1(c). Application of this provision requires only that the person making the expenditure make it "[b]ased on information about the candidate's plans, projects, or needs provided to the expending person by the candidate, or by the candidate's agents, with a view toward having an expenditure made." 11 C.F.R. § 109.1(b)(4)(i)(A). In addition, the Regulation indicates a similar result would be reached where the expending person has been "authorized to raise or expend funds, who is, or has been, an officer of an authorized committee." [emphasis added]. 11 C.F.R. § 109.1(b)(4)(i)(B).

In its response to the complaint, the Helms campaign (Exhibit L) responded to allegations regarding Mr. Bailey's relationship to the campaign:

"In August, 1983, the Helms for Senate Committee, in an effort to create publicity for Senator Helms' reelection effort, formed a group of prominent North Carolina supporters of Senator Helms' campaigns in past elections. That group was called the North Carolina Finance Steering Committee ("Steering Committee"). The Steering Committee is the committee referred to in the Raleigh News and Observer article attached as

Exhibit F to the Democratic Party's complaint. As the News and Observer article notes, Mr. Bailey was a member of the Steering Committee, but he was not an officer. See Exhibit A, ¶5. [Affidavit of Mark L. Stephens, Treasurer, Helms for Senate Committee, submitted with the response.]

The Steering Committee, as noted, was formed solely for the purposes of publicity. Officials of the Helms for Senate Committee viewed the Steering Committee as being a common campaign vehicle where a group of people allows their names to be used in support of a candidate. See, id., ¶6. The Steering Committee never held a meeting. Id. It was never authorized by the Helms for Senate Committee to engage in any fundraising activities on behalf of Senator Helms' campaign. The Steering Committee in fact never engaged in fundraising for Senator Helms' campaign, and it was never informed of the plans, projects, or needs of Senator Helms' campaign. Id."

Response submitted by the Helms for Senate Committee on August 15, 1982, page 2.

A similar tone appears in Mr. Bailey's response to the complaint. (Exhibit K). Mr. Bailey recounts that he gave his consent to the Helms campaign to publicly use his name:

"The consent given was limited to the use of his name. There was no promise by J.C.D. Bailey made for solicitation nor were there any contacts made by him, nor did he perform any other affirmative duties. There was no authority given to J.C.D. Bailey nor did he request any. There have been no meetings, nor organization and no activity to the extent known to or participated in by J.C.D. Bailey. During the late summer of 1983 and culminating in approximately September, 1983, J.C.D. Bailey advised two staff members of the Helms for Senate Committee, and one principal, of the Congressional Club Foundation of his disagreement with and adverse reaction to the type of solicitation, especially the mail variety, being conducted and the general

emphasis, theme and nature of the campaign. J.C.D. Bailey actively solicited the opinions of other known contributors whom he felt would share his lack of agreement for the mail solicitation approach. By the approximate dates recalled, he had informed the staff members of the Helms for Senate Committee that he would not serve on any authorized committees because of the aforementioned [dis]agreements and of his further desire to work independently in such manner as he determined and without any relationship with them."

Response of J.C.D. Bailey at page 11. (Exhibit K).

Mr. Bailey's statement clearly indicates that he decided to undertake this "independent" course apparently after learning of the candidate's plans, projects or needs. The General Counsel's Office believes there are serious factual questions left unanswered by the responses of the Helms campaign and Mr. Bailey concerning Mr. Bailey's knowledge of the candidate's plans and any understandings that Mr. Bailey may have had with staff members of the Helms campaign. Mr. Bailey's statement in response to the notification of the complaint, combined with the admitted fact that he was a member of an official campaign entity are evidence that the costs for the newspaper advertisements paid by Mr. Bailey may have been in-kind contributions to the Helms campaign and expenditures by the Helms campaign. Likewise, the costs incurred for the billboard advertisements by Mr. Bailey and the Nash/Edgecombe Billboard Fund would appear to be in-kind contributions to the Helms campaign and expenditures by the Helms campaign.

Based upon the foregoing, the Office of General Counsel recommends the Commission find reason to believe that Mr. Jack C.D. Bailey, the Nash/Edgecombe Billboard Fund and James R. Trotter, as treasurer, violated 2 U.S.C. §§ 434(b) and 441a(a)(1)(A), and the Helms for Senate Committee and Mark L. Stephens, as treasurer, violated 2 U.S.C. § 434(b) and 441a(f).

In addition to the above recommendations, this Office notes the billboards' deficiencies with respect to the disclaimer required by 2 U.S.C. § 441d.<sup>7/</sup> In response to the notifications of the filing of the complaint, respondents have reported that the Billboard Fund was in the process of bringing the notices into compliance with the Act. See Responses of the Billboard Fund, Bailey and Southeastern. The Office of General Counsel recommends that in light of the fact that the disclaimer notices were deficient the Commission find reason to believe Mr. Jack C.D. Bailey, the Nash/Edgecombe Billboard Fund and James R. Trotter, as treasurer, violated 2 U.S.C. § 441d.

3. Have Southeastern Advertising, Inc., and Jack Bailey violated 2 U.S.C. § 441b(a)? - Facts

Southeastern Advertising, Inc. ("Southeastern") is an active North Carolina corporation. Jack Bailey is its President and principal shareholder. The response submitted for Southeastern

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<sup>7/</sup> 2 U.S.C. § 441d requires a disclaimer notice "[w]henever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or solicits any contribution through any . . . outdoor advertising facility . . . or any other type of general public political advertising. . . ."

**Southeastern distributes for sale a bumper sticker that reads:**

"These bumper signs available from Southeastern Advertising, Inc.

Southeastern's response further indicates that the bumper sticker was designed by Mr. Bailey, based upon the graphics used by the Helms campaign in 1978. Samples of the stickers were made available to several outlets of a chosen industry," including the Helms for Senate Committee and Senator Helms' office. On July 24, 1984 (after the complaint had been filed), Southeastern placed an advertisement in the local newspaper "offering for sale bumper stickers, yard signs, and lapel buttons for both Jesse Helms and Jim Martin [candidate for Governor of North Carolina].

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of Mr. Bailey, agreed to pay for the rent in advance for each of the four billboards. As Southeastern made its payments, invoices were sent to the Billboard Fund for subsequent reimbursement.

4. Have Southeastern Advertising, Inc., and Jack Bailey violated 2 U.S.C. § 441b(a)? - Legal Analysis

Title 2, United States Code, § 441b(a), makes it unlawful for any corporation to make a contribution or expenditure in connection with a federal election. That section further prohibits any officer of the corporation from consenting to any contribution or expenditure by the corporation. It does not matter that the contribution or expenditure was made by a "direct or indirect payment, distribution, loan, advance, deposit...or any services, or anything of value." 2 U.S.C. § 441b(b)(2).

The relationship that existed between Mr. Bailey and the Helms campaign has been discussed previously. Based upon this relationship, it appears that Mr. Bailey made excessive in-kind contributions to the Senate campaign of Jesse Helms. The responses submitted by the Billboard Fund, Southeastern and Mr. Bailey demonstrate that Southeastern advanced the initial costs for the billboards and that Mr. Bailey, as its principal officer and shareholder, signed each of the contracts binding Southeastern to the sign owners. In addition to the billboards, Southeastern appears to have advanced the costs of the bumper stickers. Whether these acts by Southeastern constituted normal commercial activity requires an analysis of facts not presently available.

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It is the view of the Office of General Counsel that the activities of Mr. Bailey and Southeastern with respect to the Helms campaign are, based upon the facts presently available, inseparable. Mr. Bailey was named to an official campaign position by the Helms campaign, discussed strategy with staff members of the campaign, and designed the bumper stickers in question based upon graphics from Helms' previous campaigns. The evidence now before the Commission indicates that Mr. Bailey was no stranger to the official Helms campaign, and was aware of its needs, projects, goals and plans. Mr. Bailey made expenditures on his own, solicited money from others to continue the expenditures, arranged for initial funding by his corporation and, in the case of the bumper stickers, attempted to finance the expenditure by "selling" them. Thus, the evidence at this stage shows that Southeastern spent money as part of an effort to affect a federal election in apparent violation of 2 U.S.C. § 441b.

The Office of General Counsel recommends, therefore, that the Commission find reason to believe Southeastern Advertising, Inc., and Jack Bailey as President, violated 2 U.S.C. § 441b(a), and that the Helms for Senate Committee and Mark L. Stephens, as treasurer, violated 2 U.S.C. § 441b(a).

Recommendations

1. Find reason to believe Mr. Jack C.D. Bailey violated 2 U.S.C. §§ 441a(a)(1)(A), 441b(a) and 441d.
2. Find reason to believe Southeastern Advertising, Inc. violated 2 U.S.C. § 441b(a).

3. Find reason to believe the Nash/Edgecombe Billboard Fund and James R. Trotter, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(a)(1)(A) and 441d.
4. Find reason to believe the Helms for Senate Committee and Mark L. Stephens, as treasurer, violated 2 U.S.C. §§ 434(b), 441b(a) and 441a(f).
5. Approve and send the attached subpoenas and orders.
6. Approve and send the attached letters.

Charles N. Steele  
General Counsel

Date

November 16, 1984

BY:

  
Kenneth A. Gross  
Associate General Counsel

Exhibits

- A, B, C, D - Photographs of the billboard advertisements
- E - Photocopy of a bumper sticker prepared by Southeastern Advertising, Inc.
- F, G, H - Photocopies of newspaper advertisements placed by J.C.D. Bailey
- I - Photocopy of newspaper article, "Campaign for Helms forms finance panel." The News and Observer, Raleigh, N.C. (August 6, 1983)
- J - Response filed by James R. Trotter, as treasurer of the Nash/Edgecombe Billboard Fund
- K - Response filed by Jeff D. Batts on behalf of Southeastern Advertising, Inc. and Jack C.D. Bailey
- L - Response filed by Daniel Rowley on behalf of the Helms for Senate Committee and Mark L. Stephens as treasurer

Attachments

1. Proposed letter to Daniel Rowley
2. Proposed letter and subpoena to James R. Trotter
3. Proposed letter and subpoena to Jeff D. Batts



EXHIBIT A



EXHIBIT A

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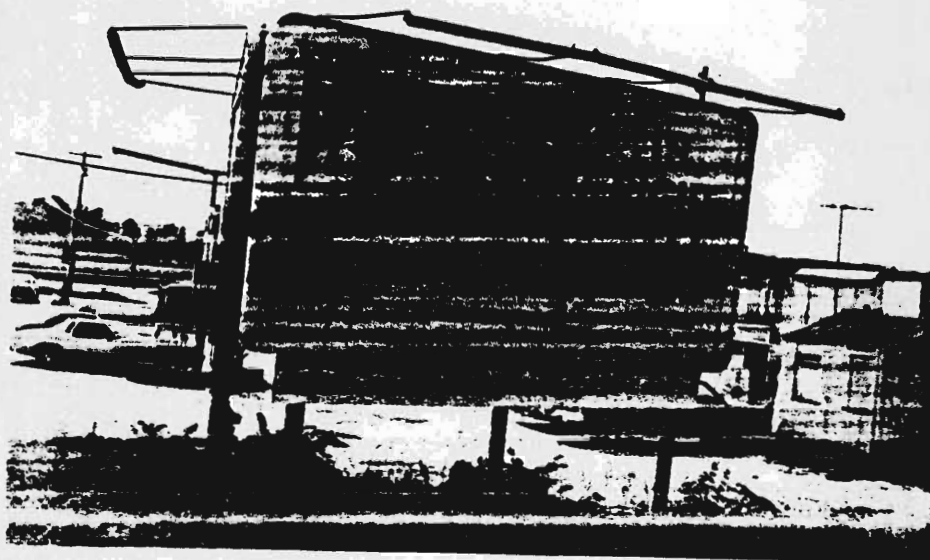


EXHIBIT C



EXHIBIT B

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EXHIBIT D

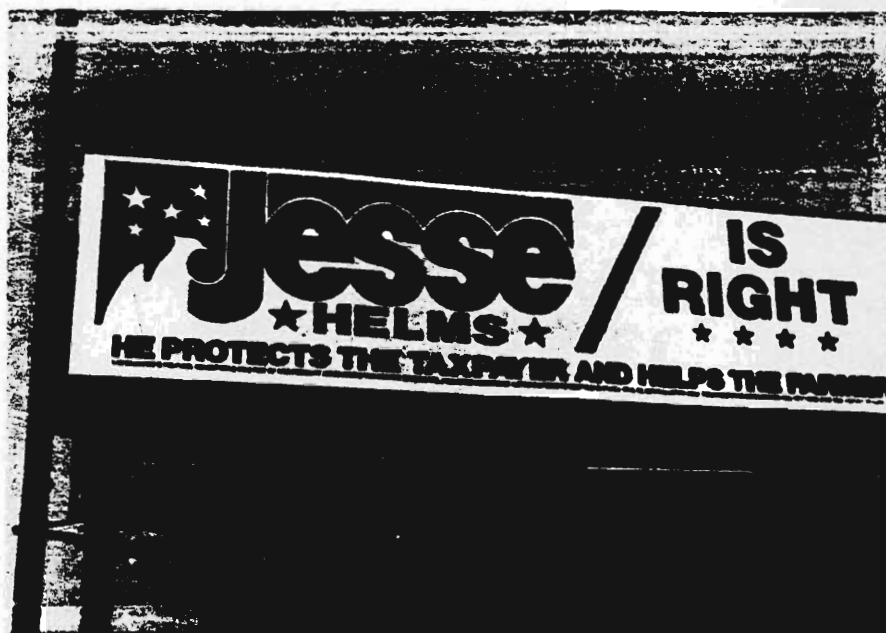


EXHIBIT D

8 8 0 4 0 6 7 2 9 3 8

 **Jesse**  
★ **HELMS** ★

**IS**  
**RIGHT**



**HE PROTECTS THE TAXPAYERS**

THESE BUMPER SIGNS AVAILABLE FROM SOUTHEASTERN ADVERTISING, INC. BOX 212, ROCKY MOUNT, N.C. \$1 EACH OR 7 FOR \$6. WRITE FOR SPECIAL PRICES ON CUSTOM MADE BUMPER SIGNS.

EXHIBIT E

*News and Observer  
Raleigh, NC*

# Governor Hunt, Did you, or Did you not accept a \$79,000 contribution from Gay Activists?



J.C.D. Bailey  
The Office for the  
Bailey House, North Carolina  
April 9, 1964

Honorable Jim Hunt  
Governor of North Carolina  
Raleigh, North Carolina

Dear Governor Hunt:

The January 5, 1964 issue of "The NC Landmark Limited," containing an article on the front page stating that you had received contributions from "Gay Activists," has recently come to my attention.

As a concerned citizen and North Carolina voter, I would like to have your answers to these questions: --

- 1. Did you, in fact, accept contributions of some \$79,000 from gay activists?
- 2. If contributions were accepted from this group and/or its representatives, what use provided to be done for them is planned?

I shall appreciate your early response.

Sincerely,  
J.C.D. Bailey  
J. C. D. Bailey

JCB:gh

Governor Jim Hunt's  
Reply

**As A Concerned Citizen, I Think The Voters  
Are Entitled To Know The Answer To This Question.**

88040672939

Rocky Mount NC  
June 6, 1984  
Wednesday

**Governor Hunt,**  
**Did you, or Did you not**  
**accept a \$79,000 contribution**  
**from Gay Activists?**



**Jim Hunt Received**

J.C.D. Bailey  
to Governor Hunt  
April 7, 1984

Responsible Jim Hunt  
Governor of North Carolina  
Raleigh, North Carolina

Dear Governor Hunt:

The January 9, 1984 issue of "The NC Landmark Limited," containing an article on the front page stating that you had received contributions from "Gay Activists," has recently come to my attention.

As a concerned citizen and North Carolina voter, I would like to have your answers to these questions:

1. Did you, in fact, accept contributions of some \$79,000 from the stated advocates?
2. If contributions were accepted from this group and/or its representatives, what was promised to be done for them in return?

I shall appreciate your early response.

Sincerely,  
J.C.D. Bailey  
A. C. Bailey

Governor Jim Hunt's  
Reply

**As A Concerned Citizen, I Think The Voters**  
**Are Entitled To Know The Answer To This Question.**

Paid Political Advertising  
PAID FOR BY J.C.D. BAILEY IN INTEREST OF GOOD GOVERNMENT

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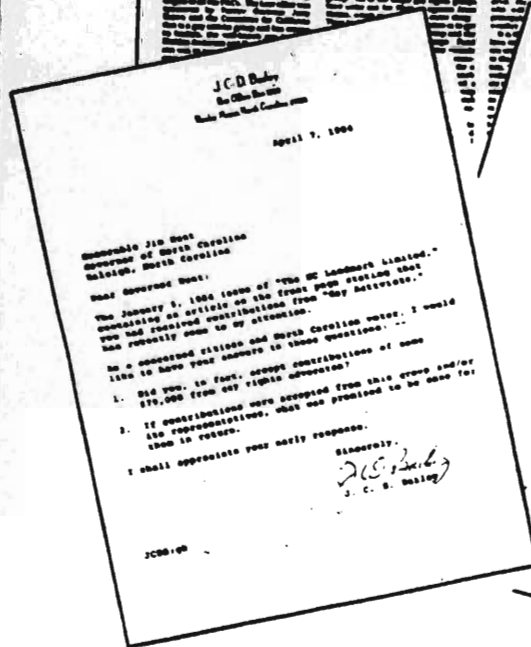
EXHIBIT G

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Nashville Graphic Thursday, June 7, 1984

# Governor Hunt, Did you, or Did you not accept a \$79,000 contribution from Gay Activists?



**As A Concerned Citizen, I Think The Voters  
Are Entitled To Know The Answer To This Question.**

PAID FOR BY J.C.D. BAILEY IN INTEREST OF GOOD GOVERNMENT

EXHIBIT H

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## 'Charm school' for Faircloth in talking

D.M. "Lauch" Faircloth recently spent a couple of days polishing his speech-making abilities at a New York political "charm school."

Faircloth, a wealthy and often outspoken Clinton businessman, is seeking the 1984 Democratic gubernatorial nomination.

Faircloth was vacationing this week and couldn't be reached by Dome, but Stephen Meehan, his campaign press secretary, described the program as "your basic course on speech."

He said the course, at Commun-

icaid Inc. in midtown Manhattan, focused on speech-making and conversational techniques.

Faircloth's public speaking is not considered a liability on the campaign trail, Meehan said, but it's not a major strength either.

"All this came about because Faircloth, being somebody who had not made a lot of speeches, knew he would be doing a great number and wanted to hone his approach."

During the two-day course, Fair-

See DOME, page 6A

6A

The News and Observer, Raleigh, N. C., Sat., August 6, 1983

Continued from page 1A

cloth worked with instructors on delivery and organization. Videotapes were used to emphasize strengths and weaknesses, Meehan said.

"They concentrated mostly on speech, but there was a little on (media) interview. It was a mechanical thing — how to organize your speech, how to say what you want to say."

Meehan said, "People told Lauch these folks can be helpful if you're going to run."

Faircloth agreed to the course, Meehan said, after Communicaid officials "promised not to tamper with his Clinton style."

Did instructors teach Faircloth — a legendary storyteller who has been known to spice his speech with salty language — that it can be impolitic to cuss?

"He didn't need to clean up his act," Meehan said.

## Campaign for Helms forms finance panel

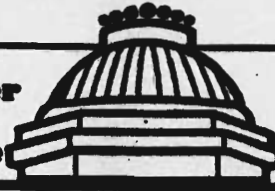
The campaign organization of Sen. Jesse A. Helms has begun putting together a finance committee consisting largely of high-powered figures from North Carolina's corporate infrastructure.

Campaign aides to the two-term Republican revealed a partial list of the committee last week.

It is headed by Democrat Lewis H. "Saw" Holding, chairman of First-Citizens Bank and Trust Co., one of the state's largest financial institutions.

The Helms campaign plans a series of

Under the dome



tee members. Initially, the names of Holding and 12 others were revealed.

Claude Allen, press secretary for the Helms for Senate Committee, said: "We're not releasing all (the names) at once. There'll be a series of statewide announcements," an apparent tactic to milk the disclosures for maximum regional media coverage across the state.

Announced as committee members with Holding were Alan T. Dickson, of Charlotte, president of Dickson Inc.; Robert Bradshaw Jr., a Charlotte attorney; Marshall Y. Cooper Jr. of Henderson, a Harriet and Henderson Yarns Inc. executive; Clay Furebee of Camden, a farmer and major landowner in Northeastern North Carolina; John G. Hutchens of High Point, president of the Food World supermarket chain; Charles H. Reynolds of Spindale, president of Spindale Mills; Helen Laughery of Rocky Mount, wife of John Laughery, board chairman of Hardee's; Jack C.D. Bailey of Rocky Mount, a Hardee's executive; Nelson Strawbridge of Durham, operator of a film developing firm; Lewis M. Fetterman of Clinton, head of a meat packing company; Paul B. Barringer of Roanoke Rapids, president of Coastal Lumber Co.; and John W. Pope of Raleigh, president of Variety Whole-

EXHIBIT I

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Attachment(s) J, K, L

to 11/16 G.C. Rpt

have been removed from this  
position in Public Record File.

See Index Item(s) 12, 13, 14

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FEDERAL ELECTION COMMISSION  
WASHINGTON D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL  
FROM: MARJORIE W. EMMONS/JODY C. RANSOM *JCR*  
DATE: NOVEMBER 20, 1984  
SUBJECT: OBJECTION - MUR 1736 General Counsel's  
Report signed November 16, 1984

The above-named document was circulated to the  
Commission on Friday, November 16, 1984 at 2:00.

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

Commissioner Aikens	_____
Commissioner Elliott	_____
Commissioner Harris	_____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Reiche	<u>      X      </u> (comments attached)

This matter will be placed on the Executive Session  
agenda for Tuesday, November 27, 1984.



FEDERAL ELECTION COMMISSION

WASHINGTON DC 20543

NOV 20 10:46

Date and Time Transmitted: FRIDAY, 11/16/84 AT 2:00 P.M.

COMMISSIONER: McGARRY, AIKENS, McDONALD, ELLIOTT, REICHE, HARRIS

RETURN TO COMMISSION SECRETARY BY TUESDAY, 11/20/84 AT 2:00 P.M.

SUBJECT: MUR 1736 General Counsel's Report  
signed November 16, 1984.

( ) I approve the recommendation

(✓) I object to the recommendation

COMMENTS: I believe this should be discussed  
by the entire Commission.

Date: 11/19/84 Signature: Frank P. Reiche

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 THE DATE AND TIME SHOWN ABOVE.

From the Office of the Commission Secretary

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Helms for Senate Committee )  
and Mark L. Stephens, ) MUR 1736  
as treasurer; )  
J.C.D. Bailey; )  
Southeastern Advertising, Inc.; )  
Nash/Edgecombe Billboard Fund )  
and James R. Trotter, as )  
treasurer )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the  
Federal Election Commission executive session of November 27,  
1984, do hereby certify that the Commission took the following  
actions in MUR 1736:

1. Decided by a vote of 4-2 to take no action  
at this time against the Helms for Senate  
Committee and Mark L. Stephens, as treasurer.

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

2. Decided by a vote of 5-0 to find reason to  
believe Mr. Jack C.D. Bailey violated 2 U.S.C.  
§§ 441a(a)(1)(A), 441b(a) and 441d.

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

(continued)

3. Decided by a vote of 5-0 to find reason to believe Southeastern Advertising, Inc. violated 2 U.S.C. § 441b(a).

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

4. Decided by a vote of 5-0 to find reason to believe the Nash/Edgecombe Billboard Fund and James R. Trotter, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(a)(1)(A) and 441d.

Commissioners Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively; Commissioner Aikens was not present at the time of the vote.

5. Decided by a vote of 5-0 to approve and send the subpoenas and orders attached to the General Counsel's report dated November 16, 1984.

Commissioners Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively; Commissioner Aikens was not present at the time of the vote.

6. Decided by a vote of 6-0 to direct the General Counsel to send appropriate letters pursuant to these decisions.

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

Attest:

11-30-84

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission

19

88040672947



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

December 4, 1984

Daniel A. Rowley, Esquire  
Covington and Burling  
1201 Pennsylvania Avenue, N.W.  
P.O. Box 7566  
Washington, D.C. 20044

RE: MUR 1736  
Helms for Senate Committee  
Mark L. Stephens, as treasurer

Dear Mr. Rowley:

The Federal Election Commission notified your clients on July 9, 1984, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your clients at that time.

Upon further review of the allegations contained in the complaint and information supplied by you, the Commission, on November 27, 1984, voted to take no action at this time against the Helms for Senate Committee and Mark L. Stephens.

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 your clients wish the matter to be made public.

If you have any questions, please contact Stephen Mims, the attorney assigned to this matter, at (202) 523-4143.

Sincerely,

Charles N. Steele  
General Counsel

BY:   
Kenneth A. Gross  
Associate General Counsel

Enclosure  
Procedures



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM TO:

CHARLES N. STEELE  
GENERAL COUNSEL *mwe*

FROM:

MARJORIE W. EMMONS/JODY C. RANSOM *JCR*

DATE:

DECEMBER 5, 1984

SUBJECT:

MUR 1736 - Subpoenas and Order

The attached subpoenas and order were Commission approved on November 27, 1984. They have been signed and sealed this date.

88040672949

20a

Attachments



**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

December 4, 1984

Jeff D. Batts, Esquire  
P.O. Drawer 4847  
Rocky Mount, North Carolina 27803-4847

RE: MUR 1736  
Southeastern Advertising, Inc.  
Jack C.D. Bailey

Dear Mr. Batts:

The Federal Election Commission notified your clients on July 9, 1984, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your clients at that time.

Upon further review of the allegations contained in the complaint and information supplied by you, the Commission, on November 27, 1984, determined there is reason to believe that Southeastern Advertising, Inc. violated 2 U.S.C. § 441b(a), that Jack C.D. Bailey, as President of Southeastern Advertising, Inc., violated 2 U.S.C. § 441b(a), and that Jack C.D. Bailey, in his individual capacity, violated 2 U.S.C. §§ 441a(a)(1)(A) and 441d.

You may submit any factual or legal materials that you believe are relevant to the Commission's analysis of this matter. Please submit any such response within ten days of receipt of this notification.

Additionally, the Commission has issued the enclosed subpoenas requiring the production of certain documents and materials and the presence of Mr. Bailey for deposition. It is required that the documents and materials requested in the subpoena be produced within ten days of your receipt of this subpoena.

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

20 a 1

Jeff D. Batts, Esquire  
Page 2

this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire.

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 your clients wish the investigation to be made public.

For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Stephen Mims, the attorney assigned to this matter, at (202) 523-4143.

Sincerely,

  
Lee Ann Elliott  
Chairman

Enclosures  
Subpoenas (2)  
Procedures

88040672951

20a1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Southeastern Advertising and ) MUR 1736  
Jack C.D. Bailey )

SUBPOENA

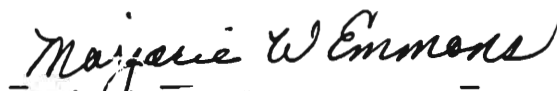
TO: Mr. Bailey

Pursuant to § 437d of Title 2, United States Code, you are hereby subpoenaed to produce not later than December 17, 1984, the documents and materials described in the attached. Such documents and materials must be submitted to the Office of General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. Legible copies which, where applicable, show both sides of documents may be substituted for originals.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand in Washington, D.C. on this 5<sup>th</sup> day of December, 1984.

  
Lee Ann Elliott  
Chairman

ATTEST:

  
Marjorie W. Emmons  
Secretary to the Commission

Attachment

2021

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Southeastern Advertising, Inc. ) MUR 1736  
and Jack C.D. Bailey )

SUBPOENA AND ORDER

TO: Jack C.D. Bailey

PURSUANT TO 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby subpoenas you to appear in your capacity as President of Southeastern Advertising, Inc., as well as in your individual capacity, for deposition with regard to the production and maintenance of certain political advertisements and other campaign materials that are issues in this matter.

Notice is hereby given that the deposition is to be taken at The Federal Building, 310 Newbern Avenue, Room 505, Raleigh, North Carolina, on Friday, January 11, 1985, beginning at 11:00 a.m. and continuing each day thereafter as necessary.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand in Washington, D.C. on this 5th day of December 1984.

*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

ATTEST:

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

Attachment

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88040672953

Subpoena to: Southeastern Advertising, Inc. and  
Jack C.D. Bailey

### Definitions and Requests

As used in this subpoena and order, the following terms are defined as follows:

1. The term "documents and materials" shall mean all tangible things by which human communication is transmitted or stored including the original, all copies, and drafts of writings of any kind, printed, visual, or electronic materials to be produced with respect to each of the requests enumerated herein. In particular, without limiting the generality of the foregoing, "documents and materials" include correspondence, memoranda, reports, minutes, pamphlets, notes, letters, discs, cassettes, telegrams, messages (including reports, notes, and memoranda of telephone conversations and conferences), calendar and diary entries, contracts, data, agendas, articles, visual aides, account statements, billing forms, receipts, checks, solicitation materials, records and compilations. Designated "documents and materials" are to be taken as including all attachments, enclosures and other documents that are attached to, relate to, or refer to such designated "documents and materials."
2. The terms "and" and "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of this request any answers or documents which may be otherwise construed to be out of its scope.
3. "Identify" with respect to individuals shall mean the full name, last known residence address of such individual, the last known place of business where such individual is or was employed, and the title of the job, office or position held with Southeastern Advertising, Inc.

### Documents and materials to be produced:

1. All documents and materials that relate to the placements of the newspaper advertisements that are the subject matter of this investigation.
2. All documents and materials that relate to the four billboard advertisements that are the subject matter of this investigation.

Subpoena  
Page 2

3. All documents and materials that relate to the bumper stickers that are the subject mater of this investigation.
4. The identification of each person mentioned on all documents and materials together with the identification of the person who prepared each piece of written material.
5. Articles of Incorporation for Southeastern Advertising, Inc.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 4, 1984

James R. Trotter, Treasurer  
Nash/Edgecombe Billboard Fund  
P.O. Box 228  
105 South Franklin Street  
Rocky Mount, North Carolina 27801

RE: MUR 1736  
Nash/Edgecombe Billboard Fund  
James R. Trotter, as treasurer

Dear Mr. Trotter:

The Federal Election Commission notified you on July 16, 1984, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time. We acknowledge receipt of your explanation of this matter which was dated August 14, 1984.

Upon further review of the allegations contained in the complaint and information supplied by you, the Commission, on November 27, 1984, determined there is reason to believe that the Nash/Edgecombe Billboard Fund and you, as treasurer, have violated 2 U.S.C. §§ 434(b), 441a(a)(1)(A) and 441d.

You may submit any factual or legal materials that you believe are relevant to the Commission's analysis of this matter. Please submit any such response within ten days of receipt of this notification.

Additionally, the Commission has issued the enclosed subpoena to produce certain documents and materials relevant to this investigation. You may consult with an attorney and have an attorney assist you in the preparation of your response to this subpoena. If you intend to be represented by counsel, 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 or other communications from the Commission. It is required that you submit the documents and materials to the Commission within ten days of your receipt of this subpoena.

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James R. Trotter, Treasurer  
Page 2

In the absence of any additional information that demonstrates that no further action should be taken against you and your committee, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire.

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 enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Stephen Mims, the attorney assigned to this matter, at (202) 523-4143.

Sincerely,

*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

Enclosures  
Subpoena  
Designation of Counsel Statement  
Procedures

20 a 2

88040672957

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
The Nash/Edgecombe Billboard Fund )  
and James R. Trotter, as ) MUR 1736  
treasurer )

SUBPOENA

TO: James R. Trotter

PURSUANT TO 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to certain political advertisements on billboards that are the subject matter of this investigation.

Notice is hereby given that the deposition is to be taken at The Federal Building, 310 Newbern Avenue, Room 505, Raleigh, North Carolina, on Friday, January 11, 1985, beginning at 2:00 p.m. and continuing each day thereafter as necessary.

Further, pursuant to § 437d of Title 2, United States Code, you are hereby subpoenaed to produce not later than December 17, 1984, the documents and materials described in the attached. Such documents and materials must be submitted to the Office of General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. Legible copies which, where applicable, show both sides of documents may be substituted for originals.

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WHEREFORE, the Chairman of the Federal Election Commission  
has hereunto set her hand in Washington, D.C. on this *5th* day  
of *December*, 1984.

*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

ATTEST:

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

Attachment

88040672959

2022

Subpoena to: The Nash/Edgecombe Billboard Fund and  
James R. Trotter, as treasurer

### Definitions and Requests

As used in this subpoena and order, the following terms are defined as follows:

1. The term "documents and materials" shall mean all tangible things by which human communication is transmitted or stored including the original, all copies, and drafts of writings of any kind, printed, visual, or electronic materials to be produced with respect to each of the requests enumerated herein. In particular, without limiting the generality of the foregoing, "documents and materials" include correspondence, memoranda, reports, minutes, pamphlets, notes, letters, discs, cassettes, telegrams, messages (including reports, notes, and memoranda of telephone conversations and conferences), calendar and diary entries, contracts, data, agendas, articles, visual aides, account statements, billing forms, receipts, checks, solicitation materials, records and compilations. Designated "documents and materials" are to be taken as including all attachments, enclosures and other documents that are attached to, relate to, or refer to such designated "documents and materials."
2. The terms "and" and "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of this request any answers or documents which may be otherwise construed to be out of its scope.
3. "Identify" with respect to individuals shall mean the full name, last known residence address of such individual, the last known place of business where such individual is or was employed, and the title of the job, office or position held with The Nash/Edgecombe Billboard Fund.

### Documents and materials to be produced:

1. All documents and materials that relate to the four billboards that are the subject matter of this investigation.
2. The identification of each person mentioned on all documents and materials and the identification of the person who prepared each piece of written material.

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RECEIVED AT THE FEQ  
G-CC#5999  
04 DEC 17 P 1:43

JEFF. D. BATTS

ATTORNEY AT LAW  
P. O. DRAWER 4847

JEFF. D. BATTS

ROCKY MOUNT, NORTH CAROLINA 27803-4847

505 SUNSET AVENUE  
919/977-6450

December 13, 1984

CERTIFIED MAIL NO. P 482 486 450  
RETURN RECEIPT REQUESTED

Mr. Stephen Mims, Attorney  
Federal Election Commission  
1325 K Street, Northwest  
Washington, DC 20463

Dear Mr. Mims:

Enclosed, in triplicate, is Application to Quash or Modify Subpoenas and Statement in Support of Application to Quash or Modify Subpoenas with our transmittal letter addressed to General Counsel, Federal Election Commission as required by § 111.15 of Federal Election Commission Regulations.

Consideration was also given to whether the subpoena and order designated with reasonable particularity the documents and things that are to be produced. It is our intent to furnish any and all "documents and materials." We feel that once the factual basis for each alleged violation is furnished, as requested in the Application, we can comply without contending for further particularity and specificity. However, in the absence of such factual basis, we cannot proceed to do so expeditiously. Are we to assume the responsibility of organizing the alleged facts with respect to each of the subject matter as contained in the third party complaint? We attempted to do this in Respondent Statement in Support of No Action in Response to the Complaint. Yet, the Commission has made "the reason to believe finding." As stated, once the factual basis for each alleged violation is furnished to us, we believe we will be in the position to comply with the subpoena and order and feel assured that we have so complied.

It is our understanding that until the Commission acts on the Application, the ten (10) day period time within which we are to respond to the subpoena to produce, i.e., December 18, 1984, is tolled and will commence anew only

JEFF. D. BATTS

Mr. Stephen Mims, Attorney  
Federal Election Commission  
December 13, 1984  
Page Two

upon receipt of notice that the Commission has denied the application or has quashed or modified the subpoena. If this is not correct, please advise us.

Further, we request that you confirm to us the date of January 11, 1985, for the deposition of Mr. J. C. D. Bailey. This time (and date) is acceptable to us if the factual basis, as requested, is received by us within a reasonable time, both as to compliance for production of documents and materials to be furnished to you and for us to be prepared for the deposition.

Thank you.

Yours very truly,

Jeff. D. Batts

JDB:fs

Enclosures

cc: Mr. J. C. D. Bailey

88040672962

84 DEC 17 P 1: 43

JEFF. D. BATTS

ATTORNEY AT LAW

P. O. DRAWER 4847

JEFF. D. BATTS

ROCKY MOUNT, NORTH CAROLINA 27803-4847

505 SUNSET AVENUE  
919/977-6450

December 13, 1984

General Counsel  
Federal Election Commission  
1325 K Street, Northwest  
Washington, DC 20463

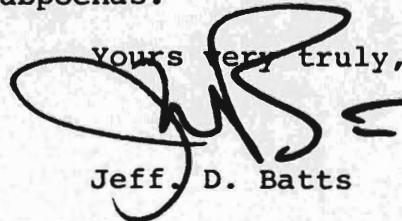
Re: MUR 1736

Gentlemen:

Enclosed, in triplicate, are:

1. Application to Quash or Modify Subpoenas, and
2. Statement in Support of Application to Quash or Modify Subpoenas.

Yours very truly,



Jeff. D. Batts

JDB:fs

Enclosures

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FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

IN RE: SOUTHEASTERN ADVERTISING, INC.  
Post Office Box 312  
Rocky Mount, North Carolina 27801

Respondent

MUR 1736

IN RE: J. C. D. BAILEY  
501 Shady Circle Drive  
Rocky Mount, North Carolina 27801

Respondent

APPLICATION TO QUASH OR MODIFY SUBPOENAS

Pursuant to § 111.15(a) of the Federal Election Campaign Act Regulations, respondents apply to the Federal Election Commission to quash or modify for production of documents and materials the Subpoena issued to J. C. D. Bailey [Jack], dated December 5, 1984, and the Subpoena and Order issued to J. C. D. Bailey [Jack] for deposition dated December 5, 1984.

A brief statement of the reasons therefor accompanies this application.

This 13<sup>th</sup> day of December, 1984.

JEFF. L. BATTS

Attorney for Southeastern  
Advertising, Inc., Respondent  
Attorney for J. C. D. Bailey,  
Respondent

Post Office Drawer 4847  
505 Sunset Avenue  
Rocky Mount, North Carolina 27803  
(919) 977-6450

FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

IN RE: SOUTHEASTERN ADVERTISING, INC. )  
Post Office Box 312 )  
Rocky Mount, North Carolina 27801 )  
Respondent )  
MUR 1736 )  
IN RE: J. C. D. BAILEY )  
501 Shady Circle Drive )  
Rocky Mount, North Carolina 27801 )  
Respondent )

STATEMENT IN SUPPORT OF APPLICATION  
TO QUASH OR MODIFY SUBPOENAS

Respondents Southeastern Advertising, Inc. ("Southeastern") and J. C. D. Bailey ("Bailey") have applied under § 111.15(a) of the Federal Election Campaign Act ("FECA") Regulations to quash or modify the Subpoena and the Subpoena and Order issued to Bailey, each dated December 5, 1984. This statement is filed in support of the respondents' Application.

By letter dated December 4, 1984 (and received December 8, 1984), the Federal Election Commission ("Commission") notified the respondents of its determination that it has reason to believe:

- (1) that Southeastern Advertising, Inc. violated 2 U.S.C. § 441b(a),


(2) that Jack C. D. Bailey, as President of Southeastern Advertising, Inc., violated 2 U.S.C. § 441b(a), and

(3) that Jack C. D. Bailey, in his individual capacity, violated 2 U.S.C. §§ 441a(a)(1)(A) and 441d.

The letter, obviously, sets forth the sections of the statutes or regulations alleged to have been violated as required by § 437g(a)(2) of the Federal Election Commission Act and § 111.9(a) of the Federal Election Commission Regulations ("Regulations"). However, § 437g(a)(2) and the Regulations also provide expressly that the notice must also set forth the alleged factual basis supporting the finding. It does not do so. We respectfully contend that the notification is inadequate and insufficient.

The issuance of the subpoenas is in furtherance of the investigation to be conducted by the Commission, as required by § 111.10 of the Regulations, whenever it finds reason to believe that a violation has occurred or is about to occur. Since the notification does not contain the alleged factual basis supporting such finding, the subpoenas should be quashed or modified.

This 13<sup>th</sup> day of December, 1984.

  
JEFF. D. BATTS  
Attorney for Southeastern  
Advertising, Inc., Respondent  
Attorney for J. C. D. Bailey,  
Respondent  
Post Office Drawer 4847  
505 Sunset Avenue  
Rocky Mount, North Carolina 27803  
(919) 977-6450

JAMES R. TROTTER  
ATTORNEY AT LAW  
POST OFFICE BOX 228  
105 SOUTH FRANKLIN STREET  
ROCKY MOUNT, NORTH CAROLINA 27801

RECEIVED AT THE FEC  
GCG# 6000  
84 DEC 17 P 1:44

AREA CODE 919  
977-1383  
977-1194

December 14, 1984

Office of General Counsel  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463

Re: MUR 1736

Gentlemen:

The items shown on the attached Exhibit are submitted in response to your subpoena dated December 5, 1984. You may examine and make copies of them as you wish. However, I will appreciate it if you will return them to me by year end.

Yours very truly,

*James R. Trotter*

JRT/sta

Enclosures

22

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# EXHIBIT

<u>Number</u>	<u>Description</u>
37	Invoices of Southeastern Advertising, Inc.
21	Paid checks Nos. 1-21 of Nash/Edgecombe Billboard Fund payable to the order of Southeastern Advertising, Inc.
1	Book containing check stubs for checks Nos. 1-21, above.
2	Paid checks Nos. 101 and 102 of Nash/Edgecombe Billboard Fund payable to the order of Southeastern Advertising, Inc.
1	Unpaid and unsigned check No. 103 of Nash/Edgecombe Billboard Fund payable to the order of Southeastern Advertising, Inc.
1	Book containing deposit record and checks Nos. 104-125 of Nash/Edgecombe Billboard Fund.
1	Credit advice of First Union National Bank to Nash/Edgecombe Billboard Fund dated 1/12/84.
20	Duplicate deposit tickets for Nash/Edgecombe Billboard Fund 6/30/83 - 8/15/84.
18	Bank statements for Nash/Edgecombe Billboard Fund 6/30/83 - 11/30/84.
1	8 1/2 x 11 sheet captioned "Speight Oil Company, La. Investors Protective Committee, Agenda for meeting of Executive Committee, 5/4/83, with pencil list of names, etc. on back.
1	Yellow pad sheet with pencil notes.
1	Piece of yellow pad sheet with pencil notes.
1	Copy of letter dated 5/12/83 from J. C. D. Bailey to Mrs. Helen Laughery with attached conference report of Lewis Advertising, Inc.

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<u>Number</u>	<u>Description</u>
1	Copy of letter dated 6/1/83 from Mary Anne Avery to Jack Bailey.
1	List of Nash/Edgecombe Billboard Fund participants (2 pages).
1	Form letter used to transmit monthly statements to Nash/Edgecombe Billboard Fund participants with attached list of participants.
1	Form monthly statement to Nash/Edgecombe Billboard fund participants.
1	Letter dated 6/6/83 from Charlene Schindehette of Southeastern Advertising, Inc., to James R. Trotter.
1	Letter dated 6/7/83 from W. Bruce Lea, Jr., to James R. Trotter.
1	Memo dated 7/1/83 to J. C. D. Bailey from James R. Trotter.
1	Letter dated 7/5/83 from J. C. D. Bailey to James R. Trotter together with proposed agreement referred to in the letter.
1	File memo re: Emmett Shiver of Scotty Outdoor Advertising.
1	Letter dated 7/14/83 from J. C. D. Bailey to James R. Trotter.
1	Letter dated 7/21/83 from Charlene Schindehette of Southeastern Advertising, Inc. to James R. Trotter.
1	Letter dated 7/26/83 from J. C. D. Bailey to James R. Trotter.
1	Memo dated 7/28/83 to Geri Harrell (J. C. D. Bailey's secretary). The author of this memo is Sandra Anspach, James R. Trotter's secretary.
1	Letter dated 10/27/83 from J. C. D. Bailey to James R. Trotter.
1	Letter dated 12/3/83 from J. C. D. Bailey to James R. Trotter.

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<u>Number</u>	<u>Description</u>
1	Monthly statement of Nash/Edgecombe Billboard Fund to John W. Lewis for February and March 1984, with pencil notations.
3	Ledger sheets for Nash/Edgecombe Billboard Fund.
1	Monthly statement list of Nash/Edgecombe Billboard Fund.
1	File memo dated 7/24/84.
1	Copy of letter dated 7/24/84 to Southeastern Advertising, Inc. from James R. Trotter.
1	File memo dated 7/25/84.
1	Copy of letter dated 7/26/84 from J. C. D. Bailey to Miles Glasgow of Glasgow Signs.
1	Copy of letter dated 7/26/84 from J. C. D. Bailey to Henry Bradley of Whiteco Metrocom.

The identities of the persons mentioned in the foregoing are:

<u>Name</u>	<u>Residence Address</u>	<u>Business Address</u>
James R. Trotter	3709 Winchester Drive	105 S. Franklin Street
James Trotter	Rocky Mount	Rocky Mount
J. R. Trotter	North Carolina	North Carolina
Participant Nash/Edgecombe Billboard Fund		
J. C. D. Bailey	501 Shady Circle Drive	1313 N. Church Street
J. Bailey	Rocky Mount	Rocky Mount
Jack Bailey	North Carolina	North Carolina
Participant Nash/Edgecombe Billboard Fund		
Mrs. J. C. D. Bailey	Same	N/A
Anne Neal Bailey (Spouse of above)		

88040672971

<u>Name</u>	<u>Residence Address</u>	<u>Business Address</u>
Lloyd W. Bailey, M.D. Participant Nash/ Edgecombe Billboard Fund	3813 Hawthorne Rd. Rocky Mount North Carolina	109 Foy Drive Rocky Mount North Carolina
Mike Barnhill Participant Nash/ Edgecombe Billboard Fund	415 Piedmont Ave. Rocky Mount North Carolina	224 Rose Street Rocky Mount North Carolina
Thomas A. Betts, Jr. Participant Nash/ Edgecombe Billboard Fund	1516 Lafayette Ave. Rocky Mount North Carolina	2315 Sunset Ave. Rocky Mount North Carolina
James R. Dickens Participant Nash/ Edgecombe Billboard Fund	2301 Ridgecrest Drive Rocky Mount North Carolina	One Federal Square Rocky Mount North Carolina
James C. Gardner Participant Nash/ Edgecombe Billboard Fund	520 Shady Circle Drive Rocky Mount North Carolina	1029 Hammond Street Rocky Mount North Carolina
Brig. General Andrew Gatsis (Ret.) Participant Nash/ Edgecombe Billboard Fund	1712 Lafayette Circle Rocky Mount North Carolina	N/A
S. F. Horne, M.D. Participant Nash/ Edgecombe Billboard Fund	1500 Lafayette Circle Rocky Mount North Carolina	120 S. Pearl Street Rocky Mount North Carolina
John W. Lewis Participant Nash/ Edgecombe Billboard Fund	1608 Pinecrest Rd. Rocky Mount North Carolina	3801 Westridge Circle Rocky Mount North Carolina
Gene L. Lewis Participant Nash/ Edgecombe Billboard Fund	105 Shannon Ct. Rocky Mount North Carolina	2309 Sunset Ave. Rocky Mount North Carolina
Clifford B. Perry Participant Nash/ Edgecombe Billboard Fund	400 Wildwood Avenue Rocky Mount North Carolina	Hwy 301 North By Pass Rocky Mount North Carolina

<u>Name</u>	<u>Residence Address</u>	<u>Business Address</u>
Thomas B. Suiter, M.D. Participant Nash/ Edgecombe Billboard Fund	100 S. Taylor Street Rocky Mount North Carolina	100 Nash Medical Arts Mall Rocky Mount North Carolina
J. Dewey Weaver, Jr. Participant Nash/ Edgecombe Billboard Fund	3805 Hawthorne Rd. Rocky Mount North Carolina	216 Mayo Street Rocky Mount North Carolina
J. O. Bishop Participant Nash/ Edgecombe Billboard Fund	Harbour West Apts. Rocky Mount North Carolina	408 Sunset Avenue Rocky Mount North Carolina
Jack A. Laughery Participant Nash/ Edgecombe Billboard Fund	150 Hunter Hill Road Rocky Mount North Carolina	1233 Sunset Avenue Rocky Mount North Carolina
W. B. Lea, Jr. Participant Nash/ Edgecombe Billboard Fund	512 Evergreen Road Rocky Mount North Carolina	110 W. Highland Ave. Rocky Mount North Carolina
Don Wilhalf Participant Nash/ Edgecombe Billboard Fund	726 S. Taylor Street Rocky Mount North Carolina	101 N. Main Street Rocky Mount North Carolina
O. Elwood Mixon Participant Nash/ Edgecombe Billboard Fund	3517 Hawthorne Road Rocky Mount North Carolina	330 Sunset Avenue Rocky Mount North Carolina
Helen Laughery Not affiliated	150 Hunter Hill Road Rocky Mount North Carolina	N/A
Wayne Newnam Not affiliated	Do not know	Do not know
Bill Ames Not affiliated	Do not know	2309 Sunset Avenue Rocky Mount North Carolina
Mary Anne Avery Not affiliated	104 Dartmoore Court Rocky Mount North Carolina	1233 N. Church Street Rocky Mount North Carolina

88040672973

<u>Name</u>	<u>Residence Address</u>	<u>Business Address</u>
Charlene Schindehette Not affiliated	Do not know	1313 N. Church Street Rocky Mount North Carolina
Emmett Shiver Not affiliated	Do not know	Goldsboro North Carolina
Geri Harrell Not affiliated	Do not know	1313 N. Church Street Rocky Mount North Carolina
R. O. Mullen Participant Nash/ Edgecombe Billboard Fund	Spring Hope North Carolina	Spring Hope North Carolina
Richard Sherman Rick Sherman Participant Nash/ Edgecombe Billboard Fund	San Antonio Texas	San Antonio Texas
Miles Glasgow Not affiliated	Do not know	114 Alston Street Nashville North Carolina
Henry Bradley Not affiliated	Do not know	Do not know

**SENSITIVE**  
BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED  
OFFICE OF THE FEC  
COMMISSION SECRETARY

24 DEC 21 P2:41

In the Matter of )  
Southeastern Advertising, Inc.) MUR 1736  
Jack C.D. Bailey )

**GENERAL COUNSEL'S OPPOSITION TO MOTION TO QUASH  
OR MODIFY SUBPOENAS AND ORDERS**

On November 27, 1984, the Commission voted to find reason to believe Southeastern Advertising, Inc. violated 2 U.S.C.

§ 441b(a) and that Jack C.D. Bailey violated 2 U.S.C.

§§ 441a(a)(1)(A), 441b(a) and 441d. The Commission at that time authorized the issuance of subpoenas and orders to Southeastern Advertising, Inc. and Mr. Bailey. The subpoenas and orders were signed and mailed on December 5, 1984.\*

The Office of General Counsel received, on December 17, 1984, an Application to Quash or Modify Subpoenas submitted by counsel to the respondents, Mr. Jeff D. Batts. That application was dated December 13, 1984. Mr. Batts asserts, as the basis for his application, the Commission's failure to provide him with a statement of the factual basis for the Commission's findings. Without such a statement, Mr. Batts contends he is unable to furnish the documents and materials requested expeditiously.

Section 111.9 of the Commission's Regulations requires that the Commission notify a respondent of the sections of the

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\*/ On December 11, 1984, this Office received a call from Mr. Jeff Batts' office (counsel to the respondents). Mr. Batts' secretary indicated that Mr. Batts had received the subpoenas on December 8, 1984.

statute or regulations alleged to have been violated and the alleged factual basis supporting the finding. This matter is before the Commission on the basis of a complaint filed pursuant to the provisions of 11 C.F.R. § 111.4. Copies of the complaint have been served upon the respondents pursuant to the provisions of 11 C.F.R. § 111.5(a). The basis for the Commission's decisions of November 27, 1984, was the complaint and the respondents' reply submitted pursuant to 11 C.F.R. § 111.6.

The Office of General Counsel believes the notification provisions of 11 C.F.R. § 111.9(a) have been satisfied. Commission decisions to find reason to believe violations have occurred in internally generated matters require the issuance of "a staff report setting forth the legal basis and the alleged facts which support the Commission's action." 11 C.F.R. § 111.8(b). Externally generated matters do not require such a report because in those situations the respondents have been provided with the alleged factual basis when the complaint itself is forwarded to them. Indeed, Mr. Batts responded to the allegations in some detail and provided additional facts that together formed the basis for the Commission's decisions. Although we do not believe that the present application sets forth a basis upon which the Commission should grant the motion to quash or modify the subpoenas and orders, we have drafted a proposed response to Mr. Batts that provides additional information intended to assist him in complying with the Commission's request.

88040672975

**RECOMMENDATIONS**

1. Deny the motion to quash or modify the subpoenas and orders issued to Southeastern Advertising, Inc. and Jack C.D. Bailey.
2. Approve and send the attached letter.

Charles N. Steele  
General Counsel

Dec. 21, 1984  
Date

BY: Kenneth A. Gross  
Associate General Counsel

**Attachments**

1. Application to Quash or Modify Subpoenas
2. Proposed letter to Jeff D. Batts, Esquire

88040672976



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM TO:

CHARLES N. STEELE  
GENERAL COUNSEL

FROM:

MARJORIE W. EMMONS/JODY C. RANSOM *JCR*

DATE:

DECEMBER 26, 1984

SUBJECT:

OBJECTION - MUR 1736 General Counsel's  
Opposition to Motion to Quash or  
Modify Subpoenas and Orders

The above-named document was circulated to the  
Commission on Monday, December 24, 1984 at 11:00.

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

Commissioner Aikens	_____
Commissioner Elliott	_____
Commissioner Harris	_____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Reiche	_____X_____

This matter will be placed on the Executive Session  
agenda for Tuesday, January 8, 1985.

38040672977

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Southeastern Advertising, Inc. ) MUR 1736  
Jack C.D. Bailey )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 8, 1985, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 1736:

1. Deny the motion to quash or modify the subpoenas and orders issued to Southeastern Advertising, Inc. and Jack C.D. Bailey.
2. Approve and send the letter attached to the General Counsel's report dated December 21, 1984.

Commissioners Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively for the decision. Commissioner Aikens did not cast a vote.

Attest:

1-9-85

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission

88040672978



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 11, 1985

Jeff D. Batts, Esquire  
P.O. Drawer 4847  
Rocky Mount, North Carolina 27803-4847

RE: MUR 1736  
Southeastern Advertising, Inc.  
Jack C.D. Bailey

Dear Mr. Batts:

This responds to your letter of December 13, 1984, in which you submitted an Application to Quash or Modify Subpoenas together with your statement in support of that application. The Commission has considered your request and on January 8, 1985, voted not to quash or modify the subpoenas and orders.

The Commission notes that the basis for your application is your assertion that you have not been informed of the alleged factual basis for the Commission's decisions of November 27, 1984. You are advised that those decisions were based upon the complaint that had previously been forwarded to your clients together with the response that you filed on their behalf on August 15, 1984. While it is the view of the Commission that the provisions of 11 C.F.R. § 111.9(a) have been complied with, the Commission has agreed to provide you with the following additional information regarding its findings.

As to the reason to believe findings that Mr. Bailey violated 2 U.S.C. §§ 441a(a)(1)(A), 441b(a) and 441d, the Commission considered Mr. Bailey's relationship with the Helms campaign as an impediment to his ability to make independent expenditures under the Act. Such expenditures would, therefore, be considered in-kind contributions to the Helms For Senate Committee, subject to the limitations of 2 U.S.C. § 441a(a)(1)(A). Because the evidence submitted in the complaint as well as your response indicates the costs associated with the newspaper and billboard advertisements exceeded \$1,000, the Commission concluded there is reason to believe Mr. Bailey violated § 441a(a)(1)(A) of the Act. Furthermore, because the advertisements did not contain the proper disclaimer, the Commission concluded there is reason to believe Mr. Bailey

Jeff D. Batts, Esquire  
Page 2

violated § 441d of the Act. Finally, as discussed below, the Commission concluded from the facts presented in the complaint and in your response that Mr. Bailey, as President of Southeastern Advertising, Inc., authorized certain expenditures by Southeastern Advertising, Inc. that were in connection with a federal election in violation of 2 U.S.C. § 441b(a), thus violating that section of the Act himself.

The factual basis for the Commission's decision to find reason to believe Southeastern Advertising, Inc. violated 2 U.S.C. § 441b(a) was again derived from facts alleged in the complaint and facts presented in your response. The Commission is of the view that Southeastern Advertising, Inc. made expenditures in connection with a federal election by advancing the costs associated with preparation of the bumper stickers discussed in the complaint as well as those costs associated with the preparation and display of the four billboard advertisements referenced in the complaint and in your response.

The subpoenas and orders continue, therefore, in effect as well as the proposed deposition schedule.

If you have any additional questions regarding this matter, please contact Stephen Mims at (202) 523-4143.

Sincerely,

Charles N. Steele  
General Counsel

BY:   
Kenneth A. Gross  
Associate General Counsel



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 11, 1985

Jeff D. Batts, Esquire  
P.O. Drawer 4847  
Rocky Mount, North Carolina 27803-4847

RE: MUR 1736  
Southeastern Advertising, Inc.  
Jack C.D. Bailey

Dear Mr. Batts:

This letter confirms the change in the deposition schedule in the above-referenced matter. The deposition is now scheduled to be taken at 11:00 a.m. on Friday, February 1, 1985, in Room 414 in the Federal Building and Central Postal Station, 300 Fayetteville Street Mall in Raleigh.

If you have any questions, please contact Stephen H. Mims at (202) 523-4143.

Sincerely,

Charles N. Steele  
General Counsel

BY:   
Kenneth A. Gross  
Associate General Counsel

27a

88040672981



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 11, 1985

Ms. Faye Stevens, CVR  
Associated Reporting and Transcription  
2806 Overbrook Drive  
Raleigh, North Carolina 27608

RE: Deposition Schedule

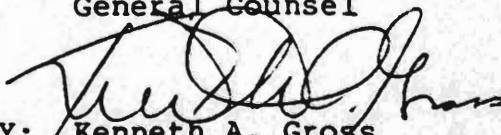
Dear Ms. Stevens:

This letter confirms the arrangement agreed to between you and Mr. Mims of this Office for your services as reporter at two depositions scheduled for Friday, February 1, 1985.

The first deposition is scheduled to take place at 11:00 a.m. and the second at 2:00 p.m. Both depositions will be taken in Room 414 in the Federal Building and Central Postal Station, 300 Fayetteville Street Mall in Raleigh. Please feel free to contact Mr. Mims at (202) 523-4143 if you have any questions.

Sincerely,

Charles N. Steele  
General Counsel

  
BY: Kenneth A. Gross  
Associate General Counsel

276

88040672932



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 11, 1985

Ms, Rhonda Cathcart  
General Services Administration  
Room 222  
301 Newbern Avenue  
Raleigh, North Carolina 27601

RE: Use of Facilities for  
Deposition - February 1, 1985

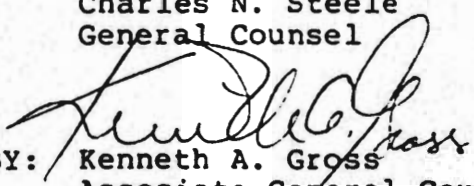
Dear Ms. Cathcart:

This letter confirms the arrangement agreed to between you and Mr. Mims of this Office for the use of Room 414 in the Federal Building and Central Postal Station, 300 Fayetteville Street Mall in Raleigh on Friday, February 1, 1985. We expect that we will use the room most of the day, beginning at about 10:30 a.m.

Thank you for your assistance. If you have any questions, please feel free to contact Mr. Mims at 523-4143 (FTS).

Sincerely,

Charles N. Steele  
General Counsel

BY:   
Kenneth A. Gross  
Associate General Counsel

88040672983

27c



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 11, 1985

James R. Trotter, Esquire  
P.O. Box 228  
105 South Franklin Street  
Rocky Mount, North Carolina 27801

RE: MUR 1736  
Nash/Edgecombe Billboard Fund  
James R. Trotter as Treasurer

Dear Mr. Trotter:

This letter confirms the change in the deposition schedule in the above-referenced matter. The deposition is now scheduled to be taken at 2:00 p.m. on Friday, February 1, 1985, in Room 414 in the Federal Building and Central Postal Station, 300 Fayetteville Street Mall in Raleigh.

We have also enclosed, per your request, the ledger sheets you requested returned that had been previously submitted to the Commission pursuant to the subpoena issued on December 5, 1984. Please initial each page of the enclosed copy of the ledger sheets and mark them "DUPLICATE ORIGINALS" and return them to this Office.

If you have any questions, please contact Stephen H. Mims at (202) 523-4143.

Sincerely,

Charles N. Steele  
General Counsel

  
BY: Kenneth A. Gross  
Associate General Counsel

Enclosure

27d

88040672984

*ACC# 6499*  
RECEIVED AT THE FEC

JAMES R. TROTTER  
ATTORNEY AT LAW  
POST OFFICE BOX 228  
105 SOUTH FRANKLIN STREET  
ROCKY MOUNT, NORTH CAROLINA 27801

85 JAN 24 9:09

*MUR 1736*  
*Mims*

AREA CODE 919  
977-1383  
977-1194

January 19, 1985

Kenneth A. Gross, Esq.  
Associal General Counsel  
Federal Election Commission  
Washington, D.C. 20463

5 JAN 24  
A10:44

Re: MUR 1736 - Nash/Edgecombe Billboard Fund  
James R. Trotter as Treasurer

Dear Mr. Gross:

This is in response to your letter of January 11, 1985. The copies of the ledger sheets are herewith returned. You will notice that I have changed the identified "DUPLICATE ORIGINALS" to "DUPLICATE OF ORIGINALS." I trust that this meets with your approval since, in fact, there were no duplicate originals.

Yours very truly,

*James R. Trotter*

JRT/sta

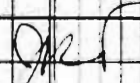
Enclosures

38040672935

# Mash/Edgcombe Billboard Fund (Jesse Helms Billboard Campaign)

88040672986

							1	2	3	4	5	6
							June 1983	July 1983	Aug. 1983	Sept. 1983	Oct. 1983	Nov. 1983
1	Ann Bailey	5000	5000	5000	5000	5000	5000					
2	J.C.D. Bailey	5000	5000	5000	5000	5000	5000					
3	Clifford B. Perry	5000	5000	5000	5000	5000	5000					
4	O. Elwood Nixon	-	-	-	-	-	-					
5	John W. Lewis	5000	5000	5000	5000	5000	5000					
6	W.B. Lee, Jr.	20000	TOTAL CONTRIBUTION									
7	Jack A. Rugheny	90000	PAID IN FULL									
8	A. F. Hone, M.D.	5000	5000	5000	5000	5000	5000					
9	James R. Dickson	5000	5000	5000	5000	5000	5000					
10	Thomas G. Little, Jr.	5000	5000	5000	5000	5000	5000					
11	Mike Barnhill	5000	5000	5000	5000	5000	5000					
12	Lloyd W. Bailey, M.D.	7500	5000	5000	5000	5000	5000					
13	Brig Gen Andrew Stais	2500	2500	2500	2500	2500	2500					
14	J. Dewey Weaver	5000	5000	5000	5000	5000	5000					
15	James R. Thaller	5000	5000	5000	5000	5000	5000					
16	Don Wilkalf	2000	-	-	-	-	-					
17	J.C. Bishop	20000	TOTAL CONTRIBUTION									
18	James C. Gardner	-	-	-	15000	-	-					
19	Thomas B. Senter	-	5000	5000	5000	5000	5000					
20	R.D. Mullen	-	-	-	-	-	5000					
21		62000	62500	62500	77500	62500	67500					
22												
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 OF  
 DUPLICATE ORIGINAL

# Hask/Edgcombe Billboard Fund (Jesse Helms Billboard Campaign)

pg. 2

COLUMN WHITE

1      2      3      4      5      6

Dec 1983      Jan 1984      Feb 1984      Mar 1984      Apr 1984      May 1984

1	Anne Bailey	50.00	50.00	50.00	50.00	50.00	50.00	1
2	J.C.D. Bailey	50.00	50.00	50.00	50.00	50.00	50.00	2
3	Clifford B. Perry	50.00	50.00	50.00	50.00	50.00	50.00	3
4	John W. Lewis	50.00	50.00	50.00	50.00	50.00	50.00	4
5	S.F. Horne, M.D.	50.00	50.00	50.00	50.00	50.00	50.00	5
6	James R. Dickson	50.00	50.00	50.00	50.00	50.00	50.00	6
7	Thomas A. Betta, Jr.	50.00	50.00	50.00	50.00	50.00	50.00	7
8	Mike Barnhill	50.00	50.00	50.00	50.00	50.00	50.00	8
9	Lloyd W. Bailey, M.D.	50.00	50.00	50.00	50.00	50.00	50.00	9
10	Erig Ben Andrews Davis	25.00	25.00	25.00	25.00	25.00	25.00	10
11	J. Dewey Weaver	50.00	50.00	50.00	50.00	50.00	50.00	11
12	James R. Dretter	50.00	50.00	50.00	50.00	50.00	50.00	12
13	Thomas B. Suter	50.00	50.00	50.00	50.00	50.00	50.00	13
14	R.D. Mullen	50.00	50.00	50.00	50.00	50.00	50.00	14
15	Richard Sherman	100.00	100.00	100.00	100.00	100.00	100.00	15
16		775.00	775.00	775.00	775.00	775.00	775.00	16

3724 OF  
DUPLICATE/ORIGINAL

28

38040672987

Nash/Edgcombe Billboard Fund  
(Don Helms Billboard Campaign)

pg. 3

COLUMN WHITE

		1	2	3	4	5	6
		June 1984	July 1984	Aug 1984	Sept 1984	Oct 1984	Nov 1984
1	Anne Bailey	5000	5000				
2	J. L. D. Bailey	5000	5000				
3	Clifford B. Perry	5000	5000				
4	John W. Lewis	5000	5000				
5	L. F. Harne, M.D.	5000	5000				
6	James R. Dickson	5000	5000				
7	Thomas A. Battaglia						
8	Mike Barnhill	5000	5000	5000			
9	Lloyd W. Bailey, M.D.	5000	5000				
10	Brig Gen. Andrew Batista	2500	2500				
11	J. Dewey Sherman	5000	5000				
12	James R. Shatten	5000					
13	Thomas B. Suter	5000	5000				
14	R. O. Mullen	5000	5000				
15	Richard Sherman	10000	10000				
16							
17							
18							
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40							

OF  
DUPLICATE/ORIGINAL

28

88040672938

85 JAN 28 49:02

JEFF. D. BATTS

ATTORNEY AT LAW  
P. O. DRAWER 4847

JEFF. D. BATTS

ROCKY MOUNT, NORTH CAROLINA 27803-4847

805 SUNSET AVENUE  
919/977-6480

January 24, 1985

*MUR 1736*  
*Memo*

Mr. Stephen Mims, Attorney  
Federal Election Commission  
1325 K Street, Northwest  
Washington, DC 20463

41:45

Re: MUR 1736  
Southeastern Advertising, Inc.  
Jack C. D. Bailey

Dear Mr. Mims:

Documents and materials were forwarded to you today via  
Federal Express. Enclosed is item 4 of "Definitions and  
Requests" which was inadvertently omitted.

Our apologies for any inconvenience.

Yours very truly,

*Faye R. Strickland*

Faye R. Strickland  
for Jeff. D. Batts

JDB:FRS:s

Enclosure

88040672989

The following is a list, in alphabetical order, of the identification of the persons mentioned on the documents and materials submitted. This list identifies those individuals known to J. C. D. Bailey, the individual respondent. It does not identify those persons who are (1) unknown to J. C. D. Bailey, or (2) who may or may not be known to J. C. D. Bailey but who are adequately identified from the contents of the documents and materials, or (3) who may or may not be known to J. C. D. Bailey but whose names appear as one of a group of persons such as those appearing on a grouping of customers solicited by Southeastern Advertising, Inc. in the regular course of its business or such as those appearing on a listing of individuals grouped in a reporting document.

1. Jack Bailey

Full Name: J. Chalmers DeCosta Bailey

Residence Address: 501 Shade Circle Drive  
Rocky Mount, NC 27801

Employment: Franchise Enterprises, Inc.  
1313 N. Church Street  
Rocky Mount, NC 27801

Southeastern Advertising Affiliation: President

2. Lloyd Bailey

Full Name: Lloyd W. Bailey

Residence Address: 3813 Hawthorne Road  
Rocky Mount, NC 27801

Employment: Doctor of Ophthalmology  
Foy Drive  
Rocky Mount, NC 27801

Southeastern Advertising Affiliation: None

3. Tom Ellis

Full Name: Unknown

Residence Address: Unknown

Employment: Maupin, Taylor & Ellis  
Attorneys at Law  
Raleigh, NC

Southeastern Advertising Affiliation: None

88040672990

4. Geri Harrell

Full Name: Geraldine W. Harrell

Residence Address: 2004 Bedford Road  
Rocky Mount, NC 27801

Employment: Secretary to J. C. D. Bailey  
Franchise Enterprises, Inc.  
1313 N. Church Street  
Rocky Mount, NC 27801

Southeastern Advertising Affiliation: None

5. Helen Laughery

Full Name: Unknown

Residence Address: 150 Hunter Hill Road  
Rocky Mount, NC 27801

~~Employment:~~ None

Southeastern Advertising Affiliation: None

6. Jack Laughery

Full Name: Jack A. Laughery

Residence Address: 150 Hunter Hill Road  
Rocky Mount, NC 27801

Employment: President and Chief Executive Officer  
Imasco, U.S.A. (Hardee's)  
Rocky Mount, NC 27801

Southeastern Advertising Affiliation: None

7. Gene L. Lewis

Full Name: Gene L. Lewis

Residence Address: 105 Shannon Court  
Rocky Mount, NC 27801

Employment: Lewis Advertising, Inc.  
Rocky Mount, NC 27801

Southeastern Advertising Affiliation: None

88040672991

8. Shirley Morgan

Full Name: Shirley N. Morgan

Residence Address: Unknown

Employment: Unknown

Southeastern Advertising Affiliation: Former Member of  
Board of Directors

9. Wayne Newnam

Full Name: D. Wayne Newnam

Residence Address: 10 Wimberly Drive  
Rocky Mount, NC 27801

Employment: Franchise Enterprises, Inc.  
1313 N. Church Street  
Rocky Mount, NC 27801

Southeastern Advertising Affiliation: None

10. Vicki Raper

Full Name: Unknown

Residence Address: Unknown

Employment: Franchise Enterprises, Inc.  
1313 N. Church Street  
Rocky Mount, NC 27801

Southeastern Advertising Affiliation: None

11. Charlene Schindehette

Full Name: Charlene Schindehette

Residence Address: 127 Loftin Drive  
Rocky Mount, NC 27801

Employment: Southeastern Advertising, Inc.  
Rocky Mount, NC 27801

Southeastern Advertising Affiliation: Office Manager and  
Corporate Secretary

98040672992

12. Jim Trotter

Full Name: James R. Trotter

Residence Address: 3709 Winchester Road  
Rocky Mount, NC 27801

Employment: Special Counsel  
Honorable James Martin  
Governor of North Carolina  
Raleigh, NC

Southeastern Advertising Affiliation: None

13. Don Wilhalf

Full Name: Donald Wilhalf

Residence Address: 726 S. Taylor Street  
Rocky Mount, NC 27801

Employment: Epstein's Men's Store  
Main Street  
Rocky Mount, NC 27801

Southeastern Advertising Affiliation: None

14. Carter Wren

Full Name: Unknown

Residence Address: Unknown

Employment: National Congressional Club  
Raleigh, NC

Southeastern Advertising Affiliation: None

88040672993

The following is an identification of the persons who prepared the documents and materials which are submitted herein. Some of the materials have been grouped rather than an attempt having been made to single out each item in a series of items such as invoices.

I. Newspaper Advertisement

1. The copies of checks are self-explanatory.
2. The letter is self-explanatory. The "representative" referred to therein is D. Wayne Newnam.
3. The memorandum is self-explanatory.
4. The advertisement was prepared by D. Wayne Newnam under the direction of J. C. D. Bailey.

II. Billboard Materials

1. The letters are self-explanatory.
2. The billboard contracts are self-explanatory.
3. The invoices from Southeastern Advertising were prepared by Charlene Schindehette.

III. Bumper Sticker Materials

1. The letters are self-explanatory.
2. The invoices from Gill Studios, Inc. were prepared by unknown parties at Gill Studios, Inc.
3. The memorandums are self-explanatory.
4. The invoices from Southeastern Advertising, Inc. were prepared by Charlene Schindehette.
5. The Layout for the bumper sticker was prepared by J. C. D. Bailey.
6. The memo notes on scratch paper were prepared by Charlene Schindehette.

IV. Articles of Incorporation of Southeastern Advertising, Inc.

1. The Articles of Incorporation are self-explanatory.

88040672995

RECEIVED AT THE FEC  
**HAND DELIVERED**  
85 JAN 25 10:05

**JEFF. D. BATTS**

ATTORNEY AT LAW  
P. O. DRAWER 4847

JEFF. D. BATTS

ROCKY MOUNT, NORTH CAROLINA 27803-4847

505 SUNSET AVENUE  
919/977-6450

January 24, 1985

Mr. Stephen Mims, Attorney  
Federal Election Commission  
1325 K Street, Northwest  
Washington, DC 20463

RECEIVED  
GENERAL COUNSEL  
85 JAN 25 2:20

Re: MUR 1736  
Southeastern Advertising, Inc.  
Jack C. D. Bailey

Dear Mr. Mims:

Enclosed are legible copies of the documents and  
materials to be produced pursuant to the issued subpoena.

Yours very truly,

*Jeff. D. Batts*

Jeff. D. Batts

JDB:fs

Enclosures

cc: Southeastern Advertising, Inc.  
Mr. J. C. D. Bailey

88040672996

RE: MUR 1736  
Southeastern Advertising, Inc.  
Jack C. D. Bailey

1. Machine copies of documents and materials that relate to the placements of the newspaper advertisements:

- (a) Check Nos. 1416, 1411, 1412, and 1413 of J. C. D. Bailey.
- (b) Letter from J. C. D. Bailey to Frank Daniels, Jr., dated June 5, 1984.
- (c) Memorandum to Jack Bailey from Wayne Newnam, dated June 1, 1984.
- (d) Copy of newspaper ad.

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## 30

88040672998

J. C. D. BAILEY

DATE	DESCRIPTION	AMOUNT
6/4/84	Display Ad Additional over quoted cost	\$508.20

J. C. D. BAILEY 5/57  
P. O. BOX 1828  
ROCKY MOUNT, N. C. 27801

No 1416

68-887  
531

Peoples Bank  
& Trust Company  
ROCKY MOUNT, N.C. 27801

June 4, 84

Five Hundred Eight and 20/100

508.20

THE NEWS & OBSERVER

COPY NOT NEGOTIABLE

⑈00001416⑈ ⑆053108674⑆ 00 0067395⑈

J. C. D. BAILEY

DATE	DESCRIPTION	AMOUNT
6/1/84	Display Ad	\$1,386.00

J. C. D. BAILEY 5/57  
P. O. BOX 1828  
ROCKY MOUNT, N. C. 27801

No 1411

66-867  
531

**Peoples Bank  
& Trust Company**  
ROCKY MOUNT, N.C. 27801

June 1, 84

-----One Thousand Three Hundred Eighty Six and no/100

1,386.00

The News and Observer  
Raleigh, North Carolina

**COPY NOT NEGOTIABLE**

⑈00001411⑈ ⑈053108674⑈ 00 0067395⑈

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J. C. D. Bailey  
Post Office Box 1828  
Rocky Mount, North Carolina 27801

June 5, 1984

Mr. Frank Daniels, Jr.  
Publisher  
The News and Observer  
215 S. McDowell Street  
Raleigh, North Carolina 27601

Dear Frank:

I want to bring to your attention the fact that a representative of mine called your paper for rates on an ad I wanted to run in the Wednesday, June 6, 1984 edition of The News & Observer. The first time he called, he was quoted the rate of \$31.15 per column inch, or \$2,055.90 for the ad. He called a few days later with the exact size of the ad, which had been reduced in size, and was quoted by Ellen Batten a rate of \$1,386.00. He was told that a check would have to be delivered no later than 10:00 a.m. on Monday, June 4, to accompany the ad copy in order to make the June 6th edition.

The check in the amount of \$1,386.00, written on my personal account, was delivered on Monday morning, June 4, at which time a Mr. Mike Perry told my representative that the amount of the check was incorrect and that it should be for \$28.70 per column inch, or a total of \$1,894.20.

My representative was assured by Mr. Perry that the ad would be run in the Wednesday morning, June 6 edition, and that they would send a bill for the balance of \$508.20. A check in that amount is enclosed with this letter, payable to The News & Observer.

I am sending this to your attention because I believe that you would agree with me that an honorable business would back up the commitments of its representatives. Therefore, I honestly believe that Ellen Batten made a commitment on behalf of The News & Observer to run this ad for \$1,386.00. For this reason, I believe that you should return my enclosed check in the amount of \$508.20 and accept the mistake on the part of your employees.

I shall look forward to receiving your reply, along with the return of my check.

Sincerely,

*J. C. D. Bailey*  
J. C. D. Bailey

JCDB:gh  
Enclosure

J. C. D. BAILEY

DATE	DESCRIPTION	AMOUNT
6/1/84	Display Ad	\$314.65

J. C. D. BAILEY 5/57  
P. O. BOX 1828  
ROCKY MOUNT, N. C. 27801

No 1412

95-667  
531

**Peoples Bank  
& Trust Company**  
ROCKY MOUNT, N.C. 27801

June 1, 84

Three Hundred Fourteen and 65/100

314.65

The Evening Telegram  
Rocky Mount, N. C.

**COPY NOT NEGOTIABLE**

⑈00001412⑈ ⑆053108674⑆ 00 0067395⑈

J. C. D. BAILEY

DATE	DESCRIPTION	AMOUNT
6/1/84	Display Ad	\$155.00

83040673003

J. C. D. BAILEY 5/57  
P. O. BOX 1828  
ROCKY MOUNT, N. C. 27801

No 1413

66-867  
531

**Peoples Bank  
& Trust Company**  
ROCKY MOUNT, N.C. 27801

June 1, 84

—One Hundred Fifty Five and no/100—

155.00

The Nashville Graphic  
Nashville, North Carolina

**COPY NOT NEGOTIABLE**

⑈00001413⑈ ⑆053108674⑆ 00 0067395⑈

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MEMORANDUM

TO: JACK BAILEY  
FROM: WAYNE NEWNAM  
DATE: JUNE 1, 1984  
SUBJECT: JIM HUNT NEWSPAPER AD

---

In order to make the Wednesday, June 6th edition of the following newspapers, all checks and completed ads must be delivered to the papers before 10:00 AM, Monday, June 4th.

The ad sizes and costs for each paper are as follows:

\*News & Observer - 4 columns wide x 16½" long  
\$1,386.00

\*Evening Telegram - 5 columns wide x 15½" long  
\$314.65

\*Nashville Graphic - 5 columns wide x 15 3/4" long  
\$155.00

I need your personal check made out in the amounts above to the individual newspapers as soon as possible. These will have to be hand delivered to each paper first thing Monday morning.

Please advise as soon as possible.

Thank you!

WN/vr

RE: MUR 1736  
Southeastern Advertising, Inc.  
Jack C. D. Bailey

2. Machine copies of documents and materials that relate to billboard advertisements:

- (a) Ledger sheets, Accounts Receivable, James R. Trotter, Treasurer, Jesse Helms Campaign, and ledger sheet, Account Receivable, Helen Laughery; check vouchers of J. C. D. Bailey, dated January 23, 1985.
- (b) Ledger Sheet, Donations Received, Jesse Helms Billboard Account.
- (c) Letter to J. W. Bailey from Whiteco Metrocom, dated May 24, 1983, with three (3) Bulletin Display Agreements attached.
- (d) Billboard Advertisement ledger sheet and Check No. 1751 of Southeastern Advertising Co., Inc. to James R. Trotter, Treasurer Jesse Helms Campaign dated May 12, 1983.
- (e) Letter to James R. Trotter from Southeastern Advertising, Inc., dated June 6, 1983, with letter from Hardee's Food Systems, Inc. and check #1313 of Jack A. Laughery attached.
- (f) Handwritten order from Henry Bradley with Whiteco Metrocom invoice #358126, and Memorandum, dated June 8, 1983, from Lewis Advertising, Inc. to Vickie Raper.
- (g) Southeastern Advertising, Inc. statement to James R. Trotter, Treasurer Jesse Helms Campaign, dated May 12, 1983; Lewis Advertising, Inc. invoice #19220, dated March, 1983; and Southeastern Advertising Co., Inc. check #1728, to Lewis Advertising, Inc., dated April 29, 1983.
- (h) Southeastern Advertising, Inc. statement to James R. Trotter, Treasurer Jesse Helms Campaign, dated May 19, 1983; Lewis Advertising, Inc. invoice #19341, dated April, 1983; and Southeastern Advertising Co., Inc. check #1758, dated May 19, 1983, to Lewis Advertising, Inc.

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- (i) Southeastern Advertising, Inc. statement to James R. Trotter, Treasurer Jesse Helms Campaign, dated May 30, 1983; Whiteco Metrocom invoices #358330 and 358329, dated May 26, 1983; and Southeastern Advertising Co., Inc. check #1771, dated May 30, 1983, to Whiteco Metrocom.
- (j) Southeastern Advertising, Inc. statement to James R. Trotter, Treasurer Jesse Helms Campaign, dated June, 6, 1983; Whiteco Metrocom invoice #358363, dated May 31, 1983; and Southeastern Advertising Co., Inc. check #1796, dated June 7, 1983, to Whiteco Metrocom.
- (k) Southeastern Advertising, Inc. statement to James R. Trotter, Treasurer Jesse Helms Campaign, dated June 17, 1983; Lewis Advertising, Inc. invoice #19388, dated May, 1983.
- (l) Southeastern Advertising, Inc. statement to James R. Trotter, Treasurer Jesse Helms Campaign, dated June 24, 1983; Whiteco Metrocom invoice #360981, dated June 17, 1983; and Southeastern Advertising Co., Inc. check #1822, dated June 24, 1983, to Whiteco Metrocom.
- (m) Southeastern Advertising, Inc. statement to James R. Trotter (Jesse Helms Campaign), dated July 21, 1983; Whiteco Metrocom invoice #363738, dated \_\_\_\_\_, 1983; and Southeastern Advertising Co., Inc. check #1848, dated July 21, 1983, to Whiteco Metrocom.
- (n) Southeastern Advertising, Inc. statement to James R. Trotter (Jesse Helms Campaign), dated August 19, 1983; Whiteco Metrocom invoice #366536, dated \_\_\_\_\_, 1983; and Southeastern Advertising Co., Inc. check #1890, dated August 19, 1983, to Whiteco.
- (o) Southeastern Advertising, Inc. statement to James R. Trotter, dated September 2, 1983; Glasgow Sign Service statement #5477, dated September 1, 1983; and Southeastern Advertising Co., Inc. check #1920, dated September 2, 1983, to Glasgow Sign Service. Agreement signed by Miles Glasgow d/b/a Glasgow Sign Service and J. C. D. Bailey, dated July 27, 1983.

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- (p) Southeastern Advertising, Inc. statement to James R. Trotter, Treasurer Jesse Helms Campaign, dated September 19, 1983; Lewis Advertising, Inc. invoice #19586, dated August, 1983; and Southeastern Advertising Co., Inc. check #1954, dated September 19, 1983, to Lewis Advertising, Inc.
  - (q) Southeastern Advertising, Inc. statement to James R. Trotter (Jesse Helms Campaign), dated September 23, 1983; Whiteco Metrocom invoice #369315, dated , 1983; and Southeastern Advertising Co., Inc. check #1962, dated September 23, 1983, to Whiteco Metrocom.
  - (r) Southeastern Advertising, Inc. statement to James R. Trotter (Jesse Helms Campaign), dated October 10, 1983; Glasgow Sign Service invoice #6206, dated October 6, 1983; and Southeastern Advertising Co., Inc. check #1989, dated October 10, 1983, to Glasgow Sign Service.
  - (s) Southeastern Advertising, Inc. statement to James R. Trotter (Jesse Helms Campaign), dated October 21, 1983; Whiteco Metrocom invoice #372120, dated , 1983; and Southeastern Advertising Co., Inc. check #2016, dated October 21, 1983, to Whiteco Metrocom.
  - (t) Southeastern Advertising, Inc. statement to James R. Trotter, dated November 4, 1983; Glasgow Sign Service invoice #6229, dated November 1, 1983; and Southeastern Advertising Co., Inc. check #2043, dated November 4, 1983, to Glasgow Sign Service.
  - (u) Southeastern Advertising, Inc. statement to James R. Trotter (Jesse Helms Campaign), dated November 22, 1983; Whiteco Metrocom invoice #375009, dated November 16, 1983; and Southeastern Advertising Co., Inc. check #2066, dated November 22, 1983, to Whiteco Metrocom.
  - (v) Southeastern Advertising, Inc. statement to James R. Trotter, dated December 6, 1983; Glasgow Sign Service invoice #6260, dated December 1, 1983; and Southeastern Advertising Co., Inc. check #2088, dated December 6, 1983, to Glasgow Sign Service.
  - (w) Southeastern Advertising, Inc. statement to James R. Trotter (Jesse Helms Campaign), dated December 30, 1983; Whiteco Metrocom invoice #377831, dated

December 21, 1983; and Southeastern Advertising Co., Inc. check #2122, dated January 3, 1984, to Whiteco Metrocom.

- (x) Southeastern Advertising, Inc. statement to James R. Trotter, dated January 4, 1984; Glasgow Sign Service invoice #6289, dated January 2, 1984; and Southeastern Advertising Co., Inc. check #2123, dated January 4, 1984, to Glasgow Sign Service.
- (y) Southeastern Advertising, Inc. statement to James R. Trotter (Jesse Helms Campaign), dated January 23, 1984; Whiteco Metrocom invoice #380604, dated \_\_\_\_\_, 1984; and Southeastern Advertising Co., Inc. check #2156, dated January 23, 1984, to Whiteco Metrocom.
- (z) Southeastern Advertising, Inc. statement to James R. Trotter, dated February 7, 1984; Glasgow Sign Service invoice #6316, dated February 4, 1984; and Southeastern Advertising Co., Inc. check #2190, dated February 7, 1984, to Glasgow Sign Service.
- (aa) Southeastern Advertising, Inc. statement to James R. Trotter (Jesse Helms Campaign), dated February 27, 1984; Whiteco Metrocom invoice #383433, dated February 17, 1984; and Southeastern Advertising Co., Inc. check #2218, dated February 27, 1984, to Whiteco Metrocom.
- (bb) Southeastern Advertising, Inc. statement to James R. Trotter, dated March 5, 1984; Glasgow Sign Service invoice #6112, dated March 3, 1984; and Southeastern Advertising Co., Inc. check #2227, dated March 5, 1984, to Glasgow Sign Service.
- (cc) Southeastern Advertising, Inc. statement to James R. Trotter, dated March 23, 1984; Whiteco Metrocom invoice #388795, dated \_\_\_\_\_, 1984; and Southeastern Advertising Co., Inc. check #2251, dated March 23, 1984, to Whiteco.
- (dd) Southeastern Advertising, Inc. statement to James R. Trotter, dated April 4, 1984; Glasgow Sign Service invoice #6356, dated April 2, 1984; and Southeastern Advertising Co., Inc. check #2283, dated April 9, 1984, to Glasgow Sign Service.

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- (ee) Southeastern Advertising, Inc. statement to James Trotter, dated April 24, 1984; Whiteco Metrocom invoice #391597, dated April 18, 1984; and Southeastern Advertising Co., Inc. check #2299, dated April 24, 1984, to Whiteco.
- (ff) Southeastern Advertising, Inc. statement to James Trotter, dated May 3, 1984; Glasgow Sign Service invoice #6472, dated May 1, 1984; and Southeastern Advertising Co., Inc. check #2322, dated May 3, 1984, to Glasgow Sign Service.
- (gg) Southeastern Advertising, Inc. statement to James R. Trotter, dated May 21, 1984; Whiteco Metrocom invoice #394507, dated May 16, 1984; and Southeastern Advertising Co., Inc. check #2356, dated May 21, 1984, to Whiteco Metrocom.
- (hh) Southeastern Advertising, Inc. statement to James Trotter, dated June 13, 1984; Glasgow Sign Service invoice #6522, dated June 4, 1984; and Southeastern Advertising Co., Inc. check #2391, dated June 13, 1984, to Glasgow Sign Service.
- (ii) Southeastern Advertising, Inc. statement to James Trotter (Jesse Helms Billboard), dated June 28, 1984; Whiteco Metrocom invoice #397378, dated \_\_\_\_\_, 1984; and Southeastern Advertising Co., Inc. check #2417, dated June 25, 1984, to Whiteco Metrocom.
- (jj) Southeastern Advertising, Inc. statement to J. R. Trotter, Campaign Treasurer, dated July 18, 1984; Glasgow Sign Service invoice #6565, dated July 1, 1984; and Southeastern Advertising Co., Inc. check #2450, dated July 18, 1984, to Glasgow Sign Service.
- (kk) Southeastern Advertising, Inc. statement to James Trotter, dated July 23, 1984; Whiteco Metrocom invoice #400268, dated July 15, 1984; and Southeastern Advertising Co., Inc. check #2465, dated July 23, 1984, to Whiteco Metrocom.
- (ll) Letter to James R. Trotter from Southeastern Advertising, Inc., dated July 21, 1983.
- (mm) Letter to Southeastern Advertising, Inc. from James R. Trotter, dated July 24, 1984.

- 88040673010
- (nn) Lewis Advertising, Inc. invoice #19388, dated May, 1983, to Southeastern Advertising; Southeastern Advertising check #1816, dated June 17, 1983, to Lewis Advertising Co., Inc.
  - (oo) Glasgow Sign Service statement #6610, dated August 6, 1984, to Southeastern Advertising; Southeastern Advertising Co., Inc. check #2501, dated August 9, 1984, to Glasgow Sign Service.
  - (pp) Glasgow Sign Service statement #6711 and #6735, dated August 24, 1984, and September 1, 1984, to Southeastern Advertising; Southeastern Advertising Co., Inc. check #2591, dated September 10, 1984, to Glasgow Sign Service.
  - (qq) Glasgow Sign Service statement #6785, dated October 2, 1984, to Southeastern Advertising; Southeastern Advertising Co., Inc. check #2671, dated October 5, 1984, to Glasgow Sign Service.
  - (rr) Whiteco Metrocom invoice #403192, dated August 18, 1984, to Nash County Jesse Helms for Senate Committee; Southeastern Advertising Co., Inc. check #2551, dated August 24, 1984, to Whiteco Metrocom.
  - (ss) Whiteco Metrocom invoice #406064, dated September 15, 1984, to Nash County Jesse Helms for Senate Committee; Southeastern Advertising Co., Inc. check #2638, dated September 21, 1984, to Whiteco Metrocom.
  - (tt) Whiteco Metrocom invoice #408904, dated \_\_\_\_\_, 1984, to Nash County Jesse Helms for Senate Committee; Southeastern Advertising Co., Inc. check #2707, dated October 22, 1984, to Whiteco.

88040673011

Account Rec Sheet - Bal. Outstanding shown.

30

SHEET NO. \_\_\_\_\_

ACCOUNT NO. \_\_\_\_\_

RATING \_\_\_\_\_

CREDIT LIMIT \_\_\_\_\_

NAME

James R. Trotter

BUSINESS \_\_\_\_\_

ADDRESS

Treasurer Jesse Helms Campaign  
PO Box 228

DATE	ITEMS	FOLIO	✓	DEBITS	CREDITS	BALANCE
7-9-83						
5-12-83	Billboard March & April		✓	45000		45000
5-19-	May & artchq 970 301		✓	37060	✓	82060
5-30	May & June 64 @ Washington		✓	45000	✓	127060
6-6	June 301 & 97		✓	42000		169060
6-17	type chq 301 & 97		✓	1897		170957
6-24	July 301 & 97 & 64		✓	64500		235457
7-1	pd				82060	153397
7-1	pd				43897	109500
7-21	Aug 301 & 97 & 64		✓	64500	✓	174000
8-19	Sept 301 & 97 & 64		✓	64500		238500
9-2	Sept right Glasgow Sign 64 W By Pass		✓	17500		256000
9-12	pd				146500	109500
9-19	artchq Jesse Helms paint board		✓	15856	✓	123556
9-23	US 301 NC 97 US 64 J Helms		✓	64500	✓	189856
10-4	pd				45000	144856
10-10	US 64 West By Pass		✓	17500	✓	162356
10-21	US 301 NC 97 US 64 J Helms		✓	64500	✓	226856
10-31	pd				80556	146500
11-4	Nov. US 64 West By Pass		✓	17500		164000
11-15	pd				82000	82000
11-22	US 301, NC 97, US 64 J Helms		✓	64500		142500
12-06	rest Dec.		✓	17500		160000



X4C WHITE  
BX4C BUFF  
GX4C GREEN

88040673012

ACCOUNT NO. \_\_\_\_\_

SHEET NO. \_\_\_\_\_

NAME

*James Trotter*

RATING

CREDIT LIMIT

ADDRESS

BUSINESS

DATE	ITEMS	FOLIO	✓	DEBITS	CREDITS	BALANCE
12-30	45301, 64, 97		✓	64500		228500
1-4	pd				82000	146500
1-6	rent Jan		✓	17500		164000
1-23	45301, 64, 97		✓	64500		228500
2-2	pd				82000	146500
2-7	Feb rent		✓	17500		164000
2-27	45301, 64, 97		✓	64500		228500
3-5	rent March		✓	17500		246000
3-7	pd				82000	164000
3-20	pd				82000	92000
3-23	45301, 64, 97, 4564		✓	64500		146500
4-9	april rent		✓	17500		164000
4-19	pd				64500	99500
4-24	45301, 64, 97		✓	64500		164000
5-3	May rent			17500		181500
5-21	45301, 64, 97			64500		246000
6-5	pd				82000	164000
6-13	June			17500		181500
6-18	pd				82000	99500
6-25	45301, 64, 97			64500		164000
6-29	gm 1128.30 s. gm com.			112830		276830
7-17	pick up Hday Credit Memo gm com.				667.45	210085
7-18	July			17500		227585

SHEET NO. \_\_\_\_\_

ACCOUNT NO.

## RATING

CREDIT LIMIT

NAME \_\_\_\_\_

**ADDRESS**

## BUSINESS

James Scott Treasures  
Jess Helms Campaign

DATE	ITEMS	FOLIO	✓	DEBITS	CREDITS	BALANCE
1984						
7-23-84	US 301, NC 97, US 64			64500 ✓		292085
8-9	Aug rent			17500		309585
8-9	4x8 panels & onipes			145600		451585
8-21	US 301 NC 97 & US 64			64500		519085
9-10	Sept 9 new work bill board			300 00		549085
9-21	US 301 NC 97 & US 64			64500		613585
9-21	New Hdg. & M supplies			17138		630723
10-4	500 long posters 140 small 400 buttons g m			54257 ✓		684980
10-4	3000 posters 1000 buttons g & d			13360 ✓		818540
10-5	Oct rent			17500 ✓		836240
10-22	US 301 NC 97 & US 64			64500 ✓		900740
10-29	g & d B3 & posters			64324 ✓		965064
10-29	g m B3 & posters			66838 ✓		1031902



X4C WHITE  
BX4C BUFF  
GX4C GREEN

7 3 0 1 1  
Acct Rec. Sheets — Bal outstanding shown.  
ACCOUNT NO. \_\_\_\_\_

SHEET NO. \_\_\_\_\_

### RATING

CREDIT LIMIT

NAME

### ADDRESS

## BUSINESS

[illegible]

X4C WHITE  
BX4C BUFF  
GX4C GREEN

8 8 0 4 0 6 7 3 0 1 5

J. C. D. BAILEY

DATE	DESCRIPTION	AMOUNT
●/23/85	In full payment of account due from  James R. Trotter, Treasurer Helms for Senate Campaign  until such time as funds are collected from above; repayment made to J. C. D. Bailey thereafter.	\$10,319.02

DETACH AND RETAIN THIS STATEMENT

THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED ABOVE. IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

38040673013

ACCOUNT NO.

RATING

CREDIT LIMIT

NAME

James R. Trotter

BUSINESS

ADDRESS

Treasurer Jesse Helms Campaign  
PC Box 228

DATE	ITEMS	FOLIO	✓	DEBITS	CREDITS	BALANCE
1983						
5-12-83	Bullboard March & April		✓	45000		45000
5-19-	May & archy 970 301		✓	37060		82060
5-30	May & June 64 @ Washington		✓	45000		127060
6-6	June 301 & 97		✓	42000		169060
6-17	type chg 301 & 97		✓	1897		170957
6-24	July 301 & 97 & 64		✓	64500		235457
7-1	pd				82060	153397
7-1	pd				43897	109500
7-21	Aug 301 & 97 & 64		✓	64500		174000
8-19	Sept 301 & 97 & 64		✓	64500		238500
9-2	Sept right Glasgow Sign 64 W By Pass		✓	17500		256000
9-12	pd				146500	109500
9-19	archy Jesse Helms paint board		✓	15856		123556
9-23	US 301 NC 97 US 64 g Helms		✓	64500		189856
10-4	pd				45000	144856
10-10	US 64 West By Pass		✓	17500		162356
10-21	US 301 NC 97 US 64 g Helms		✓	64500		226856
10-31	pd				80556	146500
11-4	Nov. US 64 West By Pass		✓	17500		164000
11-15	pd				82000	82000
11-22	US 301, NC 97, US 64 g Helms		✓	64500		142500
12-06	rest Dec.		✓	17500		160000



X4C WHITE  
BX4C BUFF  
GX4C GREEN

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88040673017

ACCOUNT NO.

SHEET NO.

NAME

James Trotter

RATING

CREDIT LIMIT

ADDRESS

BUSINESS

DATE	ITEMS	FOLIO	✓	DEBITS	CREDITS	BALANCE
12-30	45301, 64, 97		✓	64.500		2285.00
1-4	pd				820.00	1465.00
1-6	rent Jan		✓	175.00		1640.00
1-23	45301, 64, 97		✓	64.500		2285.00
2-2	pd				820.00	1465.00
2-7	7th rent		✓	175.00		1640.00
2-27	45301, 64, 97		✓	64.500		2285.00
3-5	rent March		✓	175.00		2460.00
3-7	pd				820.00	1640.00
3-20	pd				820.00	820.00
3-23	45301, 64, 97, 4564		✓	64.500		1465.00
4-9	april rent		✓	175.00		1640.00
4-19	pd				645.00	995.00
4-24	45301, 64, 97		✓	64.500		1640.00
5-3	May rent			175.00		1815.00
5-21	45301, 64, 97			64.500		2460.00
6-5	pd				820.00	1640.00
6-13	June			175.00		1815.00
6-18	pd				820.00	995.00
6-25	45301, 64, 97			64.500		1640.00
6-29	gm 1128.30 5. gm com.			1128.30		2768.30
7-17	pick up & dgs Credit Memo gm com.				667.45	2100.85
7-18	July			175.00		2275.85

3 8 0 4 0 6 7 3 0 1 8

ACCOUNT NO. \_\_\_\_\_

RATING

CREDIT LIMIT

NAME

James Foster Treasures

BUSINESS

ADDRESS

Jesse Helms Campaign

DATE	ITEMS	FOLIO	✓	DEBITS	CREDITS	BALANCE
1984						
7-23-84	US 301, NC 97, US 64			645.00 ✓		2920.85
8-4	Aug rent			175.00		3095.85
8-4	418 pencils & onipes			145.00		4540.85
8-21	US 301 NC 97 9 US 64			645.00		5190.85
9-10	Sept 9 new work bill board			300.00		5490.85
9-21	US 301 NC 97 9 US 64			645.00		6135.85
9-21	New Hdg. & M supplies			171.38		6307.23
10-4	500 long pasters 140 small 400 buttons 9M			542.57 ✓		6849.80
10-4	3000 pasters 1000 buttons 9M			1337.60 ✓		8187.40
10-4	Oct rent			175.00 ✓		8362.40
10-22	US 301 NC 97 9 US 64			645.00 ✓		9007.40
10-29	9M B3 & pasters			643.24 ✓		9650.64
10-29	9M B3 & pasters			668.38 ✓		10319.02
1985						
1-23	pd				10319.02	-0-



X4C WHITE  
BX4C BUFF  
GX4C GREEN

8 8 0 4 0 6 7 3 0 1 9

J. C. D. BAILEY

DATE	DESCRIPTION	AMOUNT
1/23/85	In full payment of account due from: Helen Laughery for Helms campaign materials until such time as funds are collected from the above; repayment made to J. C. D. Bailey thereafter.	\$1,592.12

DETACH AND RETAIN THIS STATEMENT

THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED ABOVE. IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

8 8 0 4 0 6 7 3 0 2 0

**ACCOUNT NO.**

### RATING

CREDIT LIMIT

NAME

**ADDRESS**

## BUSINESS

DATE	ITEMS	FOLIO	DEBITS	CREDITS	BALANCE
1984					
6-29	24 campaign materials		24.74 46		24.74 46
7-17	Credit for pick up Hogs.			88234	159212
1985					
1-23	pd			159212	—



X4C WHITE  
BX4C BUFF  
GX4C GREEN

SHEET NO.

ACCOUNT NO.

RATING

CREDIT LIMIT

TERMS

8804

8804  
 NAME  
 ADDRESS

Donations Received

Jesse Helms Billboard

J.P. Gutin, Treasurer

CLEARING A/c

acct.

500-0-1000

MADE IN U.S.A.

FORM  
GN2-D

9983

ITEMS

FOLIO

v

DEBITS

CREDITS

BALANCE

March

4500

4500

April

adv chg

45000

40500

May

86560

127060

-

June

billed &amp; Trotter 1083.97 pd Whites 1083.97

108397

108397

-

July

billed &amp; Trotter 645.00 pd Whites 645.00

64500

64500

-

Aug

billed &amp; Trotter 645.00 pd Whites 645.00

64500

64500

-

Sept

978.56

"

820<sup>00</sup>

97856

97856

-

Oct

820.00

820<sup>00</sup>

82000

82000

-

Nov

820.00

820<sup>00</sup>

82000

82000

-

Dec

820.00

pd

175<sup>00</sup>

17500

82000

64500

12-31

adj entry

64500

-

-

1-31

billed &amp; Trotter

pd Whites

82000

82000

-

2-29

82000

82000

-

3-30

820<sup>00</sup>

pd

820<sup>00</sup>

82000

82000

-

4-30

820<sup>00</sup>

pd

820<sup>00</sup>

82000

82000

-

5-30

820<sup>00</sup>

pd

820<sup>00</sup>

82000

82000

-

6-30

82000

82000

-

7-31

820<sup>00</sup>

pd

820<sup>00</sup>

82000

82000

-

8-31

820<sup>00</sup>820<sup>00</sup>2270<sup>00</sup>2270<sup>00</sup>

-

9-28

945<sup>00</sup>

pd

945<sup>00</sup>

94500

94500

-

10-31

820<sup>00</sup>820<sup>00</sup>

82000

82000

-



May 24, 1983

Mr. J. W. Bailey  
Nash County Jesse Helms  
For Senate Committee  
c/o Southeastern Advertising  
P. O. Box 312  
Rocky Mount, NC 27801

RE: Nash County Jesse Helms - Rocky Mount, NC  
Two (2) 10' x 30' Illuminated Bulletins  
One (1) 10' x 23' Illuminated Bulletin

Dear Mr. Bailey:

May we take this opportunity to welcome you as one of our customers. When a new account is opened, our entire organization puts forth every effort to do an efficient job, as we all realize that by pleasing you, we are taking another step forward.

Our objective at all times is to handle, intelligently and efficiently, any and all work we do for your organization. We are sure that this is the beginning of a relationship that will be very beneficial to you and we hope that you will use our service for many years.

If we can be of any further assistance to you, please do not hesitate to contact us immediately.

Very truly yours,

WHITECO METROCOM

Robert Sykes  
General Manager

RS/me

Enc.

30

Mailing Address:  
P.O. Box 9093  
Rocky Mount, NC 27801

Shipping Address:  
468 Farm Road  
Rocky Mount, NC 27801  
Telephone: (819) 443-0621

**WHITECO**  
**METROCOM**  
A DIVISION OF WHITECO INDUSTRIES, INC.

**BULLETIN  
DISPLAY  
AGREEMENT**

WHITECO  
CUSTOMER NO. 4045

DATE 5-11-83

AGREEMENT NO. W10-756-4 ☒ NEW ☐ RENEWAL

ADVERTISER Nash County Jesse Helms

ADDRESS For Senate Committee

c/o Southeastern Advertising, Inc.

P. O. Box 312

Rocky Mount, NC 27801

CUSTOMER ORDER NO. \_\_\_\_\_

We, the undersigned (hereinafter referred to as "Advertiser") agree with Whiteco Metrocom, Inc., (hereinafter referred to as "Whiteco") to place in service and maintain an outdoor advertising display subject to the conditions and instructions on the reverse side of this display agreement for such price per month for each location as are indicated on this display agreement and to maintain said display from the day the copy is completed on the display and the remainder of that month (the "proration period") plus

A PERIOD OF: 20 months

Effective 5/1/83 - 4/30/84 12/1/84

**SECTION 1 DESCRIPTION OF ORDER**

☐ PAINTED DISPLAY — REGULAR ☐ PAINTED DISPLAY — ILLUMINATED (FROM DUSK TO 10:00 P.M.) ☐ PAINTED DISPLAY WITH REFLECTIVE TREATMENT

LOCATION	SIZE	PRICE PER MONTH				
		Proration Period 1st through 12th month	13th through 24th month	25th through 36th month	37th through 48th month	49th through 60th month
<u>US 66 Barbours St. at intersection of Washington St. N.E./N.W.</u>	<u>10 x 30</u>	<u>\$225.00</u>	<u>\$225.00</u>			

Customer may charge copy for \$300.00 one time charge.  
This contract covers existing sign for "Jesse Helms" originally contracted through Lewis Adv

In addition to the foregoing monthly payments, Advertiser shall pay Whiteco for any pictorial, cut out, embellishment or any other special treatment for the display on the basis of the square footage of such special treatment within thirty (30) days of its receipt of notice from Whiteco of the cost thereof. Said cost shall be calculated at a rate of \$ \_\_\_\_\_ per square foot.

ACCEPTANCE: This display agreement shall not obligate Whiteco in any way until it is accepted and signed by an exclusive officer of Whiteco or by the General Manager of the office of Whiteco indicated herein.

**WHITECO METROCOM**  
A DIVISION OF WHITECO INDUSTRIES, INC.

BY \_\_\_\_\_  
EXEC. OFFICER OR GEN. MANAGER

TITLE \_\_\_\_\_

DATE \_\_\_\_\_

Henry Bradley

SALES REPRESENTATIVE

THERE ARE ADDITIONAL TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS DISPLAY AGREEMENT. THE PARTIES ARE BOUND BY SAME.

ADVERTISER

Nash County Jesse Helms for Senate Committee

FIRM NAME Southeastern Advertising, Inc.

Post Office Box 312

ADDRESS Rocky Mount, NC 27801

BY \_\_\_\_\_

PRINT NAME & TITLE

DATE May 13, 1983

7-10-52 05:42:00

In any instance of cancellation of this display agreement or reduction on its terms, Advertiser will not be liable to the Advertiser in any way except to return any amounts paid by Advertiser for the unexpired term of this display agreement.

If the display is damaged to an extent which prevents the displaying of Advertiser's message thereon, which damage is not caused by the Advertiser, at Whittaco's option, billing for the display shall stand for the period of prevention of Advertiser to be issued a credit after cessation of such prevention. In the instance of either the statement of the billing or the credit after cessation, the amount of said statement or credit to the monthly rate during the period of prevention, will equal the pro rata portion of the Advertiser's message display of which has been completed as determined solely on Whittaco.

2. In the case of governmental or utility actions resulting in total elimination of illumination, Advertiser shall be entitled to a credit of ten percent (10%) of the applicable monthly rate pro rata for the duration of non-illumination.

Any claim of Advertiser alleging Whiteco's failure to properly perform this display agreement is limited to the credits or other remedies set forth in Sections 10 and 11 and shall not be cause for suspension or termination of this display agreement without Whiteco's written consent. Any such claim for credit shall not be valid unless made in writing to Whiteco within thirty (30) days of the date that the Advertiser alleges that Whiteco first failed to properly perform.

**NOTES: BEWARE OF COPY CHANGE:**

Under the terms of this agreement, Advertiser shall pay Website in advance for any reprinting or changes in copy on the display made during the term of this display agreement as Advertiser's request. Advertiser is obligated to continue making the monthly payment during any period when the display is being reprinted or the copy is changed. Advertiser shall furnish to Website reprint or copy change sixty (60) days prior to the respective scheduled reprint or design change.

SECTION 16 - HOLD NAME(S):

WE HEREBY AGREE TO HOLD THE ADVERTISER HARMLESS FROM ANY AND ALL CLAIMS OR DEMANDS ON

Warranty. The Exhibitor agrees to indemnify and save Whiteco harmless, including legal fees and costs from any and all claims or demands based upon the use of any name, picture or other materials in the display covered by this display agreement. Further Whiteco reserves the right to remove, rework any copy which, in its opinion, before or after placing the display in service as exhibitable or any way might adversely affect the integrity of the outdoor advertising industry or the professional reputation and good-will of Whiteco regardless of any commitment made at any time.

**WRITING AN ASSIGNMENT OF DISPLAY AGREEMENT:**

By the event of the sale, transfer, assignment, trade or termination of the Advertiser's business, Whiteco shall be responsible to pay and pay for the amount then due but not yet paid by Advertiser to Applicant (hereinafter "Amount Due") in the event a sale, transfer, assignment, trade or termination of Advertiser's business in the last six (6) months of the original or any renewal terms of this display agreement payment of all monthly charges remaining unpaid under this display agreement within thirty (30) days after said sale, transfer, assignment, trade or termination; unless (a) said display agreement has been assigned to and accepted in writing by any person, or office, authorized to bind the firm, corporation or person acquiring Advertiser's business and (b) the assignment is accepted in writing by an executive officer of Whiteco or the general manager of the office of Whiteco indicated herein. However, even if Whiteco accepts such assignment, such acceptance shall not release Advertiser from liability for any and all amounts then due and owing Whiteco as well as the balance due over the unexpired term of the display agreement. Should any assignee of the Advertiser breach any term of this display agreement, upon such breach, Whiteco shall be entitled to invoke any of the remedies identified in this agreement or otherwise without further notice to the advertiser, against the Advertiser or the Assignee or both as Whiteco may choose. Except as provided in this Section 16 this Agreement may not be assigned by the Advertiser.

**SECTION 17. CHOICE OF LAW AND ADMISSIBILITY OF COPIES CONTRACT.**

The parties to this agreement hereby agree to resolve all disputes arising out of and related to this display agreement pursuant to the laws of the State of Indiana.

This agreement is to be signed by each of the parties hereto in quadruplicate and it is agreed and stipulated that any of the four signed copies of this agreement may be admitted into evidence in any litigation relating to the enforcement of this agreement. However, if the language on any copies differs from the other copies the language contained in the yellow copy of this agreement, if available, shall be deemed to be the controlling language.

**SECTION 18. GENERAL PROVISIONS:**

8. The paragraph headings in this display agreement are used for convenience only. They

b. The invalidity, in whole or in part, of any provision of this display agreement shall not affect the validity or enforceability of any other of its provisions.

c. Whittaco's failure to assert in one or more instances upon the occurrence of any term or terms of this display agreement shall not be construed as a waiver or relinquishment of Whittaco's rights and performance or the future performances of such term or terms, and Advertiser's obligations under this agreement shall not be affected.

obligation with respect hereto shall continue in full force and effect.

d. It is understood by the parties that any use of the word "display" may include more than one display face in such a position.

One display face in such display and accordingly the rights and remedies of the parties will be

appropriately provided in less than all of the display faces in any such display are affected un-

any of the sections of this display agreement.

\_\_\_\_\_

Mailing Address:  
P.O. Box 9093  
Rocky Mount, NC 27801

Shipping Address:  
463 Farm Road  
Rocky Mount, NC 27801  
Telephone: (919) 443-0521



# BULLETIN DISPLAY AGREEMENT

WHITECO  
CUSTOMER NO. 15

DATE 5-11-83

AGREEMENT NO. W10-757-3

☒ NEW ☐ RENEWAL

ADVERTISER Nash County Jesse Helms

ADDRESS For Senate Committee

c/o Southeastern Advertising, Inc.

P. O. Box 312

Rocky Mount, NC 27801  
PRODUCT/SERVICE

CUSTOMER ORDER NO.

We, the undersigned (hereinafter referred to as "Advertiser") agree with Whiteco Metrocom, Inc., (hereinafter referred to as "Whiteco") to place in service and maintain an outdoor advertising display subject to the conditions and instructions on the reverse side of this display agreement for such prices per month for each location as are indicated on this display agreement and to maintain said display from the day the copy is completed on the display and the remainder of that month (the "proration period") plus

A PERIOD OF: 10 Months

Effective 6/1/83 - 1/1/84

## SECTION 1 DESCRIPTION OF ORDER

☐ PAINTED DISPLAY  
TYPE I — REGULAR

☒ PAINTED DISPLAY—ILLUMINATED  
TYPE II (FROM DUSK TO 10:00 P.M.)

☐ PAINTED DISPLAY WITH  
TYPE III REFLECTIVE TREATMENT

LOCATION	SIZE	PRICE PER MONTH				
		Proration Period and First 12 mos.	13th through 24th month	25th through 36th month	37th through 48th month	49th through 60th month
<u>US HWY 1/10 mi. S/O Sunset</u>	<u>16 x 30</u>	<u>\$250.00</u>	<u>\$250.00</u>			
<u>Customer may change copy for \$300.00 one time charge</u>						

In addition to the foregoing monthly payments, Advertiser shall pay Whiteco for any placard, cut-out, embellishment or any other special treatment for the display on the basis of the square footage of such special treatment within thirty days of the receipt of notice from Whiteco of the cost thereof. Said cost shall be calculated at a rate of \$\_\_\_\_\_ per square foot.

ACCEPTANCE: This display agreement shall not obligate Whiteco in any way until it is accepted and signed by an executive officer of Whiteco or by the General Manager of the office of Whiteco indicated herein.

WHITECO METROCOM  
A DIVISION OF WHITECO INDUSTRIES, INC.

BY

Henry Bradley  
SALES OFFICER OR GEN. MANAGER

TITLE

DATE 5/23/83

Henry Bradley

SALES REPRESENTATIVE

THERE ARE ADDITIONAL TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS DISPLAY AGREEMENT. THE PARTIES ARE SOLEMNLY ADVISED.

ADVERTISER

Nash County Jesse Helms for Senate Committee

FIRM NAME Southeastern Advertising, Inc.

Post Office Box 312

ADDRESS Rocky Mount, NC 27801

BY J. E. Smith

PRINT NAME & TITLE

DATE May 13, 1983

## ADDITIONAL TERMS AND CONDITIONS

### SECTION 2. COMMENCEMENT AND HOLDOVER:

Completion of any display is hereby acknowledged. When billed the portion of the monthly payment applicable to display which has been completed.

If this is a renewal display agreement, it is agreed that the display shall have been considered to have been placed in service on the day immediately following the expiration date of the previous display agreement.

Advertiser agrees to notify Whiteco in writing not less than ninety (90) days prior to the expiration date of this display agreement if it desires to terminate the display agreement at the expiration of the above specified term. Unless otherwise notified Whiteco or Whiteco notifies the Advertiser of its desire to terminate, the parties agree that this display agreement shall remain in force at the rate applicable at said expiration until the Advertiser thereafter gives Whiteco ninety (90) days or Whiteco thereafter gives the Advertiser written notice of its intention to terminate and then shall expire upon the expiration of said notice.

### SECTION 3. PROVISION OF COPY:

Advertiser shall furnish the copy and any special treatment specifications within thirty (30) days after the acceptance of this display agreement. In the event the Advertiser does not furnish said copy and any special treatment specifications within the above period, the term of this display agreement and billing therefore shall begin:

### SECTION 4. PAYMENT:

Advertiser shall pay in advance to Whiteco within ten (10) days after the display has been placed in service, an amount based on the monthly rate for the first month of the display period for the period from the day on which the display is placed in service to the end of the first month. Advertiser shall thereafter pay in advance on a monthly basis, on or before the first business day of each month during the term of the display agreement, the amount of the monthly rate.

### SECTION 5. LATE CHARGE:

Advertiser agrees that with respect to any amount due hereunder which is not paid on or before the date when payment is due, Advertiser shall pay a late charge equal to 1 1/2% of such unpaid amount for each month the payment remains unpaid (such late fee not to exceed the amount permitted by law, whichever is less, or such amount calculated from the date the amount first became due).

### SECTION 6. ENTIRE AGREEMENT, MODIFICATION AND SUCCESSION:

It is understood that this agreement constitutes the entire display agreement and understanding between the parties hereto and supersedes all prior representations, understandings and agreements. It is further understood that the terms of this display agreement cannot be waived, amended or modified in any way except by written agreement signed by the Advertiser and the executive officer of Whiteco or the General Manager of the office of Whiteco.

Upon such acceptance this display agreement shall be binding upon the parties and their heirs, assigns (accepted assignee in the case of the Advertiser) and successors.

### SECTION 7. COMMISSION PAYMENTS AND OTHER ADVERTISING EXPENSES:

The monthly billing to be paid by Advertiser to Whiteco shall be for the display and for any other similar charges from any agent of Advertiser, unless otherwise provided in this event, such commission shall serve to reduce the monthly billing only to the extent such commission is made when due.

If this display agreement is signed by an advertising agency, broker or agent, other than the actual advertiser or its agent, the advertiser shall be deemed to have authorized the agency, broker or agent to execute this display agreement and to be bound by the terms and conditions hereof. Whiteco reserves the right to demand that the advertiser, agency, broker or agent be authorized by the advertiser to execute this display agreement. Advertiser agrees that the advertiser, agency, broker or agent shall be authorized by the advertiser to execute this display agreement.

### SECTION 8. PAYMENT ADJUSTMENTS DUE TO CHANGES IN GROSS RATES:

If at any time the annual cost of Whiteco of the sign location gross rate for the display contemplated by this agreement exceeds Advertiser's net monthly payment for the display, Advertiser is to pay Whiteco such excess within thirty (30) days of the date of invoice.

### SECTION 9. BREACH:

Any failure by Advertiser to pay when due any amounts due hereunder shall be considered a breach of this display agreement.

Advertiser acknowledges that the display it has agreed upon is to be designed, fabricated, painted and installed expressly for the Advertiser; that Whiteco's major expense in fulfilling this display agreement is incurred in providing the display, that such major expense is incurred on the Advertiser's representative that it will pay timely, in full, the amount due hereunder and that the display has very limited value to Whiteco unless used for the Advertiser. Advertiser further acknowledges that it is responsible and extremely difficult to replace the most loss to Whiteco (and its agent) if Advertiser were to breach this display agreement. Accordingly, the parties agree that if Advertiser does or fails to do so, it is a breach of this agreement. It is further agreed that the damages caused by such breach are not interest in the display, but are the actual damages caused by such breach and are not interest in the display, but are the actual damages caused by such breach. In addition to any other rights Whiteco has or may have at equity, Whiteco may, at its option, without prior notice, at any time and from time to time, remove the display from the location and replace it with that of another advertiser without incurring any liability to the Advertiser or replacement.

Should Whiteco elect to collect any delinquent payments due hereunder, Advertiser agrees to pay for default of any other term, payment or condition of this Agreement. Advertiser agrees to pay all reasonable attorney's fees and expenses, including but not limited to professional collection service charges and court costs. Any judgment rendered in favor of Whiteco shall be without relief from the above provisions and shall be enforceable in full.

### SECTION 10. TERMINATION, RELOCATION, CANCELLATION AND ASSIGNMENT:

Whiteco reserves the right to terminate this display agreement at any time for the display. If at any time the sign location described herein cannot be obtained, Whiteco may, exercising its sole discretion, relocate, change the location or otherwise terminate the display.

Any relocation of the display necessitated by a change in the actual location or inability to maintain the display, due to acts of God, fire, flood, riot, or other causes, including but not limited to relocation, shall be at Whiteco's expense. At Whiteco's option, billing for the display for the period during which such relocation is being accomplished and the display is not in place shall state on Advertiser's bill to be issued a credit after such period. The amount of such credit shall be 100% of the grossed monthly rate paid during such period. Any relocation of a display requested by Advertiser shall be subject to Whiteco's approval and shall be at Advertiser's expense and there shall be no abatement or credit of the monthly rate during such period.

In the event any legal action is taken or threatened to be taken by any governmental authority pursuant to law, to condemn the ground location for the display or otherwise take such display as an alternative to relocating the display, Whiteco shall have the right at its option, either to cancel this display agreement or to reduce its term; this option shall not apply

when the need to relocate is at the discretion of the authority and to make a voluntary or involuntary sale of said display to any such governmental authority in the event it is such a sale to a governmental authority, Advertiser will not be entitled to any proceeds of the property sold.

In the event of the imposition on Whiteco of any taxes or license fees which increase Whiteco's costs to perform its obligations under this display agreement or the cancellation of the underlying ground lease, Whiteco shall have the right, at its option, either to cancel this display agreement or to reduce its term.

In any instance of cancellation of this display agreement or reduction on its term, Whiteco will not be liable to the Advertiser in any way except to return any amounts paid by Advertiser for the unexpired term of this display agreement.

### SECTION 11. MAINTENANCE:

Whiteco agrees to maintain the display in good condition through the term of this display agreement including replacing and repairing any damaged parts of the display subject to the provisions below.

Whiteco retains exclusive control and supervision of the installation, maintenance and removal of displays and over the structures on which they are displayed. It is expressly agreed that Whiteco shall not be held liable for loss or damage on account of delays in installation or inability to maintain said displays due to strikes, fire, governmental laws, outdoor regulations, liability to enter specified material, acts of God, loss of location or other similar causes.

If the display is damaged to an extent which prevents the displaying of Advertiser's message thereon, such damage is not caused by the Advertiser or Whiteco's action, billing for the display shall state for the period of prevention or Advertiser is to be issued a credit after cessation of such prevention, in the instance of either the abatement of the billing or the credit after cessation, the amount of said abatement or credit to the monthly rate during the period of prevention will equal the portion of the Advertiser's message displayed which has been prevented as determined solely by Whiteco.

If there is a stop of illumination on a Type II display initially or during the term of this agreement, which is not caused by Advertiser, Advertiser is to be issued a credit after cessation of the stop of illumination in the amount of twenty percent (20%) of the applicable monthly rate provided for the period of such stop except that if any governmental authority or utility restricts or eliminates the stop of illumination, the Advertiser shall be issued a credit, if any, of the credit.

In the case of governmental or utility actions resulting in reduction of hours of illumination, no credit shall be applied by the Advertiser.

In the event of governmental or utility actions resulting in total elimination of illumination, Advertiser shall be entitled to a credit of ten percent (10%) of the applicable monthly rate provided for the period of total illumination.

### SECTION 12. CLAIMS FOR CANCELLATION OF REMEDY:

Any claim of Advertiser alleging Whiteco's failure to properly perform this display agreement limited to the credit or other remedies set forth in Sections 10 and 11 and shall not be cause for cancellation or termination of this display agreement without Whiteco's written consent. Any such claim for credit shall not be valid unless made in writing to Whiteco within thirty (30) days of the date that the Advertiser alleges that Whiteco first failed to properly perform.

### SECTION 13. DISPLAY REMAINS WHITECO'S PROPERTY:

It is understood that the display covered by this display agreement is, and shall remain, the exclusive property of Whiteco and, as such, cannot be subleased (or subleased) or removed from the location.

### SECTION 14. REPORT ON COPY CHANGES:

Unless otherwise agreed in writing, Advertiser shall pay Whiteco in advance for any reprinting or changing of copy on the display made during the term of this display agreement at Advertiser's request. Advertiser is obligated to continue making the monthly payment during any period when the display is being reprinted or the copy is changed. Advertiser shall furnish to Whiteco report of copy change duty 100 days prior to the respective scheduled reprint or change.

### SECTION 15. HOLD HARMLESS:

Whiteco agrees to save the Advertiser harmless from any and all claims or demands on account of bodily injury or physical property damage caused by or resulting from the display covered by this display agreement due to the placement or removal of the installation and maintenance of the display, and agree to carry at its own cost and expense, adequate public liability insurance covering such contingencies so long as this display agreement shall remain in effect. The Advertiser agrees to indemnify and save Whiteco harmless including any legal fees and costs from any and all claims or demands caused upon the use of any name, picture or other material in the display covered by this display agreement. Further Whiteco reserves the right to repair or remove any copy which, in its opinion, before or after placing the display in service is objectionable or may in any way adversely affect the integrity of the outdoor advertising industry or the professional reputation and goodwill of Whiteco regardless of any commitment herein or otherwise.

### SECTION 16. ASSIGNMENT OF DISPLAY AGREEMENT:

In the event the sign location, assignment, trade or termination of the Advertiser's business, Advertiser agrees to pay not only amount then due, but also eighty percent (80%) (one hundred percent (100%) in the event a sale, transfer or assignment of the business of Advertiser's business in the last six (6) months of the term of any renewal of this display agreement) of all monthly charges remaining unpaid under this display agreement within thirty (30) days after said sale, transfer, assignment or termination, unless (a) said display agreement has been assigned to and accepted in writing by any person, or officer, authorized to bind the firm, corporation or person acquiring Advertiser's business and (b) the assignment is accepted in writing by an executive officer of Whiteco or the General Manager of the office of Whiteco in which case, however, even if Whiteco accepts such assignment, such acceptance shall not release Advertiser from liability for any and all amounts then due and owing Whiteco as set off the balance due over the unexpired term of the display agreement. Should any assignee of the Advertiser breach any term of this display agreement upon such breach, Whiteco shall be entitled to make any of the remedies available in this agreement or other without further notice to the Advertiser against the Advertiser or the Assignee or both as Whiteco may choose. Except as provided in this Section 16 this Agreement may not be assigned by the Advertiser.

### SECTION 17. CHOICE OF LAW AND ADMISSIBILITY OF COPIES CONTRACT:

The parties to this agreement hereby agree to resolve all disputes arising out of and related to this display agreement pursuant to the laws of the State of Indiana.

This agreement is to be signed by each of the parties hereto in quadruplicate and it is agreed that at least one of the four signed copies of this agreement may be admitted into evidence in any litigation relating to the enforcement of this agreement. However, if the language of any copy differs from the other copies the language contained in the yellow copy of this agreement shall be deemed to be the controlling language.

### SECTION 18. GENERAL PROVISIONS:

The paragraph headings in this display agreement are used for convenience only. They shall not be construed to alter or effect this agreement's meaning.

The invalidity, in whole or in part, of any provision of this display agreement shall not affect the validity or enforceability of any other of its provisions.

Whereas it is intended that in one or more instances, upon the termination of any term or (or) of this display agreement shall not be construed as a waiver of the performance of Whiteco's obligations or the future performance of such term or terms, and Advertiser's obligations with respect thereto shall continue in full force and effect.

It is intended by the parties that any use of the word "display" may include more than one sign, signpost or display and accordingly, the rights and remedies of the parties will be applied to all of the display faces in any such display as affected by the provisions of this display agreement.

38040673025

Mailing Address:  
P.O. Box 8083  
Rocky Mount, NC 27801

Shipping Address:  
408 Farm Road  
Rocky Mount, NC 27801  
Telephone: (919) 449-0827

**WHITECO**  
**METROCOM**  
A DIVISION OF WHITECO INDUSTRIES, INC.

**BULLETIN  
DISPLAY  
AGREEMENT**

WHITECO  
CUSTOMER NO. 117

DATE 5-12-83

AGREEMENT NO. W10-758-2 ☒ NEW ☐ RENEWAL

ADVERTISER Nash County Jesse Helms

ADDRESS For Senate Committee

c/o Southeastern Advertising, Inc.

P. O. Box 312

Rocky Mount, NC 27801

CUSTOMER ORDER NO. \_\_\_\_\_

We, the undersigned (hereinafter referred to as "Advertiser") agree with Whiteco Metrocom, Inc., (hereinafter referred to as "Whiteco") to place in service and maintain an outdoor advertising display subject to the conditions and instructions on the reverse side of this display agreement for such prices per month for each location as are indicated on this display agreement and to maintain said display from the day the copy is completed on the display and the remainder of that month (the "operation period") plus  
A PERIOD OF: 10 months

Effective 6/1/83 - 1/1/84

SECTION 1 DESCRIPTION OF ORDER

☐ TYPE I PAINTED DISPLAY — REGULAR ☒ TYPE II PAINTED DISPLAY — ILLUMINATED (FROM DUSK TO 10:00 P.M.) ☐ TYPE III PAINTED DISPLAY WITH REFLECTIVE TREATMENT

LOCATION	SIZE	PRICE PER MONTH				
		Operation Period from dusk to 10 p.m.	10th through 24th month	25th through 36th month	37th through 48th month	49th through 60th month
NC 99, 200' East of US 101, Rocky Mount (E. Church St.)	10 x 22	\$170.00	\$170.00			
Customer may change copy for \$200.00 and time charge.						

In addition to the foregoing monthly payments, Advertiser shall pay Whiteco for any permits, cut out, construction or any other special treatment for the display on the basis of the square footage of such special treatment which shall be subject to the charge of Whiteco of the cost thereof. Such cost shall be calculated at a rate of \$ \_\_\_\_\_ per square foot.

ACCEPTANCE: This display agreement shall not obligate Advertiser in any way until it is accepted and signed by an executive officer of Whiteco or by the General Manager of the office of Whiteco indicated herein.

**WHITECO METROCOM**  
A DIVISION OF WHITECO INDUSTRIES, INC.

BY [Signature]  
EXC. OFFICER OR GEN. MANAGER

TITLE \_\_\_\_\_

DATE 5/12/83

Henry Rodley

SALES REPRESENTATIVE

THERE ARE ADDITIONAL TERMS AND CONDITIONS ON THE REVERSE  
END OF THE DISPLAY AGREEMENT. THE PARTIES ARE BOUND BY  
THEIR SIGNATURES.

ADVERTISER

Nash County Jesse Helms for Senate  
Committee

PERMANENT: SE Southeastern Advertising, Inc.  
Post Office Box 312

ADDRESS: Rocky Mount, NC 27801

BY [Signature]

PRINT NAME & TITLE

DATE MAY 13, 1983



SEA

Billboard Co.  
Copy Jesse Helms.

3-27-20<sup>00</sup> Don Kilhaff  
3-22-25<sup>00</sup> Lloyd Bailey

## JONES FOR RING BINDERS

Dealer on buff or green paper in  
as listed below. 50 sheets per pad.

rice copying machines

LINE	WIDTH OF DESCRIPTION COLUMN	UNITS PER COLUMN
<b>SIZE 11x8½—RULED TWO SIDES</b>		
7200	G7200	Double Entry Ledger
7202	G7202	2 Columns
7203	G7203	3 Columns
7204	G7204	4 Columns
7205	G7205	5 Columns
7206	G7206	6 Columns
7207	G7207	7 Columns
7208	G7208	8 Columns
†72100	†G72100	10 Cols., 2 left, 8 right
†72120	†G72120	12 Cols., 4 left, 8 right
†72140	†G72140	14 Cols., 6 left, 8 right
<b>SIZE 11x16½—RULED ONE SIDE—PERFORATED FOR TEAROUT</b>		
7212	G7212	12 Columns
7213	G7213	13 Columns
7214	G7214	14 Columns
<b>SIZE 11x24¼—RULED ONE SIDE—PERFORATED FOR TEAROUT</b>		
7218	G7218	18 Columns
7221	G7221	21 Columns
7225	G7225	25 Columns



**WILSON JONES COMPANY**  
CHICAGO

NEW YORK BOSTON ATLANTA  
SOUTH SAN FRANCISCO ELIZABETH, N. J.

MADE IN U.S.A.

88040673029

# Billboard Adver. Statement

## Jesse Helms

Ad Bill donation  
for Billboard payments

1						
2	3-22	Don Hillhall		2000	> sent monies to	Jesse R. Trotter 5-12-83
3	3-22	Lloyd Bailey		2500		
4		Ad to Office Ad.				
5	4-29	March & April ad.	450.00		> Billed Jesse R. Trotter 5-12	
6	5-19	May ad	370.60		Billed to	J. R. Trotter
7	5-30	May & June ad	450.00		Billed to	J. R. Trotter
8	6-6	June 30 1997 ad	420.00		Billed to	J. R. Trotter
9	6-17	type change ad	18.97		Billed to	J. R. Trotter

88040673030

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

SOUTHEASTERN ADVERTISING CO., INC. Donation Jesse Helms Campaign

1751

ROCKY MOUNT, NC 27804

Don Wilhalf 20.00  
Lloyd Bailey 25.00

19 83

PAY Forty Five and no/100 DOLLARS | \$ 45.00

TO  
THE  
ORDER  
OF

James R. Trotter, Treasurer Jesse Helms  
Campaign

SOUTHEASTERN ADVERTISING CO., INC.

*Charles Schindler*

⑆00001751⑆ ⑆053108674⑆ 00 2051645⑆

380406730

SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

June 6, 1983

James R. Trotter  
P.O. Box 228  
Rocky Mount, N.C. 27801

RE: enclosed letter and check

Dear Mr. Trotter:

At the request of Jack Bailey I am forwarding to you  
to enclosed letter and check.

Mr. Jack Bailey's personal secretary is on vacation  
this week, and I was requested to forward the enclosed  
to you hoping you would handle at your office.

Thank you.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager

CC: JCDB  
Geri Harrell

38040673032

June 1, 1983

Mr. Jack Bailey  
President  
Franchise Enterprises, Inc.  
1313 North Church Street  
Rocky Mount, NC 27801

Dear Mr. Bailey:

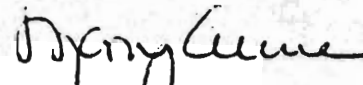
Enclosed is a check for \$900 to be used to purchase billboard space for Senator Helms prior to the 1984 fall campaign. It is Mr. Laughery's understanding that in a recent conversation you had with Tom Ellis, he assured you this amount would qualify Mr. and Mrs. Laughery to receive two tickets for the Salute to Jesse Helms dinner on June 16, 1983.

Mr. and Mrs. Laughery wish to receive two tickets @ \$500 each for the dinner. The extra \$100 check will be sent to Senator Helms' Raleigh office and be applied toward the Salute to Jesse Helms dinner.

Should you have any questions, please contact me at 977-8500 or Helen Laughery at 443-6778.

Sincerely,

HARDEE'S FOOD SYSTEMS, INC.



Mary Anne Avery  
Assistant to the President

MAA/lsc

Enclosure

cc: Helen Laughery  
Tom Ellis

103/MAA/601

Bank  
Director

JACK A. LAUGHERY  
150 HUNTER HILL ROAD  
ROCKY MOUNT, NC 27801

1313

06-234  
531

June 2 19 83

AY TO THE  
ORDER OF

James Helms' Campaign

\$ 900 00

Debit Rechecked any no/yes

DOLLARS

FIRST  
UNION

First Union National Bank  
Rocky Mount, North Carolina 27801

on Beulima

Jack A. Laughery

⑈00001313⑈ ⑆053108344⑆ 6015309088⑈

by Mary Anne

38040673034

SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

June 6, 1983

James R. Trotter  
P.O. Box 228  
Rocky Mount, N.C. 27801

RE: enclosed letter and check

Dear Mr. Trotter:

At the request of Jack Bailey I am forwarding to you  
to enclosed letter and check.

Mr. Jack Bailey's personal secretary is on vacation  
this week, and I was requested to forward the enclosed  
to you hoping you would handle at your office.

Thank you.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager

CC: JCDB  
Geri Harrell

88040673035

June 1, 1983

Mr. Jack Bailey  
President  
Franchise Enterprises, Inc.  
1313 North Church Street  
Rocky Mount, NC 27801

Dear Mr. Bailey:

Enclosed is a check for \$900 to be used to purchase billboard space for Senator Helms prior to the 1984 fall campaign. It is Mr. Laughery's understanding that in a recent conversation you had with Tom Ellis, he assured you this amount would qualify Mr. and Mrs. Laughery to receive two tickets for the Salute to Jesse Helms dinner on June 16, 1983.

Mr. and Mrs. Laughery wish to receive two tickets @ \$500 each for the dinner. The extra \$100 check will be sent to Senator Helms' Raleigh office and be applied toward the Salute to Jesse Helms dinner.

Should you have any questions, please contact me at 977-8500 or Helen Laughery at 443-6778.

Sincerely,

HARDEE'S FOOD SYSTEMS, INC.



Mary Anne Avery  
Assistant to the President

MAA/lsc

Enclosure

cc: Helen Laughery  
Tom Ellis

103/MAA/601

Bank  
Director

JACK A. LAUGHERY  
150 HUNTER HILL ROAD  
ROCKY MOUNT, NC 27801

1313

88-834  
631

June 2 19 83

AY TO THE  
ORDER OF

James Helms' Campaign

\$ 900 <sup>00</sup>

Nine hundred and no/100

DOLLARS

**FIRST  
UNION**

First Union National Bank  
Rocky Mount, North Carolina 27801

OR Beulivander

Jack A. Laughery

⑈00001313⑈ ⑈053108344⑈ 6015309088⑈

by Mary Anne

98040673037

~~Cattage~~  
order  
ack. report frames

Henry  
Bradley

8 9 0 4 0 6 7 3 0 3 8

# METROCOM

A DIVISION OF WHITECO INDUSTRIES, INC.

REMIT TO:

LEWIS ADVERTISING  
JAVICE MCINTYRE  
P. O. DRAWER L  
ROCKY MOUNT, NC

27801

WHITECO METROCOM  
1000 E 80TH PLACE/SUITE 700  
MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/443/0521

INVOICE DATE	INVOICE NUMBER	PLANS REPORTING PERIOD MONTHS ON YEAR	ADVERTISING MO. MONTHS ON YEAR	INVOICE PERIOD
5/17/83	358126		7833	JCD BAILEY RKY MT NC 6/01/83 TO 7/01/83
559-1 30 ILLUM		US 64 AT WASHINGTON		COMMISSION 15.00 & 225.00 33.75- 191.25

*6-13-83  
Henry One that  
will get cashed  
out 5 E.P. in Bill  
paid.*

Date Rec'd 5/20/83  
Approved: \_\_\_\_\_  
Client: \_\_\_\_\_  
Amount: \_\_\_\_\_  
Month Charge: \_\_\_\_\_  
Check Number: \_\_\_\_\_

BALANCE LAST INVOICE	PAYMENTS & CREDITS	DATE PAYMENT LAST RECEIVED	AMOUNT PAID DUE
			193.16
FINANCE CHARGE IS APPLIED ON AMOUNTS THIRTY-ONE (31) DAYS ON MORE PAID DUE.			
30 DAYS ON LEND	31-60 DAYS PAID DUE	61-90 DAYS PAID DUE	OVER 90 DAYS PAID DUE
193.16			

TOTAL AMOUNT THIS INVOICE	PAY THIS AMOUNT
191.25	384.41

ORIGINAL INVOICE

6 2 0 2 7 9 0 1 0 8 8

Memorandum



Lewis Advertising, Inc.  
2309 SUNSET AVENUE  
P.O. DRAWER L  
ROCKY MOUNT, N.C. 27801  
(919) 443-5131

DATE June 8, 1983

TO: Ms. Vickie Raper

FROM: Sandra Parker

SUBJECT/JOB#: White Outdoor Billboard

Enclosed please find an invoice which should have been billed directly to Southeastern Advertising. Hopefully the billing address will be changed prior to the July invoice.

SP:kls

cc: Bill Ames

443-4547

88040673040

STATEMENT

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C.

Dial 612-3149

DESIGNERS OF IDEAS



James R. Trotter, Treasurer Jesse Helms Campaign  
 P.O. Box 228  
 Rocky Mount, N.C. 27801

ORDER DATE	INVOICE DATE	ORDER NUMBER	DESCRIPTION	CODE	CHARGE	CREDIT	BALANCE FORWARD
12-83	5-12-83		Jesse Helms Billboard March April		325.00 225.00 \$450.00		

WE APPRECIATE YOUR BUSINESS

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

38040673041

P  
AS  
120

**Lewis Advertising, Inc.**  
2309 SUNSET AVENUE • P.O. DRAWER L  
ROCKY MOUNT, N.C. 27801 • (919) 443-5131

**INVOICE**

Southeastern Advertising

NO. 19220

DATE	SERVICE	
3-83	Billboard - March	\$225.00
	Billboard - April	<u>225.00</u>
	Total	\$450.00

*paid  
ck # 1728*

**SOUTHEASTERN ADVERTISING CO., INC.**

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 19220

1728

86-887  
631

4-29 19 83

PAY TO THE ORDER OF Four Hundred Fifty and no/00 DOLLARS | \$450.00

NAME Lewis Advertising, Inc.

ADDRESS

CITY

POSTED FBT

SOUTHEASTERN ADVERTISING CO., INC.

*Charles Schindler*

⑈00001728⑈ ⑆053108674⑆ 00 2051645⑈

⑈0000045000⑈

**WE APPRECIATE YOUR BUSINESS**  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

**PAY TO THE ORDER OF THIS CO.**

30427

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

DUPLICATE DOCUMENT

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James R. Trotter, Treasurer Jesse Helms Campaign  
P.O. Box 228  
Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged 1/2% of balance per month or a minimum of 50¢ per month to cover the cost of handling.

DATE	FOLO	CHARGES	CREDITS	BALANCE
5-19-83		BALANCE FORWARD →		

Billboard for May	\$225.00
Hwy 97 art charges	70.00
Hwy 301 art charges	70.00
sales tax on \$140.00	5.60
	<u>\$370.60</u>

pd 7-1-83

## Customer's Statement - Salesman's Copy

The amount specified on the statement of your customer's account - is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.

WE APPRECIATE YOUR BUSINESS

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673043

**Lewis Advertising, Inc.**

2309 SUNSET AVENUE • P.O. DRAWER L  
ROCKY MOUNT, N.C. 27801 • (919) 443-5131

**INVOICE**

Southeastern Advertising, Inc.

NO. 19341

DATE	SERVICE
4-83	Billboard - May Art Charges - Highway 97 Jesse Helms Paint Board Art Charges - Highway 301 South Jesse Helms Paint Board 4% Sales Tax on \$140.00
	\$225.00 70.00 70.00 5.60
	Total \$370.60

**SOUTHEASTERN ADVERTISING CO., INC.**

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 19341

1758

5-19 19 83

~~66-867~~  
831

PAY TO THE ORDER OF Three Hundred Seventy and 60/100 DOLLARS | \$ 370.60

NAME Lewis Advertising, Inc.

ADDRESS

SOUTHEASTERN ADVERTISING CO., INC.

POSTED PBT

*Charles Schindler*  
112490170

⑈00001758⑈ > ⑆053108674⑆ 00 2051645⑈

⑈0000037060⑈

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

88040673044

*invisic*  
OVERHEAD-PROJECTOR

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N.C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James R. Trotter, Treasurer Jesse Helms Campaign  
P.O. Box 228  
Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged 1 1/2% of balance per month as a minimum of \$6.00 per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
5-30-83		BALANCE FORWARD →		

Billboard for May US 64 at Washington  
5-01 to 6-01-83

\$225.00

Billboard for June US 64 at Washington  
6-01 to 7-01-83

\$225.00  
\$450.00

## Customer's Statement - Salesman's Copy

The amount specified on the statement of your customer's account is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.

WE APPRECIATE YOUR BUSINESS

prompt payment enables us to give better service

↑  
PAY LAST  
BALANCE

98040673045



002-010

DIVISION OF WHITECO INDUSTRIES, INC.

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC

27801

1000 E 80TH PLACE/SUITE 700  
MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/443/0521

INVOICE DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD
05/26/83	358330		8045	NSH CTY J HELMS RMY MT N	
STRUCTURE NO.	SIZE	TYPE OF DISPLAY	LOCATION	AMOUNT	TOTAL
NC- 559-1	30	ILLUM	US 64 AT WASHINGTON		
NEW BILLING FOR 06/01/83 TO 07/01/83				225.00	225.00

*pd ch #1771  
5-30*

SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV358329,358330

1771

5-30 19 83

~~00-967~~  
831

05/05/83 SORTER 5

304570055

Four Hundred Fifty and no/100 DOLLARS | \$ 450.00

NAME

Whiteco Metrocom

ADDRESS

CITY

POSTED PBT

SOUTHEASTERN ADVERTISING CO., INC.

111020135

*Charlene Scherdelte*

⑈00001771⑈ ⑈053108674⑈ 00 2051645⑈

⑈0000045000⑈

TOTAL AMOUNT THIS INVOICE

225.00

PAY THIS AMOUNT

225.00

673046

# METROCI V

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P.O. BOX 112  
ROCKY MOUNT, NC 27801

PO BOX 112 ROCKY MOUNT NC 27801  
MERRILLVILLE, IN 46410

YOUR BILLING WILL BE BY OUR  
ATLANTA OFFICE  
678-441-0001

DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR RETURN	ADVERTISEMENT NO.	ADVERTISEMENT NAME	DISPLAY PERIOD
	8045		8045	NASH CITY JESSE HELMS FOR MT R	
ACTURE NO.	DATE	THRU DATE	THRU DATE	THRU DATE	THRU DATE

US 64 AT WASHINGTON  
NEW BILLING FOR 05/01/83 TO 06/01/83

17800

8040673047

*Ad #1771  
5-30*

BALANCE LAST INVOICE	PAYMENTS & CREDITS	DATE PAYMENT LAST RECEIVED	AMOUNT PAID DUE

LARGE CHARGE IS APPLIED ON AMOUNTS THIRTY-ONE (31) DAYS OR MORE PAST DUE.

30 DAYS OR LESS	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE

TOTAL AMOUNT DUE
PAY THIS AMOUNT

ORIGINAL INVOICE

# WHITECO METROCL

DIVISION OF WHITECO INDUSTRIES, INC.

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC

27801

1000 E 80TH PLACE/SUITE 700  
MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/446/0621

DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISEMENT NO.	ADVERTISEMENT NAME	DISPLAY PERIOD
5/7/83	358329		8045	NSH CTY J HELMS RMY MT N	
559-1	30	ILLUM	US 64 AT WASHINGTON		
			NEW BILLING FOR 05/01/83 TO 06/01/83		225.00

38040673048

BALANCE LAST INVOICE	PAYMENTS & CREDITS	DATE PAYMENT LAST RECEIVED	AMOUNT PAID DUE
LANCE CHARGE IS APPLIED ON AMOUNTS THIRTY-ONE (31) DAYS OR MORE PAST DUE.			
30 DAYS OR LESS	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE

DUPLICATE INVOICE

TOTAL AMOUNT DUE
PAY THIS AMOUNT

INVOICE  
**Southeastern Advertising, Inc.**

Box 312, Rocky Mount, N. C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James R. Trotter, Treasurer Jesse Halus  
P.O. Box 228  
Rocky Mount, N.C. 27801

Campaign

TERMS: NET CASH. All accounts over 30 days old will be charged 1 1/2% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
6-06-83		BALANCE FORWARD ->		
Billboard for 6-01-83 thru 7-01-83 US301				\$250.00
Billboard for 6-01-83 thru 7-01-83 NC 97				170.00
				<u>\$420.00</u>

Customer's Statement - Salesman's Copy  
The amount specified on the statement of your customer's account - is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.

WE APPRECIATE YOUR BUSINESS

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

38040673049

# WHITECO METROCOM

SON OF WHITECO INDUSTRIES, INC.

002-010

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC

27801

1000 E 80TH PLACE/SUITE 700  
MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/443/0521

DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD
6/31/83	358363		8043	NSH CTY J HELMS RKY MT N	
STRUCTURE NO.	SIZE	TYPE OF DISPLAY	LOCATION	AMOUNT	TOTAL
C- 110-1	30	ILLUM	US 301 1/10 MI S/O & NEW BILLING FOR 06/01/83 TO 07/01/83	250.00	250.00
C- 198-1	23	ILLUM	NC 97 1/10 MI E/O 30 NEW BILLING FOR 06/01/83 TO 07/01/83	170.00	170.00

8 0 4 0 6 7 3 0 5 0



**SOUTHEASTERN ADVERTISING Co., INC.**

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 358363

1796

6-07 19 83

66-867  
831

AMOUNT THIS INVOICE  
420.00

PAY Four Hundred Twenty and no/100 ~~003 0357 18 08-11-83 1 103574272~~ DOLLARS \$ 420.00

THIS AMOUNT  
420.00

TO THE  
ORDER  
OF

NAME  
Whiteco Metrocom

ADDRESS

CITY POSTED PST

SOUTHEASTERN ADVERTISING CO., INC.

1213-10097  
*Charlene Schirckette*

⑈00001796⑈ > ⑆053108674⑆ 00 2051645⑈

⑈0000042000⑈

30

DUPLICATE INVOICE

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James R. Trotter,  
Treasurer Jesse Helms Campaign  
P.O. Box 228  
Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged  $\frac{1}{2}\%$  of balance per month or a minimum of 30c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
6-17-83		BALANCE FORWARD →		

Type Charge Hwy 97 & Hwy 301 Billboard (done by Lewis Advert.)	\$18.97
---	---------

*pd*  
*7-1*

WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

38040673051

# Lewis Advertising, Inc.

2308 SUNSET AVENUE • P.O. DRAWER L  
ROCKY MOUNT, N.C. 27801 • (919) 443-6131

## INVOICE

Southeastern Advertising

NO. 19388

DATE	SERVICE
5-83	Type Charge - Highway 97 & Highway 301 Billboard \$18.24 4% Sales Tax on \$18.24 .73  Total \$18.97

*Pd  
Pch #1816*

8 8 0 4 0 6 7 3 0 5 2

DUPLICATE INVOICE  
**Southeastern Advertising, Inc.**

Box 312, Rocky Mount, N. C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James R. Trotter,  
Treasurer Jesse Helms Campaign  
P.O. Box 228  
Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged 1 1/2% of balance per month or a minimum of \$0.50 per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
6-24-83		BALANCE FORWARD →		

Billboards 7-01-83 thru 8-01-83

US 301	\$250.00
NC 97	\$170.00
US 64 & Washington	<u>\$225.00</u>
Total	\$645.00

WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673053

# WHITECO METROCOM

002-010

27

DIVISION OF WHITECO INDUSTRIES, INC.

REMIT TO:

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC 27801

WHITECO METROCOM  
1000 E 90TH PLACE/SUITE 700  
HERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/443/0521

VOICE DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD
6/17/83	360981		8045	NASH CTY J HELMS RKY MT N	7/01/83 TO 8/01/83
STRUCTURE NO.	SIZE	TYPE OF DISPLAY	LOCATION	AMOUNT	TOTAL
110-1	30	ILLUM	US 301 1/10 MI S/D 6	250.00	250.00
198-1	23	ILLUM	NC 97 1/10 MI S/D 30	170.00	170.00
559-1	30	ILLUM	US 64 AT WASHINGTON	225.00	225.00



SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 360981

1822

6-24 19 83

66-897  
831

MOUNT THIS INVOICE

645.00

THIS AMOUNT

645.00

PAY TO THE ORDER OF Six Hundred Forty Five and no/100 645.00 DOLLARS \$ 645.00

NAME  
Whiteco Metrocom

ADDRESS

CITY

PDSTED PST

SOUTHEASTERN ADVERTISING CO., INC.

18220145  
*Charles Schindler*

⑈00001822⑈ &gt; ⑆053108674⑆ 00 2051645⑈

⑈0000064500⑈

ROCKY MOUNT, N. C.

98040673054

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James R. Trotter  
P.O. Box 228  
Rocky Mount, N.C. 27801  
(Jesse Helms Campaign)

TERMS: NET CASH. All accounts over 30 days old will be charged 1/4% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
7-21-83		BALANCE FORWARD →		

Billboard Signs 8-01-83 thru 9-01-83

US 301	250.00
NC 97	170.00
US 64 & Washington	225.00

Total due 645.00

*pd*

## Customer's Statement - Salesman's Copy

The amount specified on the statement of your customer's account - is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.

WE APPRECIATE YOUR BUSINESS

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673055

30

645.00

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James R. Trotter  
P.O. Box 228  
Rocky Mount, N.C. 27801  
(Jesse Helms Campaign)

TERMS: NET CASH. All accounts over 30 days old will be charged 1/2% of balance per month or a minimum of 30c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
8-19-83		BALANCE FORWARD →		

Billboard Signs	9-01-83 to 10-01-83	
US 301		250.00
NC 97		170.00
US 64 & Wash.		225.00
		<u>645.00</u>

*pel*

3  
12  
1

WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673057

**METROCOM**  
**OF WHITECO INDUSTRIES, INC.**

REMIT TO:

NASH COUNTY JESSE HELMS  
 FOR SENATE COMMITTEE  
 C/O SOUTHEASTERN ADV.  
 P. O. BOX 312  
 ROCKY MOUNT, NC

27801

WHITECO METROCOM  
 1000 E 80TH PLACE/SUITE 700  
 MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
 SOUTH ATLANTIC OFFICE  
 919/443/0521

INVOICE DATE	INVOICE NUMBER	PLEASE REPLICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD
8/16/83	366536		8045	NSH CTY J HELMS RKY MT N	9/01/83 TO 10/01/83
STRUCTURE NO.	SIZE	TYPE OF DISPLAY	LOCATION	AMOUNT	TOTAL
110-1	30	ILLUM	US 301 1/10 MI S/D 6	250.00	250.00
198-1	23	ILLUM	NC 97 1/10 MI E/D 30	170.00	170.00
559-1	30	ILLUM	US 64 AT WASHINGTON	225.00	225.00



**SOUTHEASTERN ADVERTISING CO., INC.**

P. O. BOX 312  
 ROCKY MOUNT, NC 27801

INV 366536

1890

8-19 19 83

PAY Six Hundred Forty Five and no/100 DOLLARS \$ 645.00

TO THE ORDER OF Whiteco

SOUTHEASTERN ADVERTISING CO., INC.

POSTED PST

*Charlene Schindler*

⑈00001890⑈ ⑆053108674⑆ 00 2051645⑈ ⑆0000064500⑈

AMOUNT THIS INVOICE  
 645.00

THIS AMOUNT  
 645.00

0673058

ROCKY MOUNT, N. C.

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N.C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James R. Trotter  
P.O. Box 228  
Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged 1/2% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
9-02-83		BALANCE FORWARD →		

1- 14' X 40' Billboard Luminated on US 64 By Pass West  
for Jesse Helms  
rent paid to Glasgow Sign Service by SEA for SEPT.

Amount due to SEA is \$175.00

*pd*

11/2/83

WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673059

**GLASGOW SIGN SERVICE**  
114 N Alston St.  
NASHVILLE, NORTH CAROLINA 27856

(919) 459-2584

# STATEMENT

DATE	9-1-83
NUMBER	5477



*Southeastern Advertising*  
PO Box 312  
Rocky Mount, NC 27801

TERMS:

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

175.00

DATE	# 5477	CHARGES AND CREDITS	BALANCE
9-1-83		Sept rent	
		BALANCE FORWARD	\$175.00

ed 1/2% of balance per month or a min  
nfling.

CREDITS BALANCE

d on US 64 By Pass West  
ce by SEA for SEPT.

\$175.00

*pd*

INESS  
TER SERVICE

PAY  
BALA



**SOUTHEASTERN ADVERTISING CO., INC.**

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 5477

1920

~~66-967~~  
631

9-02 19 83

PAY TO THE ORDER OF One Hundred Seventy Five and no/100 DOLLARS | \$175.00

Glasgow Sign Service

SOUTHEASTERN ADVERTISING CO., INC.

POSTED PBT

*Charles Schindelhett*

00001920 053108674 00 2051645

0000017500

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

NORTH CAROLINA

July 21

Nash COUNTY

Know all men by these presence that the undersigned have covenanted, contracted, and agreed as follows:

ONE

Glasgow Sign Service will erect and maintain for the undersigned ADVERTISER for the consideration hereinafter set out signs and/or billboards as herein after described. The number of billboards and/or signs, the locations, the sizes, and other descriptions of signs and/or billboards are as follows:

(ONE) 14'-0 x 40' -0" Billboard Luminated on U. S. 64 Bypass (West) right reader 1/2 Mile of 231 Exit approximately 10 miles from Nashville.

(The designation for the parties herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.)

It is understood that said signs or billboards will be erected within 30 days from the date hereof and will remain in place for a period of 14 months (years). As rental, the ADVERTISER OR AGENT will pay to Miles Glasgow, d/b/a Glasgow Sign Service, the sum of \$ 175.00 dollars per month, the first payment due on the 1 day of September, 1981, with a like amount on the first day of each and every month thereafter during the period of time covered by this contract.

TWO

Glasgow Sign Service will paint or cause to be painted on said signs or billboards such artwork and/or wordage in the English language as is set out on the sheets hereto attached which are by reference made a part hereof. Colors as specified on the attached sheets shall be used. The signs and/or billboards will

38040673061

be maintained by Glasgow Sign Service in good condition. Signs and/or billboards shall be located so as to be visible to persons on or near a public thoroughfare.

THREE

All signs and billboards by this agreement shall remain the property of Glasgow Sign Service.

FOUR

The agreement is subject to the following additional terms and conditions:

(1) Glasgow Sign Service will regularly inspect all displays, relocate displays as heretofore provided, replace damaged and worn out parts, re-erect fallen and straighten twisted or leaning displays, secure leases from property owners, conform to zoning ordinances or regulations, comply with right-of-way regulations, remove natural obstructions of approach to the displays, pay all lease rentals and property taxes, secure and pay for building permits, annual business licenses and display permits, and perform all those services necessary to provide effective highway advertising during the term of this agreement.

To the full and faithful performance of this agreement, the parties hereto do bind themselves, their heirs, assigns, and personal representatives.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized representatives and its seal to be hereunto affixed the day and year first above written.

Nash County Jesse Helms for Senate Campaign  
Southeastern Advertising  
(Corporate Name)  
Advertiser

Post Office Box 312  
Rocky Mount, NC 27801

By [Signature] (SE)  
Representative

Agency \_\_\_\_\_ (SE)  
[Signature]  
Miles Glasgow  
d/b/a Glasgow Sign Service

88040673062

**COUNTY OF**

I.

**\_a Notary Public of**

personally appeared before me this day and

Witness my hand and official stamp or seal, this 27<sup>th</sup> day of

Berndine A. Harrell  
NOTARY PUBLIC

**NOTARY PUBLIC**

My Commission Expires: 3-4-86

88040673063

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James R. Trotter  
P.O. Box 228  
Rocky Mount, N.C. 27801  
treasurer Jess Helms Campaign

TERMS: NET CASH. All accounts over 30 days old will be charged 1/2% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
9-19-83		BALANCE FORWARD →		

8-83 art charges - Jesse Helms Paint Board plus tax 158.56

Billed by Lewis Advertising, Inc. (paid 9-19-83) by SEA

pd

## Customer's Statement - Salesman's Copy

The amount specified on the statement of your customer's account - is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.

WE APPRECIATE YOUR BUSINESS

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

38040673064

**Lewis Advertising, Inc.**  
2309 SUNSET AVENUE • P.O. DRAWER L  
ROCKY MOUNT, N.C. 27801 • (919) 443-5131

INVOICE

Southeastern Advertising, Inc.

NO. 19586

DATE	SERVICE
	Art Charges - Jesse Helms Paint Board
	4% Sales Tax on \$152.46
	<div>\$152.46</div> <div>6.10</div>
	Total \$158.56

SOUTHEASTERN ADVERTISING CO., INC. *V*

P. O. BOX 312  
ROCKY MOUNT, NC 27801

*#19586*

1954

9-19

19 83

~~99-887~~  
831

Y One Hundred Fifty Eight and 56/100 ----- DOLLARS | \$158.56

NAME

ADDRESS Lew Advertising, Inc.

CITY POSTED PBT

SOUTHEASTERN ADVERTISING CO., INC.

111870038

*Charles Schindler*

⑈00001954⑈ ⑆053108674⑆ 00 2051645⑈

⑈0000015856⑈

# Southeastern Advertising, Inc.

Box 228, Rocky Mount, N.C.  
Dial CI 2-3147

DESIGNERS OF IDEAS



James R. Trotter  
P.O. Box 228  
Rocky Mount, N.C.

Jesse Helms Campaign

TERMS: NET CASH. All accounts over 30 days old will be charged 1% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
9-23-83		BALANCE FORWARD →		

10-01-83 thru 11-01-83  
Billboard US 301, NC97, US 64 at Washington \$645.00

*pd 11-15-83*

11/15/83

WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY TO  
BALANCE

88040673066

**ECB**  
**METROCOM**  
**WHITECO INDUSTRIES, INC.**

002-010

258

NASH COUNTY JESSE HELMS  
 FOR SENATE COMMITTEE,  
 C/O SOUTHEASTERN ADV.  
 P. O. BOX 312  
 ROCKY MOUNT, NC

27801

REMIT TO:

WHITECO METROCOM  
 1000 E 80TH PLACE/SUITE 700  
 MERRILLVILLE, IN 46410.

YOUR ACCOUNT HANDLED BY OUR  
 SOUTH ATLANTIC OFFICE  
 919/443/0521

INVOICE DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD
9/17/83	369315		8045	NASH CTY J HELMS RKY MT N	10/01/83 TO 11/01/83
PICTURE NO.	SIZE	TYPE OF DISPLAY	LOCATION	AMOUNT	TOTAL
110-1	30	ILLUM	US 301 1/10 MI S/O. 6	250.00	250.00
198-1	23	ILLUM	NC 97 1/10 MI E/O 20	170.00	170.00
559-1	30	ILLUM	US 64 AT WASHINGTON	225.00	225.00

88040673067

**SOUTHEASTERN ADVERTISING Co., INC.**

P. O. BOX 312  
 ROCKY MOUNT, NC 27801

INV 369315

1962

9-23 19 83

PAY TO THE ORDER OF Six Hundred Forty Five and no/100 DOLLARS \$645.00

NAME Whiteco Metrocom

SOUTHEASTERN ADVERTISING CO., INC.

POSTED PAY

*Charles Schindler*

#00001962# > :053108674: 00 2051645# #0000064500#



AMOUNT THIS INVOICE  
 645.00

THIS AMOUNT  
 645.00

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N.C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James R Trotter  
P.O. Box 228

Rocky Mount, NC.. Jesse Helms Campaign

TERMS: NET CASH. All accounts over 30 days old will be charged 1 1/2% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
10-10-83		BALANCE FORWARD →		

US 64 West By Pass billboard for OCT. 175.00  
paid to Glasgow sign

pd 11-15-83

WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

83040673058

GLASGOW SIGN SERVICE  
114 North Alston Street  
NASHVILLE, NORTH CAROLINA 27856

(914) 459-2584

*Southeastern Advertising*  
*PO Box 312*  
*Rocky Mount, NC 27801*

TERMS:

*- Jesse Helms -*

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE

CHARGES AND CREDITS

BALANCE FORWARD

*10-6-83 Oct rent*

BALANCE

*\$175.00*

INVOICE  
Advertising, Inc.



paig

ged 1/2% of balance per month or a mini-handling.

CREDITS

BALANCE

CT.

175.00

*pd 11-15-83*

SS  
SERVICE

↑  
PAY LAST  
BALANCE



SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 6206

1989

*66-887*  
*831*

10-10 19 83

PAY *One Hundred Seventy Five and no/100* DOLLARS | *\$175.00*

TO  
THE  
ORDER  
OF

NAME

Glasgow Sign Service

DATE

POSTED P81

SOUTHEASTERN ADVERTISING CO., INC.

*010380073*

*Charles Schindler*

00001989 053108674 00 2051645

0000017500

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James R. Trotter  
P.O. Box 228

Rocky Mount, N.C. Jesse Helms Campaign

TERMS: NET CASH. All accounts over 30 days old will be charged 1/2% of balance per month or a minimum of 50¢ per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
10-21-83		BALANCE FORWARD →		

11-01-83 thru 12-01-83  
billboard US 301, NC97, US 64 at Washington

\$645.00

*pl - 04-84*

## Customer's Statement - Salesman's Copy

The amount specified on the statement of your customer's account - is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.

WE APPRECIATE YOUR BUSINESS

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673070



002-010

254

DIVISION OF WHITECO INDUSTRIES, INC.

REMIT TO:

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC

27801

WHITECO METROCOM  
1000 E. 80TH. PLACE/SUITE 700  
MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/443/0521

DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD
11/15/83	372120		8045	NSH CTY J HELMS RKY MT N	11/01/83 TO 12/01/83
PICTURE NO.	SIZE	TYPE OF DISPLAY	LOCATION	AMOUNT	TOTAL
110-1	30	ILLUM	US 301 1/10 MI S/O 6	250.00	250.00
198-1	23	ILLUM	NC 97 1/10 MI E/O 30	170.00	170.00
559-1	30	ILLUM	US 64 AT WASHINGTON	225.00	225.00



SOUTHEASTERN ADVERTISING CO., INC.

INV 372120

2016

P. O. BOX 312  
ROCKY MOUNT, NC 27801

10-21 19 83

66-867  
631

PAY TO THE ORDER OF Six Hundred Fourty Five and no/100 DOLLARS \$645.00

Whiteco Metrocom

SOUTHEASTERN ADVERTISING CO., INC.

POSTED PBT

⑈00002016⑈ ⑈053108674⑈ 00 2051645⑈

⑈0000064500⑈

AMOUNT THIS INVOICE

645.00

THIS AMOUNT

645.00

40673071

# Southeastern Advertising, Inc.

Box 228, Rocky Mount, N.C.  
Dial GI 2-3147

DESIGNERS OF IDEAS



James R. Trotter  
P.O. Box 228  
Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged 1% of balance per month or a min. sum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
11-04-83		BALANCE FORWARD →		

Jesse Helms Sign November rent \$175.00  
paid to Glasgow Sign Service

*PAID 1-04-84*

## Customer's Statement - Salesman's Copy

The amount specified on the statement of your customer's account - is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.

WE APPRECIATE YOUR BUSINESS

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673072

GLASGOW SIGN SERVICE  
114 North Alston Street  
NASHVILLE, NORTH CAROLINA 27856

DATE	11-1-83
NUMBER	6229

(914) 459-2584

*Southeastern Advertising*  
*PO Box 312*  
*Rocky Mount, NC 27801*

TERMS:

*'Helms'*

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

175.00

DATE	# 6229	CHARGES AND CREDITS	BALANCE
		BALANCE FORWARD	
11-1-83		November rent	#175.00



*check #2043*  
*11-4-83*

SOUTHEASTERN ADVERTISING Co., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

2043

~~66-967~~  
631

11-04 19 83

PAY One Hundred Seventy Five and no/100 DOLLARS | \$175.00

TO  
THE  
ORDER  
OF

NAME Glasgow Sign Service

ADDRESS

CITY

POSTED PST

SOUTHEASTERN ADVERTISING Co., INC.

*Charles Schindler*

⑈00002043⑈ > ⑈053108674⑈ 00 2051645⑈

⑈0000017500⑈

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

8 8 0 4 0 6 7 3 0 7 3

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James R. Trotter  
P.O. Box 228  
Rocky Mount, N.C.      Jesses Helms Campaign

TERMS: NET CASH. All accounts over 30 days old will be charged 1% of balance per month, with a minimum of 10¢ per month to cover the cost of handling.

DATE	FCMO	CHARGES	CREDITS	BALANCE
11-22-83		BALANCE FORWARD →		

12-01-83 thru 1-01-84  
Billboard US 301, NC 97, US 64 at Washington      \$645.00

*pd 2-2-84*

## Customer's Statement - Salesman's Copy

The amount specified on the statement of your customer's account - is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.

**WE APPRECIATE YOUR BUSINESS**

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673074

# WHITECO METROCOM

A DIVISION OF WHITECO INDUSTRIES, INC.

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE,  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC 27801

002-010

251

REMIT TO:

WHITECO METROCOM  
1000 E 80TH PLACE/SUITE 700  
MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/443/0521

VOICE DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD	AMOUNT	TOTAL
1/16/83	375009		8045	NASH CTY J HELMS RKY MT N	12/01/83 TO 1/01/84		
STRUCTURE NO.	SIZE	TYPE OF DISPLAY	LOCATION				
C-1	110-1	30 ILLUM	US 301 1/10 MI S/O 6			250.00	250.00
C-1	198-1	23 ILLUM	NC 97 1/10 MI E/O 30			170.00	170.00
C-1	559-1	30 ILLUM	US 64 AT WASHINGTON			225.00	225.00

SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV375009

2066

11-22 19 83

66-867  
631

PAY TO THE ORDER OF Six Hundred Forty Five and no/100 DOLLARS \$ 645.00

TOTAL AMOUNT THIS INVOICE

645.00

PAY THIS AMOUNT

645.00

Whiteco Metrocom

SOUTHEASTERN ADVERTISING CO., INC.

*Charles J. Hendricks*

POSTED PST

⑈00002066⑈ ⑆⑆053108674⑆ 00 2051645⑈

⑈0000064500⑈

# Southeastern Bell

Box 512, Rocky Mount, N.C.  
 Dial GI 2-5149

DESIGNERS OF IDEAS



James R. Trotter  
 P.O. Box 228  
 Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged 1/2% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
12-06-83		BALANCE FORWARD →		

Jesse Helms Sign December rent  
 paid to Glasgow Sign Service \$175.00

*pd 2-2-84*

12/2/83

WE APPRECIATE YOUR BUSINESS  
 PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
 PAY LAST  
 BALANCE

88040673076

**GLASGOW SIGN SERVICE**  
 14 North Alston Street  
 ROCKY MOUNT, NORTH CAROLINA 27856

(914) 459-2584

*Southeastern Advertising*  
 PO Box 312  
 Rocky Mount, NC 27801

STATEMENT

DATE	12-1-83
NUMBER	6260



TERMS:

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

\$ 175.00

\$175.00

DATE 12-1-83 #6260 CHARGES AND CREDITS  
 Dec rent BALANCE FORWARD

BALANCE

\$175.00

2-2-84

PAY LAST  
BALANCE



**SOUTHEASTERN ADVERTISING CO., INC.**

INV 6260

2088

P. O. BOX 312  
 ROCKY MOUNT, NC 27801

12-06 19 83

66-807  
831

PAY TO THE ORDER OF One Hundred Seventy Five and no/100 DOLLARS \$175.00

NAME Glasgow Sign Service

SOUTHEASTERN ADVERTISING CO., INC.

POSTED PAY

*Charles Schindler*

⑈00002088⑈ ⑆⑈053108674⑈ 00 2051645⑈

⑈0000017500⑈

ROCKY MOUNT, N. C.

8040673077

Southwestern

Box 228, Rocky Mount, N.C.  
Dist. GE 2-2109

DESIGNERS OF IDEAS



James R. Trotter  
P.O. Box 228  
Rocky Mount, N.C.

Jesse Helms Campaign

TERMS: NET CASH. All accounts over 30 days old will be charged 1% of balance per month, or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CRT. NO.	REMARKS
12-30-83		BALANCE FORWARD →		

1-01-84 to 2-01-84

Billboard US 301, NC 97, US 64 at Washington

\$645.00

*p 4# 15*

1-1-84

WE APPRECIATE YOUR BUSINESS

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

PAID 1-1-84  
BALANCE

88040673078

# WHITECO METROCOM

A DIVISION OF WHITECO INDUSTRIES, INC.

002-010

REMIT TO:

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC 27801

WHITECO METROCOM  
1000 E 80TH PLACE/SUITE 700  
MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY GUY  
SOUTH ATLANTIC OFFICE  
919/443/0521

INVOICE DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD
12/21/83	377831		8045	NSH CTY J HELMS RKY MT N	1/01/84 TO
STRUCTURE NO.	SIZE	TYPE OF DISPLAY	LOCATION	AMOUNT	
NC- 110-1	30	ILLUM	US 301 1/10 MI S/O 6	250.00	
NC- 198-1	23	ILLUM	NC 97 1/10 MI E/O 30	170.00	
NC- 559-1	30	ILLUM	US 64 AT WASHINGTON	225.00	

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV #377831

2122

66-867  
531

1-03 19 84

PAY Six Hundred Forty Five and no/100 DOLLARS \$ 645.00

TO  
THE  
ORDER  
OF

NAME

ADDRESS

CITY

Whiteco Metrocom

POSTED PBT

SOUTHEASTERN ADVERTISING CO., INC.

*Charles Schuchette*

#00002122# 1:053108674: 00 2051645#

#0000064500#

AMOUNT  
6

THIS  
6



James R. Trotter  
P.O. Box 228  
Rocky Mount , N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged 1% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
1-04-84		BALANCE FORWARD →		

Jesse Helms Sign January Rent  
paid to Glasgow Sign Service \$175.00

*pdf #16*

Customer's Statement - Salesman's Copy

The amount specified on the statement of your customer's account - is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.

3  
2  
1

WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673080

GLASGOW SIGN SERVICE  
114 North Alston Street  
NASHVILLE, NORTH CAROLINA 27856

(914) 459-2584

*Southeastern Advertising*  
*PO Box 312*  
*Rocky Mount, NC 27801*

TERMS:

*Case Helms*

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	1-2-84
NUMBER	6289

VOICE



balance per month or a mini-

DITS BALANCE

DATE

#6289

CHARGES AND CREDITS

BALANCE

1-2-84

*January rent*

BALANCE FORWARD

#175.00

\$175.00

6

py  
customer's  
days - we  
collect the  
back.

PAY LAST  
BALANCE

40673081



SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 6289

2123

66-867  
531

1-04 19 84

PAY One Hundred Seventy Five and no/100 DOLLARS | \$175.00

TO  
THE  
ORDER  
OF

Glasgow Sign Service

SOUTHEASTERN ADVERTISING CO., INC.

POSTED P57

*Charles Schindler*

000002123 053108674 00 2051645

0000017500

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

James R. Trotter  
P.O. Box 228  
Rocky Mount, N.C. Jesse Helms Campaign



TERMS: NET CASH. All accounts over 30 days old will be charged 1/2% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
1-23-84		BALANCE FORWARD →		

2-01-84 thru 3-01-84  
Billboard US 301, NC 97, US 64 at Washington \$645.00

*pd*  
*3-20-84*

Customer's Statement - Salesman's Copy

The amount specified on the statement of your customer's account - is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.

WE APPRECIATE YOUR BUSINESS

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673082

# WHITECO METROCOM

A SUBSIDIARY OF WHITECO INDUSTRIES, INC.

REMIT TO:

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC 27801

WHITECO METROCOM  
1000 E 80TH PLACE/SUITE 700  
MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/443/0521

INVOICE DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD
1/18/84	380604		8045	NSH CTY J HELMS RKY MT N	2/01/84 TO 3/01/84
STRUCTURE NO.	SIZE	TYPE OF DISPLAY	LOCATION	AMOUNT	TOTAL
110-1	30	ILLUM	US 301 1/10 MI S/D 6	250.00	250.00
198-1	23	ILLUM	NC 97 1/10 MI E/D 30	170.00	170.00
559-1	30	ILLUM	US 64 AT WASHINGTON	225.00	225.00

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INV 380604 2156

SOUTHEASTERN ADVERTISING CO., INC.  
P. O. BOX 312  
ROCKY MOUNT, NC 27801

1-23 19 84

66-867  
531

Six Hundred Forty Five and no/100 408557532 DOLLARS | \$ 645.00

NAME \_\_\_\_\_

ADDRESS Whiteco Metrocom

CITY \_\_\_\_\_

POSTED PS?

SOUTHEASTERN ADVERTISING CO., INC.

21560174

Charles Schindler

00002156 053108674 00 2051645 0000064500

TOTAL AMOUNT THIS INVOICE	645.00
PAY THIS AMOUNT	645.00

Southwestern Advertising, Inc.

Rocky Mount, N.C.  
 DEPT 2-3169

DESIGNERS OF IDEAS



James R. Trotter  
 P.O. Box 228  
 Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged 1 1/2% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
2-07-84		BALANCE FORWARD →		

Jesse Helms Sign February Rent  
 paid to Glasgow Sign Service \$175.00

*pd 3-20-84*

Customer's Statement - Salesman's Copy

The amount specified on the statement of your customer's account - is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.

WE APPRECIATE YOUR BUSINESS

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
 PAY LAST  
 BALANCE

88040673084

**GLASGOW SIGN SERVICE**  
 114 North Alston Street  
 NASHVILLE, NORTH CAROLINA 27856

(914) 459-2584

DATE	2-4-84
NUMBER	6316



*Southeastern Advertising*  
 PO Box 312  
 Rocky Mount, NC 27801

TERMS:

*'Lessee Helms'*

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

*175.00*

DATE

*2-6-84*

CHARGES AND CREDITS

BALANCE

\$175.00

BALANCE FORWARD

*2-4-84 February rent*

*\$175.00*

*2-84*



n's Copy  
 your customer's  
 if 120 days - we  
 to collect the  
 charged back.

CE

↑  
 PAY LAST  
 BALANCE

0673085

PEOPLES BANK & TRUST CO.  
 ROCKY MOUNT, N. C.

**SOUTHEASTERN ADVERTISING CO., INC.**  
 P. O. BOX 312  
 ROCKY MOUNT, NC 27801

INV 6316

2190

2-7-1984

66-867  
 531

PAY One Hundred Seventy Five and no/100 DOLLARS | \$ 175.00

TO THE  
 ORDER  
 OF

NAME

ADDRESS

CITY

Glasgow Sign Service

SOUTHEASTERN ADVERTISING CO., INC.

POSTED

*Charles Schendel*

10255

⑈00002190⑈ ⑈053108674⑈ 00 2051645⑈

⑈0000017500⑈

# INVOICE **Southeastern Advertising, Inc.**

Box 312, Rocky Mount, N. C.  
 Dial GI 2-3149

DESIGNERS OF IDEAS



James R. Trotter  
 P.O. Box 228  
 Rocky Mount, N.C.    Jesse Helms Campaign

TERMS: NET CASH. All accounts over 30 days old will be charged 1 1/2% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
2-27-84		BALANCE FORWARD →		

3-01-84 thru 4-01-84  
 Billboard US 301, NC97, US 64                      \$645.00

*pd 4-19-84*

3  
2  
1

WE APPRECIATE YOUR BUSINESS  
 PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
 PAY LAST  
 BALANCE

8 8 0 4 0 6 7 3 0 8 6

**TECO METROCOM**  
OF WHITECO INDUSTRIES, INC.

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC

27801

WHITECO METROCOM  
1000 E 80TH PLACE/SUITE 700  
MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/443/0521

VOICE DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD	AMOUNT	TOTAL
2/17/84	383433		8045	NSH CTY J HELMS RKY MT N	3/01/84 TO 4/01/84		
STRUCTURE NO.	SIZE	TYPE OF DISPLAY	LOCATION				
NC- 110-1	30	ILLUM	US 301 1/10 MI S/O 6		250.00	250.00	
NC- 198-1	23	ILLUM	NC 97 1/10 MI E/O 30		170.00	170.00	
NC- 559-1	30	ILLUM	US 64 AT WASHINGTON		225.00	225.00	



SOUTHEASTERN ADVERTISING CO., INC.  
P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 383433

2218

66-867  
531

2-27 19 84

PAY TO THE ORDER OF Six Hundred Forty Five and no/100 003 0805 19 03-05-84 5 508062944 DOLLARS | \$ 645.00

NAME Whiteco Metrocom

ADDRESS

CITY

POSTED PST

SOUTHEASTERN ADVERTISING CO., INC.

*Charles Schindler*

⑈00002218⑈ ⑆⑆053108674⑆ 00 2051645⑈

⑈0000064500⑈

AMOUNT THIS MONTH  
645.

BY THIS AMOUNT  
645.

ROCKY MOUNT, N.C.  
8 8 0 4 0 6 7 3 0 8 7

INVOICE  
Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James R. Trotter  
P.O. Box 228  
Rocky Mount, n.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged 1/4% of balance per month or a minimum of 50¢ per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
3-5-84		BALANCE FORWARD →		

Jesse Helms Sign March Rent  
paid to Glasgow Sign Service \$175.00

*pd  
6-5-84*

123

WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673088

**GLASGOW SIGN SERVICE**  
 114 North Alston Street  
 NASHVILLE, NORTH CAROLINA 27856

DATE	3-3-84
NUMBER	6112

g, Inc.



(914) 459-2584

*Southeastern Advertising*  
*PO Box 312*  
*Rocky Mount, NC 27801*

TERMS:

*'Helms'*

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE #6112 CHARGES AND CREDITS  
 BALANCE FORWARD

*3-3-84 March next*

175.00

BALANCE

5.00

\$175.00



73089

**SOUTHEASTERN ADVERTISING CO., INC.**

P. O. BOX 312  
 ROCKY MOUNT, NC 27801

#6112

2227

66-967  
 531

3-5 19 84

PAY One Hundred Seventy Five and no/100 DOLLARS \$ 175.00

TO  
 THE  
 ORDER  
 OF

NAME

ADDRESS

CITY

Glasgow Sign Service

POSTED PST

SOUTHEASTERN ADVERTISING CO., INC.

*Charles Schindler*

⑈00002227⑈ >⑈053108674⑈ 00-2051645⑈

⑈0000017500⑈

PEOPLES BANK & TRUST CO.  
 ROCKY MOUNT, N. C.

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James R. Trotter  
P.O. Box 228  
Rocky MOUNT, NC.. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged 1% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
3-23-84		BALANCE FORWARD →		

4-01-84 thru 5-01-84  
Billboard US 301, NC97, US 64 645.00

*pd*  
*6-5-84*

11213

WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673090



OF WHITECO INDUSTRIES, INC.

002-010

2302

REMIT TO:

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC

27801

WHITECO METROCOM  
1000 E 80TH PLACE/SUITE 700  
MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/443/0521

DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD
7/84	388795		8045	NSH CTY J HELMS RKY MT N	4/01/84 TO 5/01/84
FIGURE NO.	SIZE	TYPE OF DISPLAY	LOCATION	AMOUNT	TOTAL
110-1	30	ILLUM	US 301 1/10 MI S/O 6	250.00	250.00
198-1	23	ILLUM	NC 97 1/10 MI E/O 30	170.00	170.00
559-1	30	ILLUM	US 64 AT WASHINGTON	225.00	225.00



SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312

ROCKY MOUNT, NC 27801

#388795

2251

66-867  
531

PAY Six Hundred Fourth Five and no/100 DOLLARS \$ 645.00

TO  
THE  
ORDER  
OF

NAME

ADDRESS

Whiteco

CITY

POSTED PBT

SOUTHEASTERN ADVERTISING CO., INC.

*Charles Schindler*

⑈00002251⑈ ⑈053108674⑈ 00 2051645⑈

⑈0000064500⑈

AMOUNT THIS INVOICE

645.00

THIS AMOUNT

645.00

1 9 8 0 4 0 6 7 3 0 9 1

Box 312, Rocky Mount, N.C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James Trotter  
P.O. Box 208  
Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged 1 1/2% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
4-9-84		BALANCE FORWARD →		

Jesse Helms Sign April  
paid to Glasgow, Sign Service \$175.00

1121

WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

38040673092

GLASGOW SIGN SERVICE  
114 North Alston Street  
NASHVILLE, NORTH CAROLINA 27856

DATE	4-2-84
NUMBER	6356

(914) 459-2584

*Southeastern Advertising*  
*PO Box 312*  
*Rocky Mount, NC*

TERMS:

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE	#6356	CHARGES AND CREDITS	BALANCE
4-2-84		April next	
		BALANCE FORWARD	
			175.00
			#175.00



SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

#6356

2283

66-867  
531

4-9 19 84

PAY One Hundred Seventy Five and no/100 DOLLARS | \$ 175.00

TO  
THE  
ORDER  
OF

NAME

ADDRESS

Glasgow Sign Service

CITY

ROCKY MOUNT, NC

SOUTHEASTERN ADVERTISING CO., INC.

*Charles Schenck*

⑈00002283⑈ ⑈053108674⑈ 00 2051645⑈

⑈0000017500⑈

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

040673093

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James Trotter  
P.O. Box 208  
Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged  $\frac{1}{4}\%$  of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
4-24-84		BALANCE FORWARD →		

5-01-84 thru 6-01-84  
Billboard US 301, NC97, US64 645.00

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WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673094

002-0.

**A SUBSIDIARY OF WHITECO INDUSTRIES, INC.**

**REMIT TO:**

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC

**27801**

WHITECO. METROCOM  
1000 E 80TH PLACE/SUITE 7.  
MERRILLVILLE, IN 46410

**YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/443/0521**

INVOICE DATE		INVOICE NUMBER		PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE		ADVERTISER NO.		ADVERTISER NAME		DISPLAY PERIOD	
STRUCTURE NO.		SIZE	TYPE OF DISPLAY	LOCATION						AMOUNT	TOTAL
4/18/84		391597				8045		NSH CTY J HELMS RKY MT N		5/01/84 TO 6/01/84	
NC-	110-1	30	ILLUM	US 301 1/10 MI S/O 6						250.00	250.00
NC-	198-1	23	ILLUM	NC 97 1/10 MI E/O 30						170.00	170.00
NC-	559-1	30	ILLUM	US 64 AT WASHINGTON						225.00	225.00



INV 391597

2299

**SOUTHEASTERN ADVERTISING CO., INC.**

P. O. BOX 312

ROCKY MOUNT, NQ 27801.

4-24

19 84

**66-867**  
**531**

PAY Six Hundred Forty Five and no/100 26-24 10-23-19 DOLLARS | \$645.00

TO THE ORDER OF NAME

NAME \_\_\_\_\_

ADDRESS

CITY

## Whiteco

**SOUTHEASTERN ADVERTISING CO., INC.**

POSTED FEB 11 1961

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**645.**

**AY THIS AMON**

645.

000002299 1:053108674: 00 2051645

0000064500

30

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James Trotter  
P.O. Box 208  
Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged  $\frac{1}{2}\%$  of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
5-3-84		BALANCE FORWARD →		

Jesse Helms Sign May rent

paid to Glasgow, Sign Service \$175.00

## Customer's Statement - Salesman's Copy

The amount specified on the statement of your customer's account - is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.

WE APPRECIATE YOUR BUSINESS

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673096

**GLASGOW SIGN SERVICE**  
114 North Alston Street  
NASHVILLE, NORTH CAROLINA 27856

STATEMENT  
DATE 5-1-84  
NUMBER 6472



(914) 459-2584

*Southeastern Advertising*  
*PO Box 312*  
*Rocky Mount, NC 27801*

of balance per month or a mini-

CREDITS BALANCE

TERMS:

*Helms*

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE

#6472

CHARGES AND CREDITS

BALANCE FORWARD

BALANCE

75.00

\$175.00

Copy  
our customer's  
120 days - we  
to collect the  
arged back.

↑  
PAY LAST  
BALANCE

8040673097

5-1-84

*May rent*

*pd ch #2322  
5-3-84*

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

**SOUTHEASTERN ADVERTISING CO., INC.**

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 6472

2322

66-867  
531

5-3 19 84

PAY One Hundred Seventy Five and no/100 DOLLARS | \$175.00

TO  
THE  
ORDER  
OF

NAME

ADDRESS

CITY

Glasgow Sign Service

SOUTHEASTERN ADVERTISING CO., INC.

POSTED F57

*Charles Schindler*

⑈00002322⑈ > ⑆053108674⑆ 00 2051645⑈

⑈0000017500⑈

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James Trotter  
P.O. Box 208  
Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged 1 1/2% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
5-21-84		BALANCE FORWARD →		

6-01-84 thru 7-01-84  
Billboard US 301, NC 97, US64 645.00

88040673098

3  
2  
1

WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE



002-010

22

DIARY OF WHITECO INDUSTRIES, INC.

REMIT TO:

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC

27801

WHITECO METROCOM  
1000 E 80TH. PLACE/SUITE 700  
MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/443/0521

VOICE DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD
5/16/84	394507		8045	NSH CTY J HELMS RKY MT N	6/01/84 TO 7/01/84
STRUCTURE NO.	SIZE	TYPE OF DISPLAY	LOCATION	AMOUNT	TOTAL
C- 110-1	30	ILLUM	US 301 1/10 MI S/D 6	250.00	250.00
C- 198-1	23	ILLUM	NC 97 1/10 MI E/D 30	170.00	170.00
C- 559-1	30	ILLUM	US 64 AT WASHINGTON	225.00	225.00



SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312

ROCKY MOUNT, NC 27801

INV 394507

2356

66-867  
531

PAY TO THE ORDER OF Six Hundred Forty Five and no/100 DOLLARS \$ 645.00

NAME

ADDRESS

Whiteco Metrocom

CITY

POSTED PBT

SOUTHEASTERN ADVERTISING CO., INC.

111740059  
*Charles Scherdel*

⑈00002356⑈ &gt; ⑆053108674⑆ 00 2051645⑈

⑈0000064500⑈

COUNT THIS INVOICE

645.00

THIS AMOUNT

645.00

ROCKY MOUNT, N. C.

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N.C.  
Dial GI 2-3149

DESIGNERS OF IDEAS.



James Trotter  
P.O. Box 208  
Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged 1/2% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
6-13-84		BALANCE FORWARD →		

Jesse Helms Sign June rent

paid to Glasgow, Sign Service \$175.00

3  
2  
1

WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673100

30

DATE

#6522

CHARGES AND CREDITS

BALANCE

6-4-84

June rent

BALANCE FORWARD

#175.00



SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 6522

2391

66-867  
531

6-13 19 84

PAY One Hundred Seventy Five and no/100 DOLLARS | \$ 175.00TO  
THE  
ORDER  
OF

NAME

ADDRESS

CITY

Glasgow Sign Service

SOUTHEASTERN ADVERTISING CO., INC.

POSTED PAT

⑈00002391⑈ ⑆053108674⑆ 00 2051645⑈

⑈0000017500⑈

 8804067310  
 PEOPLES BANK & TRUST CO.  
 ROCKY MOUNT, N. C.

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C. 27854  
Dial 442-3149

DESIGNERS OF IDEAS



James Trotter,

Jesse Halms Billboard

**TERMS: NET CASH.** All accounts over 30 days old will be charged 1 1/2% of balance per month or a minimum of 50¢ per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
6-28-84		BALANCE FORWARD →		

Us301, NC97 US 64

7-01-84 thru 8-01-84 paid to Whiteco

\$645.00

1111

**WE APPRECIATE YOUR BUSINESS**  
**PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE**

↑  
**PAY LAST  
BALANCE**

88040673102

# WHITECO METROCOM

DIARY OF WHITECO INDUSTRIES, INC.

002-010

22

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC

27801

REMIT TO:

WHITECO METROCOM  
1000 E 80TH PLACE/SUITE 700  
MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
918/443/0521

DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD
6/84	397378		8045	NSH CTY J HELMS RKY MT N	7/01/84 TO 8/01/84
LINE NO.	SIZE	TYPE OF DISPLAY	LOCATION	AMOUNT	TOTAL
110-1	30	ILLUM	US 301 1/10 MI S/O 6	250.00	250.00
198-1	23	ILLUM	NC 97 1/10 MI E/O 30	170.00	170.00
559-1	30	ILLUM	US 64 AT WASHINGTON	225.00	225.00

40673103



SOUTHEASTERN ADVERTISING CO., INC.  
P.O. BOX 312  
ROCKY MOUNT, NC 27801

INV 397378

2417

6-25 19 84

PAY TO THE ORDER OF Six Hundred Forty Five and No/100 DOLLARS \$645.00

NAME  
Whiteco Metrocom

SOUTHEASTERN ADVERTISING CO., INC.

CITY POSTED PST

*Charles Schendekelt*

00002417 053108674 00 2051645

0000064500

AMOUNT THIS INVOICE

645.00

THIS AMOUNT

645.00

~~RECEIVED~~ DICE

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C. 27802  
Dial 442-3149

DESIGNERS OF IDEAS



J.R. Trotter, Campaign Treasurer  
P.O. Box 208  
Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged 1/2% of balance per month or a minimum of 50¢ per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
7-18-84		BALANCE FORWARD →		

July rent Jesse Helms  
paid to Glasgow Sign

\$175.00

11/11

WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673104

GLASGOW SIGN SERVICE  
114 North Alston Street  
NASHVILLE, NORTH CAROLINA 27856

DATE	7-1-84
NUMBER	6565

(914) 459-2584

*Southeastern Advertising*  
*PO BOX 312*  
*Rocky Mount, NC 27801*

TERMS:

*Helms*

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

*175.00*

DATE

*#6565*

CHARGES AND CREDITS

BALANCE

BALANCE FORWARD

*7-1-84 July rent*

*\$175.00*



040673105

8

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

SOUTHEASTERN ADVERTISING CO., INC.  
P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 6565

2450

66-867  
531

7-18 19 84

PAY TO THE ORDER OF One Hundred Seventy Five and no/100 DOLLARS | \$ 175.00

NAME

Glasgow Sign Service

ADDRESS

SOUTHEASTERN ADVERTISING CO., INC.

CITY

POSTED PBT

*Charles Schindler*

00002450 053108674 00 2051645

0000017500

REORDER INVOICE

# the eastern Advertis. Inc.

Box 312, Rocky Mount, N. C. 27802  
Dial 442-3149

DESIGNERS OF IDEAS



James Trotter  
P.O. Box 208  
Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged 1/4% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
7-23-84		BALANCE FORWARD →		

US301 NC97, US64

8-01-84 thru 9-01-84 Jesse Helms billboard 645.00  
paid to Whiteco

WE APPRECIATE YOUR BUSINESS

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

88040673106

**REMIT TO:**

**YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/443/0521**

**27801**

498 673 107

**2465**

**SOUTHEASTERN ADVERTISING CO., INC.**

**P. O. BOX 312**

ROCKY MOUNT, NC 27801

66-867  
531

ROCKY MOUNT, NC 27801  
408 3 5 1 1 2 3 6 7 2 0 3 5 0 3 3 0 5 5 5 7-23 19 84

✓ Six Hundred Fourty Five and no/100 204721233 DOLLARS \$ 645.00

NAME \_\_\_\_\_

ADDRESS Whiteco Metrocom

**SOUTHEASTERN ADVERTISING CO., INC.**

POSTED PAT

00002465 053108674: 00 2051645 0000064500

TOTAL AMOUNT THIS INVOICE

**645.00**

**PAY THIS AMOUNT**

**645.00.**

SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

July 21, 1983

James R. Trotter  
P.O. Box 228  
Rocky Mount, N.C. 27801

RE: Billboard Signs for Jesse Helms Campaign

Dear Mr. Trotter:

I have received 2 checks from you on 7-1-83 in the amount of \$1259.57 paying invoices sent to you to cover the charges for May and June, but the first invoice I sent to you is unpaid. I mailed it 5-12-83 and is for the months of March & April in the amount of \$450.00.

Please advise if there is any reason for hold up on payment of this invoice. I am not trying to push the issue I only want to be sure that you received your copy and that there is no problem with that particular invoice.

Thank you for your help.

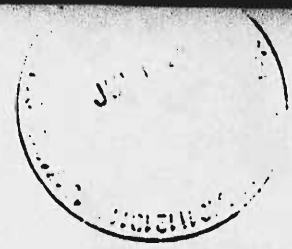
Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindshette*  
Charlene Schindshette, Office Manager

88040673108

JAMES R. TROTTER  
ATTORNEY AT LAW  
POST OFFICE BOX 228  
105 SOUTH FRANKLIN STREET  
ROCKY MOUNT, NORTH CAROLINA 27801



AREA CODE 919  
977-1383  
977-1194

July 24, 1984

Southeastern Advertising, Inc.  
P.O. Box 312  
Rocky Mount, North Carolina 27801

Gentlemen:

Since May 1983, Nash/Edgecombe Billboard Fund has been receiving and paying invoices submitted by you. It is my understanding that the invoices were for the costs of installing and maintaining "Jesse Helms Is Right" billboards on Tarboro Street, U.S. Highway 64 West, U.S. 301 South and N.C. 97 East.

This morning I inspected each of these billboards to determine the appropriateness of the attribution legends displayed. I did so in response to a complaint made to the Federal Election Commission by David E. Price, Jr., Executive Director of North Carolina Democratic Party, a copy of which was sent to me with a letter advising that Nash/Edgecombe Billboard Fund and I, as its Treasurer, may have violated the Federal Elections Campaign Act because of the attribution legends on the billboards.

My inspection revealed that none of the attribution legends on the billboards attributed payment for the billboards to Nash/Edgecombe Billboard Fund. If the payments that have been made to you by Nash/Edgecombe Billboard Fund were for these billboards, as I believe, the legends are inappropriate and must be changed, at once.

The attribution legend that should be displayed on each billboard that is being paid for by Nash/Edgecombe Billboard Fund is as follows:

"Paid For By Nash/Edgecombe Billboard Fund, James R. Trotter, Treasurer. Not Authorized By Senator Helms Or Any Authorized Committee Of Senator Helms"

Please have the attribution legends that are now displayed on all billboards being paid for by Nash/Edgecombe Billboard Fund removed or covered and the above legend displayed in their places, at once. If this is not to be done at once please so advise me.

98040673109

Southeastern Advertising, Inc.  
July 24, 1984  
Page 4

Nash/Edgecombe Billboard Fund will not honor invoices from you for the billboards until the foregoing changes are made and I have inspected the changes and found them to be satisfactory.

Yours very truly,

*James R. Fuller*

JRT/sta

88040673110

**Lewis Advertising, Inc.**  
2309 SUNSET AVENUE • P.O. DRAWER L  
ROCKY MOUNT, N.C. 27801 • (919) 443-5131

**INVOICE**

Southeastern Advertising

NO. 19388

DATE	SERVICE
5-83	Type Charge - Highway 97 & Highway 301 Billboard 4% Sales Tax on \$18.24
	\$18.24 .73
	Total \$18.97

*Pd #1816*

**SOUTHEASTERN ADVERTISING CO., INC.**

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV #19388

1816

~~00-957~~  
831

6-17 19 83

PAY Eighteen and 97/100 DOLLARS | \$ 18.97

TO THE ORDER OF  
NAME Lewis Advertising, Inc.  
ADDRESS \_\_\_\_\_

SOUTHEASTERN ADVERTISING CO., INC.

CITY \_\_\_\_\_  
POSTED PBT

*Charles Schindeler*  
114-90275

⑈00001816⑈ ⑆053108674⑆ 00 2051645⑈

⑈0000001897⑈

880406748  
PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

GLASGOW SIGN SERVICE  
114 North Alston Street  
NASHVILLE, NORTH CAROLINA 27856

DATE	8-6-84
NUMBER	6610

(914) 459-2584

*Southeastern Advertising*  
*PO Box 312*  
*Rocky Mount, NC 27801*

TERMS:

*Helm's*

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

175.00

DATE *# 6563* CHARGES AND CREDITS

BALANCE

*8-6-84 August next*

BALANCE FORWARD

*#175.00*



8040673112  
PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

SOUTHEASTERN ADVERTISING CO., INC.  
P. O. BOX 312  
ROCKY MOUNT, NC 27801

NV 6610

2501

66-867  
531

8-09 19 84

PAY TO THE ORDER OF One Hundred Seventy Five and no/100 DOLLARS | \$ 175.00

NAME Glasgow Sign Service

SOUTHEASTERN ADVERTISING CO., INC.

POSTED PBT

*Charles Schindelt*

00002501 053108674 00 2051645

0000017500

GLASGOW SIGN SERVICE  
114 North Alston Street  
NASHVILLE, NORTH CAROLINA 27856

DATE	8/24/84
NUMBER	6711

(914) 459-2584

SOUTHEASTERN ADVERTISING  
P.O. Box 312  
Rocky Mt. NC 27801

TERMS:

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

125<sup>00</sup>

DATE	CHARGES AND CREDITS BALANCE FORWARD	BALANCE	
	PAINTED OUT PART OF BILLBOARD & REPLACED WITH NEW COPY	125.	00



GLASGOW SIGN SERVICE

Thank You

PAY LAST AMOUNT  
IN THIS COLUMN

88040673113

GLASGOW SIGN SERVICE  
114 North Alston Street  
NASHVILLE, NORTH CAROLINA 27856

DATE	9-1-84
NUMBER	6735

(914) 459-2584

*Southeastern Advertising*  
PO Box 312  
Rocky mount, NC 27801

TERMS:

*Helm's*

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

175.00

DATE

CHARGES AND CREDITS

BALANCE

9-1-84 *Sept. rent*

BALANCE FORWARD

*\$175.00*



GLASGOW SIGN SERVICE

*Thank You*

PAY LAST AMOUNT  
IN THIS COLUMN

88040673114

88040673115

10/10/84-9

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV #6735 & 11

2591

66-867  
531

9-10 19 84

PAY Three Hundred and no/100 DOLLARS | \$300.00

TO  
THE  
ORDER  
OF

NAME

ADDRESS

CITY

Glasgow Sign Service

POSTED PST

SOUTHEASTERN ADVERTISING CO., INC.

*Charles Schindler*

⑈00002591⑈ ⑆053108674⑆ 00 2051645⑈

⑈0000030000⑈

**GLASGOW SIGN SERVICE**  
114 North Alston Street  
NASHVILLE, NORTH CAROLINA 27856

(914) 459-2584

*Southeastern Advertising*  
PO BOX 312  
Rocky Mount, NC 27801

DATE	10-2-84
NUMBER	6785

Inc.



per month or a mini-

TERMS:

*Helm*

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

175.00

DATE

CHARGES AND CREDITS

BALANCE

.00

10-2-84

October rent

BALANCE FORWARD

\$175.00



PAY LAST  
BALANCE

**SOUTHEASTERN ADVERTISING CO., INC.**

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 6785

2671

10-05 19 84

66-867  
531

PAY One Hundred Seventy Five and no/100 DOLLARS \$ 175.00

TO  
THE  
ORDER  
OF

Glasgow Sign Service

SOUTHEASTERN ADVERTISING CO., INC.

POSTED PBT

*Charles Schendehell*

⑈00002671⑈ >⑈053108674⑈ 00 2051645⑈

⑈0000017500⑈

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.



DIARY OF WHITECO INDUSTRIES, INC.

002-010

21

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC

27801

REMIT TO:

WHITECO METROCOM  
1000 E 80TH PLACE/SUITE 700  
MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
918/443/0521

VOICE DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD
8/18/84	403192		8045	NSH CTY J HELMS RKY MT N	9/01/84 TO 10/01/84
STRUCTURE NO.	SIZE	TYPE OF DISPLAY	LOCATION	AMOUNT	TOTAL
C- 110-1	30	ILLUM	US 301 1/10 MI S/O 6	250.00	250.00
C- 198-1	23	ILLUM	NC 97 1/10 MI E/O 30	170.00	170.00
C- 559-1	30	ILLUM	US 64 AT WASHINGTON	225.00	225.00

0673117

2202122324252627

4 SOUTHEASTERN ADVERTISING CO., INC.  
P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 403192 2551

66-867  
531

8-24 19 84

PAY Six Hundred Forty Five and no/100 DOLLARS \$ 645.00

TO THE ORDER OF NAME

Whiteco Metrocom

SOUTHEASTERN ADVERTISING CO., INC.

POSTED PBT

11050273

00002551 053108674 00 2051645 0000064500

TOTAL THIS INVOICE
645.00
THIS AMOUNT
645.00

# WHITECO METROCOM

DIARY OF WHITECO INDUSTRIES, INC.

002-010

REMIT TO:

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC

27801

WHITECO METROCOM  
1000 E 80TH PLACE/SUITE 700  
MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/443/0521

VOICE DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD
9/15/84	406064		8045	NSH CTY J HELMS RKY MT N	10/01/84 TO 11/
STRUCTURE NO.	SIZE	TYPE OF DISPLAY	LOCATION	AMOUNT	TG
NC- 110-1	30	ILLUM	US 301 1/10 MI S/O 6	250.00	25
NC- 198-1	23	ILLUM	NC 97 1/10 MI E/O 30	170.00	17
NC- 559-1	30	ILLUM	US 64 AT WASHINGTON	225.00	22



SOUTHEASTERN ADVERTISING CO., INC.

INV 406064

2638

P. O. BOX 312  
ROCKY MOUNT, NC 27801

4 2 5 2 6 2 1 1 4 5

66-867  
531

PAY TO THE ORDER OF Six Hundred Fourty Five and no/100 DOLLARS \$645.00

TOTAL AMOUNT THIS  
645.

Whiteco Metrocom

SOUTHEASTERN ADVERTISING CO., INC.

POSTED PBT

*Chadwick Schindler*

PAY THIS AMT  
645.

⑈00002638⑈ ⑆053108674⑆ 00 2051645⑈

⑈0000064500⑈

8 8 0 0 4 0 6 7 3 1 1 8



002-010

208

DIARY OF WHITECO INDUSTRIES, INC.

REMIT TO:

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC 27801

WHITECO METROCOM  
1000 E 80TH PLACE/SUITE 700  
MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/443/0521

INVOICE DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD
11/17/84	408904		8045	NASH CTY J HELMS RKY MT N	11/01/84 TO 12/01/84
FIGURE NO.	SIZE	TYPE OF DISPLAY	LOCATION	AMOUNT	TOTAL
110-1	30	ILLUM	US 301 1/10 MI S/D 6	250.00	250.00
198-1	23	ILLUM	NC 97 1/10 MI E/O 30	170.00	170.00
559-1	30	ILLUM	US 64 AT WASHINGTON	225.00	225.00

40673119



SOUTHEASTERN ADVERTISING CO., INC.  
P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 408904

2707

10-22 19 84

66-867  
531

PAY TO THE ORDER OF Six Hundred Forty Five and no/100 DOLLARS \$ 645.00

NAME  
OF Whiteco

SOUTHEASTERN ADVERTISING CO., INC.

POSTED FBI

11120078  
*Charles Schindler*

#00002707# -#053108674# 00 2051645#

#0000064500#

AMOUNT THIS INVOICE  
645.00

THIS AMOUNT  
645.00

RE: MUR 1736

Southeastern Advertising, Inc.  
Jack C. D. Bailey

3. Machines copies of documents and materials that relate to the bumper stickers:

- (a) Memo Billing from Southeastern Advertising, Inc. to J. C. D. Bailey.
- (b) Southeastern Advertising, Inc. order #25528, dated January 13, 1983, with Federal Express Receipt, Southeastern Advertising, Inc. invoice, and Graphics, "Jesse Helms" attached.
- (c) Gill Studios, Inc. invoice #6952, dated February 7, 1983, to Southeastern Advg., Inc.; Southeastern Advertising Co., Inc. check #1653, dated March 7, 1983, to Gill Studios; and typed message to Southeastern Advg., Inc. from Gill Studios, Inc., dated January 26, 1983.
- (d) Memorandum from Jack Bailey to Charlene Schindehette, dated January 25, 1983.
- (e) Letter from Southeastern Advertising, Inc. to:  
Stuart Paine, dated February 11, 1983  
Scott Wilson, dated February 11, 1983  
Godwin Oil Company, dated February 11, 1983  
Holt Oil Company, dated February 11, 1983  
Don Stallings, Stallings Oil Company,  
dated February 11, 1983  
Tom Fetzner, dated February 16, 1983  
David Miner, dated March 14, 1983, with  
handwritten telephone message from Miner attached;  
handwritten note from Peter Moore, Jr., dated  
May 5, 1983, attached.
- (f) Form letter from Southeastern Advertising, Inc. with list of truck stops attached.
- (g) Southeastern Advertising, Inc. statement to Bill Daughtridge, dated February 15, 1983; letter from Southeastern Advertising, Inc. to Bill Daughtridge, dated February 11, 1983.

88040673120

RECEIVED  
SECRET  
JAN 25 1983  
10:26

98040673121

- (h) Southeastern Advertising, Inc. statement to Nat Harris, dated February 11, 1983.
- (i) Note to Southeastern Advertising, Inc. from Jack Bailey's office, dated March 7, 1983, with letter attached from Scott A. Wilson of Senator Helms' office to Southeastern Advertising, Inc., dated February 24, 1983.
- (j) Handwritten order from Jim Trotter.
- (k) Letter to Jack Bailey from Henry O. Lineberger, Jr., dated July 22, 1983
- (l) Handwritten note entitled "500 1410 Hillsbor ...." with letter from Southeastern Advertising, Inc. to John C. Scheipers, dated January 4, 1984, Memorandum from Jack Bailey to Charlene Schindehette, dated January 3, 1984; and Graphic "Jesse Is Right."
- (m) Handwritten notes entitled "Jesse Helms is Right" and "Mary Clayton" with the following attached:
  - Order from Charles M. Bowen, dated November 13, 1983
  - Order from John R. Godfrey, dated April 2, 1984
  - Order from Tricia D. Kidd, dated April, 1984
  - Order from Warren E. Riggs, dated March 28, 1984
  - Correspondence with Andy Andrews, dated April 26, 1984, and April 10, 1984, with handwritten note attached.
  - Memorandum to Charlene Schindehette from Jack Bailey, dated May 7, 1984.
- (n) Southeastern Advertising Co., Inc. check #2099, dated December 9, 1983, to Gill Studios, Inc.; Gill Studios, Inc. invoice #84944, dated November 30, 1983, to Southeastern Advg., Inc.

38040673122

- (o) Southeastern Advertising Co., Inc. check #2342, dated May 14, 1984, to Gill Studios, Inc.; Gill Studios, Inc. invoice #30969, dated April 25, 1984, to Southeastern Advg., Inc.; Gill Studios, Inc. invoice #35052, dated May 7, 1984, to Southeastern Advg., Inc.
- (p) Southeastern Advertising Co., Inc. statement to Freddie Griffin, dated May 31, 1984, with handwritten note attached.
- (q) Aura Badge Company invoice #58394, dated June 12, 1984, to Southeastern Advertising Co., Inc.; Southeastern Advertising Co., Inc. check #2413, dated June 22, 1984, to Aura Badge Co.
- (r) Southeastern Advertising Co., Inc. check #2434, dated July 10, 1984, to Gill Studios, Inc.; Gill Studios, Inc. invoice #48703, dated June 19, 1984, to Southeastern Advg., Inc.; Gill Studios, Inc. invoice #48704, dated June 19, 1984, to Southeastern Advg., Inc.; Gill Studios, Inc. invoice #49203, dated June 20, 1984, to Southeastern Advg., Inc.
- (s) Letter to The Evening Telegram from Southeastern Advertising, Inc., dated July 24, 1984, with copy of ads and handwritten note attached; handwritten order from David Winderhat, dated February 21, 1984; letter from Southeastern Advertising, Inc. to James R. Trotter, dated June 22, 1984, with handwritten note attached.
- (t) Letter to James R. Trotter from Southeastern Advertising, Inc., dated June 25, 1984.
- (u) Southeastern Advertising, Inc. invoice to Leon Henderson, dated July 6, 1984.
- (v) Memorandum to Charlene Schindehette from Jack Bailey dated July 10, 1984.
- (w) Two letters to Republican Supporter from J. C. D. Bailey, dated July 17, 1984.
- (x) Handwritten note with "Quantity Sent," "Billed" and "Paid" as headings.

- (y) Handwritten note entitled "Samples."
- (aa) Handwritten note with telephone number "443-1951" and "Robert High, etc." written thereon.
- (bb) Handwritten note entitled "Jesse Helms."
- (cc) Adding machine tape.
- (dd) Southeastern Advertising Co., Inc. check #2508, dated August 10, 1984, to Gill Studios, Inc.; Gill Studios, Inc. invoice #61527, dated July 27, 1984, to Southeastern Advg., Inc.; Gill Studios, Inc. invoice #61526, dated July 27, 1984, to Southeastern Advg., Inc.

38040673123

MEMO BILLING FROM SOUTHEASTERN ADVERTISING, INC.

Billed to: J.C.D. Bailey

11-30-83 10,000 bumper Strips Jesse Helms (red, white & blue)	1,020.00 ✓
2-7-83 5,000 Jesse Helm's Bumper Strips (red, white, and Blue)	586.68 ✓
5-17-84 5,000 Jim Martin 1" buttons (red, and white)	335.43 ✓
10,000 Jesse Helms 1" Buttons (red,white,& blue)	759.18 ✓
2,500 Jim Martin bumper stickers (red and white)	202.28 ✓
1,500 Jim Martin posters 11 X 14 (red and white)	345.05 ✓
1,500 Jesse Helms posters 11 X 14 (red,white & blue)	422.40 ✓
5-07-84 5,000 Jesse Helms roll labels (red,white, & blue)	156.08 ✓
4-25-84 5,000 Jim Martin roll labels (red and white)	99.73 ✓
6-19-84 items to go on walls at Campaign Hdqr.	217.23 ✓
7-27-84 5,000 Jim Martin Posters	948.19 ✓
7-26-84 5,000 Jesse Helms Poster	864.95 ✓
8-09-84 1,000 Jim Martin Posters	701.19 ✓
8-21-84 2,500 Jim Martin Bumper Stickers	202.28 ✓

38040673124

STUD ABOVE THIS LINE WHEN PULLING OUT SHEETS

STUD ABOVE THIS LINE WHEN PULLING OUT SHEETS

Commission only	Commission	Agency	Balance	Paid
-----------------	------------	--------	---------	------

# SOUTHEASTERN ADVERTISING, Inc.

"Designers of Ideas"

Post Office Box 312 - Telephone (704) 977-5149  
 ROCKY MOUNT, NORTH CAROLINA 27801

Order number: **25528**

Invoice number:

Date received: **1-13-83**

Invoice date:

Customer order: **Verbal**

Terms:

Approx. ship date: **ASAP**

Date shipped:

Ship via: **UPS**

Sold by: **Charlene**

Sold to: **Southeastern Advertising, Inc.  
 1313 N. Church Street  
 Rocky Mount, N.C. 27801**

Ship to: **Label attached Attn: Charlene**

QUANTITY		ITEM NO	DESCRIPTION	PRICE	AMOUNT
ORDERED	SHIPPED				
5000 2500		405	3 1/2 x 7 1/2 2 color		
				Sales or use tax Federal tax Shipping charge	
				TOTAL ▶	

Since careful inspection of the factory often results in some imperfect pieces being discarded, it is understood that no order or contract of not more than 10%, to be filled pro-rata, is acceptable by the customer. Custom prices do not include shipping charges or any applicable taxes. All claims must be made within 10 days after receipt of shipment. No returns will be made without our permission.

## CUSTOMER'S ADVERTISING IMPRINT

## SPECIAL INSTRUCTIONS

JESSE

IS

HELMS

RIGHT

He Protects The Taxpayers

"THESE BUMPER SIGNS AVAILABLE FROM SOUTHEASTERN ADVERTISING, INC.

Box 312, ROCKY MOUNT, N.C.

\$1 each or 7 for \$5.

Write for special prices on custom made bumper signs."

red, blue on white  
 prepare artwork and  
 return for approval.

Layout sample attached

*proof required*

**30**

FACTORY	COST	CONDITIONS
Gill Studios P.O. Box 2909	300.00	1. Ship this order only under our label. 2. Do not correspond about with our customer under our circumstances without our permission. Return all ads, artwork, photos, etc. to us. 3. Acknowledge and advise shipping date. Refer to our order number on all correspondence.

# Feeders

PLEASE COMPLETE ALL INFORMATION IN THE 5 BLOCKS OUTLINED IN GRAY.  
SEE BACK OF FORM FOR COMPLETE PREPARATION INSTRUCTIONS.  
FEDERAL EXPRESS DELIVERY SERVICE

# ATTENTION

[illegible]

# SOUTHEASTERN AIRCRAFT, INC.

"Designers of the Future"

Post Office Box 315 • Dayton, Ohio 45401

25528

SALES REPRESENTATIVE: [illegible]

[illegible]

Sold to:

[illegible]

[illegible]

25528 to [illegible]

[illegible]

[illegible]

[illegible]

Ship to:

[illegible]

[illegible]

QUANTITY ORDERED	QUANTITY SHIPPED	ITEM NO.	DESCRIPTION	AMOUNT
5000			[illegible]	

Free careful inspection of the factory after receipt. If any defects are found, it is the responsibility of the customer to return the goods to the factory within 10 days of receipt. If the goods are found to be defective, the factory will replace them at no charge. If the goods are found to be satisfactory, the customer must pay for the goods within 10 days of receipt. If the goods are found to be satisfactory, the customer must pay for the goods within 10 days of receipt.

CUSTOMER'S SIGNATURE AND IMPRINT	SPECIAL INSTRUCTIONS
[illegible]	[illegible]

*Thank you...*

This order will be given the most careful attention. Please check all specifications and notify us immediately if there are any errors. Your order will be specially manufactured or assembled for you. This order is not subject to cancellation or reduction. We make every effort to ship the exact quantity ordered and have it delivered by the date desired. We sincerely hope you will be pleased with our service and look forward to serving you again very soon.

**THIS IS AN ACKNOWLEDGMENT - NOT AN INVOICE**

**Jesse**  
★ **HELMS** ★

*nd*  
R

★  
He Protec

"THESE BUMPER SIGNS AVAILABLE FROM SOUTHEASTERN ADVERTISING, INC. BOX 312, ROCKY MOUNT, N.C. \$1 EACH OR 7 FOR \$5. WRITE FOR

→ use smaller print than above for bottom of bumper sticker — Print in blue

3 8 0 4 0 6 7 3 1 2 8

**Wisse  
Helmms★**

IS  
RIGHT

★ ★ ★ ★ Red  
He Protects The Taxpayers-red

ADVERTISING, INC. BOX 312, ROCKY MOUNT, N.C. \$1 EACH OR 7 FOR \$5. WRITE FOR SPECIAL PRICES ON CUSTOM MADE BUMPER SIGNS."

above for bottom of bumper sticker — Print in blue

3 8 0 4 0 6 7 3 1 2 9

10/10/10

150

is Right  
Protects Taxpayers

the Protects The Taxpayers



# GILL STUDIOS, Inc.

SCREEN PRINTERS

10800 Lackman Road P.O. Box 2909

Shawnee Mission, Kansas 66201

Phone (913) 888-4422

ACCOUNT NO.

789135

INVOICE

DATE

2/07/83

INVOICE NO.

6952

SOUTHEASTERN ADVG INC  
BOX 312 1313 N CHURCH ST  
ROCKY MOUNT NC 27801

ORDER NO.	DATE SHIPPED	METHOD OF SHIPMENT
25528	2/04/83	UPS INSURED
QUANTITY	ITEM	AMOUNT
5000	405 2C ZIP STRIPS	536.25
	HELM JESSE	
	ART CHARGE	21.60
	FREIGHT	28.83
	TOTAL	586.68



## SOUTHEASTERN ADVERTISING Co., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 6952 & 10173

1653

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

PAY TO THE ORDER OF Seven Hundred Forty Eight and 58/100

3-07 19 83

305510099 DOLLARS \$ 748.58

NAME Gill Studios

ADDRESS

CITY

SOUTHEASTERN ADVERTISING CO., INC.

*Charles Schendick*

⑈00001653⑈ > ⑈053108674⑈ 00 2051645⑈

⑈0000074858⑈

3 8 0 4 0 6 7 3 1 3 1

MESSAGE FOR:

Southeastern Adv Inc  
Box 312 1313 N Church St  
Rocky Mount, NC 27801

RE: Order- 25528 HELM JESSE

FROM:



GILL STUDIOS, Inc.  
SCREEN PRINTERS  
10800 Lockman Road  
P.O. Box 2909  
Shawnee Mission  
Kansas 66201  
Phone (913) 888-4422

DATE: January 26, 1983

Enclosed is the proof you requested on the above mentioned order. The proof is intended to show copy and layout only.

The general description of the product is as follows:

QUANTITY

~~2500~~  
5000

ITEM & MATERIAL

#405-2C ZIP STRIPS

COLORS

Red and blue

SIZE

3 3/4" x 15"

Your cost for the order will be \$300.00 net, plus \$21.60 art charge, FOB our plant. Please advise if union bug is wanted when returning proof. No

Color(s) shown on the attached proof indicate position and not necessarily the shade of that color which will be printed.

Please have your customer check the proof carefully and note any corrections to be made. We will hold production on your order until return of the proof.

ELW/bs

Encl

BY:

*Lee Weir*  
Lee Weir

DATE:

OUR REPLY:

*ship 2-7-83  
approved  
1-28-83  
over phone*

MEMORANDUM

TO: ~~Charlene Schindehette~~

FROM: Jack Bailey

DATE: January 25, 1983

SUBJECT: Jesse Helms Bumper Stickers



As soon as subject stickers are received, please remind me that I wanted to get in touch with truck stops on Highway I-95, to see if they would be willing to handle these.

JCDB:gh

38040673133

SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

February 11, 1983

Stuart Paine  
135 W. New Hampshire  
P.O. Box 449  
Southern Pines, N.C. 28387

RE: Jesse Helms Bumper Stickers

Dear Stuart:

I am enclosing a sample of the Jesse Helms Bumper Sticker. Mr. Bailey asked that I send you a sample and inform you that we are offering the bumper stickers throughout the state in lots of 100 for 25¢ each, or \$25.00 for 100.

I would like to send you 100 to help get distribution out right away.

Please advise me if this will be acceptable to you.

Thank you for your prompt attention.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager

38040673134

SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

February 11, 1983

Mr. Scott Wilson  
Office of Senator Jesse Helms  
4213 Dirksen Senate Office Building  
Washington, D.C. 20510

RE: Jesse Helms Bumper Stickers

Dear Mr. Wilson:

Mr. Jack Bailey requested that I send to you 12 sample bumper stickers, that we had designed.

Would you forward to us a list of the people who might be willing to buy these in lots of 100 at \$25.00. We would send them to them immediately.

We are trying to get the movement going that "Jesse is Right," and to sell enough bumper signs that we can then buy newspaper ads to start advertising the bumper signs in the newspaper and have the program pay for itself as we go.

Look forward to your reply.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager

38040673135

SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

February 11, 1983

Godwin Oil Company  
129 Castle Hayne Rd.  
P.O. Box 1888  
Wilmington, N.C. 28402

RE: Sample Bumper Sticker enclosed

Dear Charlie:

Mr. Bailey requested that I mail you a sample of the bumper sticker enclosed.

The truck drivers will support this effort of trying to get the taxes lowered. At this time there is nothing more important to them and all citizens.

We can supply the bumper stickers to you in quantities of 100 or more at .25 each.

We are satisfied you can sell for \$.50 or \$1.00 each. You set your own selling price.

Please call me at above telephone number and advise how many I can send you.

Thank you.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager

3 8 0 4 0 6 7 3 1 3 6

**SOUTHEASTERN ADVERTISING, INC.**

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

February 11, 1983

Holt Oil Company  
1709 Clinton Rd.  
Fayetteville, N.C. 28301

RE: Sample Bumper Sticker enclosed

Dear Charles:

Mr. Bailey requested that I mail you a sample of the bumper sticker enclosed.

The truck drivers will support this effort of trying to get the taxes lowered. At this time there is nothing more important to them and all citizens.

We can supply the bumper stickers to you in quantities of 100 or more at .25 each.

We are satisfied you can sell for \$.50 or \$1.00 each. You set your own selling price.

Please call me at above telephone number and advise how many I can send you.

Thank you.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager

3 8 0 4 0 6 7 3 1 3 7

SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

February 11, 1983

Don Stallings  
Stallings Oil Company  
315 W Ridge  
Rocky Mount, N.C. 27801

RE: Sample Bumper Sticker enclosed

Dear Don:

Mr. Bailey requested that I mail you a sample of the bumper sticker enclosed.

The truck drivers will support this effort of trying to get the taxes lowered. At this time there is nothing more important to them.

We can supply the bumper stickers to you in quantities of 100 or more at .25 each.

We are satisfied you can sell for \$.50 or \$1.00 each. You set your own selling price.

Please call me at above telephone number and advise how many I can send you.

Thank you.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager

38040673138

**SOUTHEASTERN ADVERTISING, INC.**

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

February 16, 1983

Tom Fetzner  
3825 Barret Drive  
Raleigh, N.C. 27069

RE: Jesse Helms Bumper Stickers

Dear Tom:

As per your telephone call today in regards to your message to Mr. Bailey concerning Jesse Helms Bumper Stickers. I will pass the word to Mr. Bailey that Jesse Helms approves of the bumper stickers and thinks they are great.

I am enclosing 10 Bumper Stickers for your use. If you could use any more I would be glad to send them.

We are selling them in quantities of 100 for \$25.00.

Appreciate your letting us know of Mr. Helms comments on the bumper stickers.

Thank you.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager

38040673139

**SOUTHEASTERN ADVERTISING, INC.**

100 NORTH CHURCH STREET • P. O. BOX 3  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

March 14, 1983

David Miner  
101 Lake Street  
Fuquay, N.C. 27506

RE: 200 Bumper Stickers "Jesse Helms"

Enclosed please find 200 bumper stickers @ \$.25 each  
Totaling \$50.00.

Please send check for the bumper stickers you sell,  
and return the unused ones back to me.

Thank you.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager

*pd 5-9-83*

38040673140

38040673141

100-#25-  
200-#25

To Charlene  
Date 3/11 Time 405  
**WHILE YOU WERE OUT**  
M David Muen  
of Ingway  
Phone 552-5812  
Area Code Number Extension  

TELEPHONED	<input checked="" type="checkbox"/>	PLEASE CALL	<input checked="" type="checkbox"/>
CALLED TO SEE YOU	<input type="checkbox"/>	WILL CALL AGAIN	<input type="checkbox"/>
WANTS TO SEE YOU	<input type="checkbox"/>	URGENT	<input type="checkbox"/>

  
☐ RETURNED YOUR CALL  
Message between 10:30 &  
12 on Mon. Needs films  
bumper stickers for  
competition next  
weekend. 101 Ingway, NC  
208 27506  
Operator

No. 2725-S **CAECO** ROCKY MOUNT, WILSON  
GREENVILLE, TARBORO

5-5-83

Dear Mr. Schindehette,

Enclosed please find \$50.00  
Payment for the 200 bumper  
stickers ordered by David  
Miner. Thank you for your support.

Thank you

John V. Moore Jr.

pd  
5-9-83  
\$50.00

38040673142

**SOUTHEASTERN ADVERTISING, INC.**

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

February 15, 1983

Dear Sir:

We have disigned a bumper sticker and are taking the liberty of enclosing a sample to you.

We feel all Americans would like their taxes cut. We feel the truck drivers will support our effort in trying to get the taxes lowered. At this time there is nothing more important to all of us than our tax dollars.

We can supply the bumper stickers to you in quantities of 100 or more at \$.25 each.

We are satisfied you can sell for \$.50 or \$1.00 each. You set your own selling price.

I have 5,000 bumper stickers on hand so I will send to you the quantity you need. Please call and place your order now.

Thank you for your support.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.,

*Charlene Schindehette*  
Charlene Schindehette, Office Manager

3 8 0 4 0 6 7 3 1 4 3

**SOUTHEASTERN ADVERTISING, INC.**

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

February 15, 1983

Dear Sir:

We have disigned a bumper sticker and are taking the liberty of enclosing a sample to you.

We feel all Americans would like their taxes cut. We feel the truck drivers will support our effort in trying to get the taxes lowered. At this time there is nothing more important to all of us than our tax dollars.

We can supply the bumper stickers to you in quantities of 100 or more at \$.25 each.

We are satisfied you can sell for \$.50 or \$1.00 each. You set your own selling price.

I have 5,000 bumper stickers on hand so I will send to you the quantity you need. Please call and place your order now.

Thank you for your support.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.,

*Charlene Schindehette*  
Charlene Schindehette, Office Manager

38040673144

18

Truck Stops:

Stricks Truck Stop  
301 S By Pass  
RM, NC

Strickland Diesel Service  
RFD 2  
Hilson, NC. 27893

By-Pass Exxon Service Station  
Hwy 301 N.  
RM, NC

Elmers Gulf Service  
Hwy I - 95  
Dottches  
Rocky Mount, NC

Goldrock Shell Service  
RFD 1  
Battleboro, NC 27809

Rowes Texaco  
Hwy 301 S By Pass  
RM -

Robbies Gulf Station  
Hwy I - 95  
RM. - Enfield, NC 27823

Gordans Exxon Service  
Hwy 64 E  
RM - Nashville, NC 27856

38040673145

Jimmy Exxon  
Hwy 301 S  
Whitakers 27891

Rosser's A Shell Station  
Hwy 301 S  
Whitakers 27891

349 C Service Center, Inc  
Hwy I-95  
Whitakers, 27891

Perry Service Station  
Hwy 64 W  
Spring Hope, NC 27882

Spring Hope Service Station  
Pine  
Spring Hope 27882

Williams Service Station  
Hwy 64 W  
Spring Hope, 27882

Howard Johnson's Shell Station  
Hwy 301 N.  
RM -

Jaynes Union 76  
Sharpsburg, NC 27878

Messy Exxon Service  
I-95 Goldsboro  
RM -

Ede Amco, Inc  
301 N  
Enfield, NC 27823

38040673146

DUPLICATE STATEMENT

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C. 27802  
Dial 442-3149

DESIGNERS OF IDEAS



Bill Daughtridge  
Daughtridge Gas Company  
1200 East

Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged  $\frac{1}{2}\%$  of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
2-15-83		BALANCE FORWARD →		

100 Jesse Helms Bumper Stickers @ \$.25      \$25.00

Thank you.

## Customer's Statement - Salesman's Copy

The amount specified on the statement of your customer's account - is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.

**WE APPRECIATE YOUR BUSINESS**

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
**PAY LAST  
BALANCE**

38040673147

**SOUTHEASTERN ADVERTISING, INC.**

1315 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

February 11, 1983

Bill Daughtridge  
Daughtridge Gas Company  
1200 East  
Rocky Mount, N.C. 27801

RE: Sample Bumper Sticker enclosed

Dear Bill:

Mr. Bailey requested that I mail you a sample of the bumper sticker enclosed.

The truck drivers will support this effort of trying to get the taxes lowered. At this time there is nothing more important to them and all citizens.

We can supply the bumper stickers to you in quantities of 100 or more at .25 each.

We are satisfied you can sell for \$.50 or \$1.00 each. You set your own selling price.

Please call me at above telephone number and advise how many I can send you.

Thank you.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager

38040673148

DUPLICATE STATEMENT

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C. 27802  
Dial 442-3149

DESIGNERS OF IDEAS



Nat Harris  
Harris & Crouch Insurance Agency  
P.O. Drawer 1899  
Burlington, N.C. 27215

TERMS: NET CASH. All accounts over 30 days old will be charged 1/4% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
2-11-83		BALANCE FORWARD →		
100 Jesse Helms Bumper Stickers @ \$.25 each		25.00		
<p>Customer's Statement - Salesman's Copy The amount specified on the statement of your customer's account - is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.</p>				
WE APPRECIATE YOUR BUSINESS PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE				PAY LAST BALANCE

H.C. & C., INC.

100 Jesse Helms Bumper Stickers

DETACH AND RETAIN THIS STATEMENT

The attached check is in payment of items described above. If not correct please notify us promptly

38040673149

38040673150

*sent  
3-7*

Charlene -

3/7/83

As requested by Mr. Bailey,  
please send 100 of the Jesse Helms bumper  
stickers today to

Mr. Carter Wren, Treasurer  
National Congressional Club  
P. O. Box 18848  
3825 Barrett Drive  
Raleigh, N. C. 27609

These will be complimentary and  
I have written Mr. Wren a note from Mr.  
Bailey saying that they are being sent under  
separate cover.

Thanks,

Geri

# United States Senate

WASHINGTON, D.C. 20510

February 24, 1983



Ms. Charlene Schindehette  
Office Manager  
Southeastern Advertising, Inc.  
Post Office Box 312  
Rocky Mount, North Carolina 27801

Dear Ms. Schindehette:

Thanks so much for the bumper stickers. They are terrific. Senator Helms was very pleased with them--so pleased, in fact, that he asked Carter Wrenn to contact you about getting some of them. I believe you will be able to get from Carter the information you wanted from me.

We're all mighty grateful for your support. Please don't hesitate to contact me if I can ever lend a hand. And thanks again for the bumper stickers.

Kindest regards.

Sincerely,

Scott A. Wilson  
Legislative Assistant  
to Senator Jesse Helms

SAW:mb

cc: Jack Bailey  
Carter Wrenn

38040673151

Jim Foster  
Cottonwood Marine  
2058  
2 dog - butlers  
25' plates

**MCLEAN**

38040673152

HENRY LINEBERGER, JR., D.D.S.  
3133 ESSEX CIRCLE  
GLENWOOD PROFESSIONAL VILLAGE  
RALEIGH, NORTH CAROLINA 27608

July 22, 1983

Mr. Jack Bailey  
Southeaster Advertising, Inc  
Box 312  
Rocky Mount, N. C.

Dear Jack,

Enclosed is \$20.00. Please send me some more  
"Jesse / is Right" bumper stickers.

Thank you,

*Henry O. Lineberger, Jr.*  
Henry O. Lineberger, Jr.



38040673153

500

1410 Hilders

27605

Denise (Lange)  
977-3355

wants  
Black & white  
picture of PS  
- to put in  
paper

Dave Flarety <sup>4 leg party</sup>  
State Party -

828-6423

- send supply -  
furnish list of Key Copies  
12¢ each - ask us want to  
get distributed.

Mark Stowers -

38040673154

# SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

January 4, 1984

Mr. John C. Scheipers  
Field Representative for Helms for Senate  
Post Office Box 177000  
Raleigh, N.C. 27619

RE: Jesse Helms Bumper Stickers

Dear Mr. Scheipers:

I have enclosed 50 bumper signs as complimentary package for you to distribute as you see fit. The distribution of these bumper stickers will help promote sales.

The bumper stickers are available to the Helms committees for 12 1/2 cents a piece. I have 10,000 of the stickers on hand and I will ship anywhere. It will be necessary to have cash for each order before shipment is made.

Please notify me as quickly as possible if you have any suggestions as to how or to who I should contact for distribution of the Bumper Stickers. They need to be out in the public eye to do their job.

Thanks for your help.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindhette*  
Charlene Schindhette,  
Office Manager

32 00 +

3 8 0 4 0 6 7 3 1 5 5

3-31-84

Called Status of B.S.

Pat Calhoun -

Mark Stevens, get material must have their disclaimer on bottom. Helms for Senate moved to toward campaign.

Feels he can not call from their office cause of no disclaimer  
Thinks he could give away - ? -

Give me names:

Donate 25¢ each of his inquiry

offer in 100 lots of 15¢ each or 1/100 ea.

3-7-84

Pam Stevenson - Secretary  
will call back Mon or Tues

3-20-84 2nd time  
will get back with me -

3-22- letter on way as to why names can not be given

MEMORANDUM

TO: > Charlene Schindehette  
FROM: Jack Bailey  
DATE: January 3, 1984  
SUBJECT: Jesse Helms Bumper stickers

Please write a letter to:

Mr. John C. Scheipers  
Field Representative for Helms for Senate  
Post Office Box 177000  
Raleigh, N. C. 27619

Tell him that you have 10,000 of the Helms bumper signs on hand and that they are available to the Helms committees anywhere for 12½ cents a piece.

Send him a complimentary package of 50 bumper signs and ask him to get these distributed to help promote the sales so that we can get these signs distributed. It will be necessary to have cash for each order.

Mr. Scheipers phone number is 919-876-8522. A week after you have sent the letter, start making telephone calls to him about once a week to check whether or not he has made distribution, obtained any orders, or received indications of interest on this item.

JCDB:dh



**IS  
RIGHT**  
★ ★ ★ ★

**HE PROTECTS THE TAXPAYER**

\*THESE BUMPER SIGNS AVAILABLE FROM SOUTHEASTERN ADVERTISING, INC. BOX 312, ROCKY MOUNT, N.C. \*\$2.99 EACH OR 7 FOR \$20. WRITE FOR SPECIAL PRICES ON CUSTOM MADE BUMPER SIGNS.\*

Jesse Helms is Right

10000

- 7 Charles Bowen 12-6-83

- 14 Mitch Bridgman 12-6-83

- 7 John Hadley 4-2

~~carpenter~~  
~~1000 Andy Harrison 4-5~~

- 500 Dave Flanty 3-29

- 100 samples Rep 3-30

- 1000 Lum Nays 4-9

- 100 Wilmington 4-13

- 100 Shiloh 4-19

- 7 walk in Cust 5-2

- 500 Blackwells 5-7

- 500 Nays Knitting 5-7

- 100 Anne Duncan 5-8

- 100 Freddie Griffin 5-31

- 1000 Anne Duncan 6-6

5965.

38040673159

Mary Clayton

1-800-662-9721

Jesse Helms is right  
re-pent order  
(Rebecca at Hills)

-2M-

10 working days

#405 PO 25528 (1-13-83)  
old BS 2C alone  
3 3/4 x 1 1/2 red, blue on white  
(re-pent order)

232<sup>50</sup>

267<sup>37</sup>

+14%

38040673152



WILLIAMSTON, NC.  
13 NOV 83

Gentlemen

paid  $\frac{4.80}{4.20} = 1.14$

I was given a bumper sticker  
reading "JESSE <sup>WILLIAMS</sup> / <sup>RIGHT</sup> <sub>NO PROTECTS TAXPAYERS</sub>"

on the bottom of which was your  
address and the notation 7 for \$5.00.  
Enclosed is check for \$5.00 - please  
send me the 7.

Thank You

Charles M Bowers

120 E. MAIN ST.

WILLIAMSTON, NC. 27892

38040673160

South eastern  
advertising, Inc.  
box 312, Rocky mount, n. c.  
27801

JOHN JOFREY  
RT. 4, BOX 111  
MAXHAM, NC 28173

Dear sir:

" Please send me 7 of the  
" Jesse Helms / is Right " bumper  
stickers I have enclosed \$5.00  
for them. also please send  
me info on your custom made bumper  
stickers

Thank you  
John B. Gaffey

Mailed  
4-2-84



38040673161

Dear Charlene,

We would very much like to have some of JESSE'S bumper stickers for our Spring Festival to be held in Burgaw, N. C. on May 5, 1984. Enclosed you will find a check in the amount of \$12.50 for 100 bumper stickers. Please mail them to my office address listed below.

Sincerely,

Tricia D. Kidd, Secretary  
Pender County  
Republican Party

Send to: Tricia D. Kidd  
c/o Parker's Food Stores, Inc.  
Rt. 3 Box 376  
Wilmington, N. C. 28403



38040673152

SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

March 28, 1984

Dear Republican Friend:

RE: Sample Jesse Helms Bumper Sticker Enclosed

I have enclosed a bumper sticker to you so we can get Jesse's Helms name out in front of the public as much as possible.

I have 10,000 of these bumper stickers in my inventory and will sell for \$.125 each, this is my cost and I will ship out the day I get the order. Cash must accompany all orders.

If you can use more bumper stickers please notify me, or if you know anyone who may be interested please put them in contact with me.

I am most anxious to get all 10,000 out on Bumpers to help make citizens aware of Jesse Helms.

Any help you can be will be greatly appreciated.

Thank you.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*

Charlene Schindehette, Office Manager

*Dear Sir*

*I am sending you \$13.00 if you will  
Please send me 100 bumper stickers!*

*Warren E. Riggs  
Box 160  
Shelby, N. C. 27974*

98040673163

rec'd  
4-26-84

A. ANDREWS

P.O. 216

GREENVILLE, N.C. 27854

C. SCHINDEHETTE

% SOUTHEASTERN ADV.

ROCKY MOUNT, NC. 27801

DEAR CHARLENE,

OUR COUNTY ORGANIZATION VOTED NOT TO  
ALLOW FUNDS TO BE SPENT TOWARD THE PURCHASE  
OF THE BUMPER STICKERS. I WAS VERY SURPRISED  
AND DISHEARTENED WITH THIS DECISION.

PLEASE ACCEPT MY APOLOGY FOR ANY  
INCONVENIENCE THAT YOU HAVE INCURRED CONCERNING  
THIS MATTER

Sincerely,

A. Andrews

38040673164

Andy Andrews  
355-2447  
Pitt County

.125 each - 4000  
125<sup>00</sup>

752-4438

Rt #2 Box 522B  
Greenville, NC 27834

Ship to

T R W

North Green St.  
Greenville, NC 27834  
% Andy Andrews

38040673165

SOL HEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

April 10, 1984

Andy Andrews  
Rt. #2 Box 522B  
Greenville, N.C. 27834

RE: 1,000 Jesse Helms is Right Bumper Stickers.

Dear Andy,

I enjoyed talking to you the other night when you called me at my home to inquire about the bumper stickers. The evening of your phone call you stated you wanted 1,000 Bumper Stickers, which when I came to the office the next day the 1,000 bumper stickers were counted out and boxed up for you upon arrival of your check as we discussed over the telephone.

Please advise if you are still interested in the bumper stickers. I am getting alot of calls for them, and it is unfair for me to hold them for you unless I know for sure you do want them.

The cost of bumper stickers is .125 each = \$125.00. Please send your check and I will send UPS to you the bumper stickers.

Thank you again for your interest in Jesse Helms.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager

3 8 0 4 0 6 7 3 1 6 6

MEMORANDUM

TO: ✓ Charlene Schindehette  
FROM: Jack Bailey  
DATE: May 7, 1984  
SUBJECT: Jesse Helms Bumper Signs

Send Anne Duncan at St. Mary's College 100 Jesse Helms bumper signs. She is going to try to sell them for 50¢ each.

JCDB:dh

PO Box 18

Raleigh, NC 27611

38040673167

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

**SOUTHEASTERN ADVERTISING CO., INC.**

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 84944

2099

28

12-09 19 83

66-867  
631

PAY One Thousand Twenty and no/100 DOLLARS | \$ 1020.00

TO  
THE  
ORDER  
OF

NAME

Gill Studios, Inc.

ADDRESS

CITY

POSTED PST

SOUTHEASTERN ADVERTISING CO., INC.

11/30/83  
*Charles Schindler*

⑈00002099⑈ -⑈053108674⑈ 00 2051645⑈

⑈0000102000⑈

053 0972 19 12 13 83 9 403720753

38040673168



**GILL STUDIOS, Inc**  
**SCREEN PRINTERS**

10800 Lackman Road P.O. Box 2909  
Shawnee Mission, Kansas 66201  
Phone (913) 888-4422

ACCOUNT NO.  
769135

**INVOICE**

DATE  
11/30/83

INVOICE NO.  
84944

SOUTHEASTERN ADVG INC  
BOX 312 1313 N CHURCH ST  
ROCKY MOUNT NC 27801

ORDER NO.	DATE SHIPPED	METHOD OF SHIPMENT
35763	11/30/83	FREIGHT B/L ENCL
QUANTITY	ITEM	AMOUNT
10000	405 2C ZIP STRIPS HELMS JESSE	1,020.00
	TOTAL	1,020.00 *



TERMS:  
10% DUE UPON RECEIPT  
BAL. DUE 10th OF MONTH

38040673169

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 30989 , 052

2342

66-867  
531

5-14 19 84

PAY Two Hundred Fifty Five and 81/100 109084734 DOLLARS \$ 255.81

TO  
THE  
ORDER  
OF

NAME

Gill Studios, Inc.

ADDRESS

SOUTHEASTERN ADVERTISING CO., INC.

CITY

POSTED PST

181900037

*Charlene Schin*

⑈00002342⑈ ⑆053108674⑆ 00 2051645⑈ ⑆0000025581⑈

38040673



# GILL STUDIOS, Inc.

SCREEN PRINTERS

10800 Lackman Road P.O. Box 2909

Shawnee Mission, Kansas 66201

Phone (913) 888-4422

Aug 5-10-84

ACCOUNT NO.

739135

INVOICE

DATE

4/25/84

INVOICE NO.

30909

SOUTHEASTERN ADVG INC  
BOX 212 1313 N CHURCH ST  
ROCKY MOUNT NC 27801

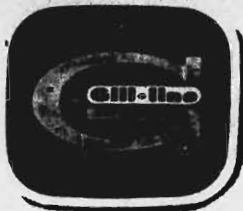
ORDER NO.	DATE SHIPPED	METHOD OF SHIPMENT
S41184	4/24/84	UPS INSURED

QUANTITY	ITEM	AMOUNT
5000	826 1C ROLL LABELS	97.50
	MARTIN JIM	
	FREIGHT	2.23
	TOTAL	99.73

CL # 2342  
5-10

rec'd  
5-1-84

38040673171



**GILL STUDIOS, Inc.**

**SCREEN PRINTERS**

10800 Lackman Road P.O. Box 2909

Shawnee Mission, Kansas 66201

Phone (913) 888-4422

5-10

ACCOUNT NO.  
789135

**INVOICE**

DATE  
5/07/84

INVOICE NO.  
35052

SOUTHEASTERN ADVG INC  
BOX 312 1313 N CHURCH ST  
ROCKY MOUNT NC 27801

ORDER NO.	DATE SHIPPED	METHOD OF SHIPMENT
S41084	5/04/84	UPS INSURED

QUANTITY	ITEM	AMOUNT
5000	826 2C ROLL LABELS	132.00
	JESSE HELMS	
	ART CHARGE	21.60
	FREIGHT	2.48
	TOTAL	156.08 *



TERMS:  
10% DISC UPON RECEIPT  
BAL DUE 10th OF MONTH

38040673172

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C.

919-977-3149  
DESIGNERS OF IDEAS



Freddie Griffin  
Rt. #1 Box 597  
Williamston, N.C. 29892

TERMS: NET CASH. All accounts over 30 days old will be charged 1% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
5-31-84		BALANCE FORWARD →		

100 Jesse Helms Bumper Stickers	\$15.00
tax	.68
shipping	1.50
	<u>\$17.18</u>

Check Payment due upon receipt of Bumper Stickers  
Thank you.

*pd 6-4*

WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

38040673173

Freddie Griffin

J Helms B.S.

$$100 \cdot 15 = 15^{\circ}$$

Rt 1 Box 597  
Stillmanston 29892

38040673174

ORIGINAL INVOICE

Manufacturer of Lapel Buttons - Ribbon Badges

## AURA BADGE COMPANY

P. O. BOX 335 CLAYTON, NEW JERSEY 08312  
609-881-9026SOUTHEASTERN ADV.  
PO BOX 312  
621 N. CHURCH ST.  
ROCKY MOUNT, NC 27801SOLD  
TOSHIP  
TO

DATE	INVOICE NO.
06-12-84	58394

TERMS: 1.00% 10 NET 30

CT. NO.	REFERENCE NO.	ORDER DATE	SHIP DATE & VIA	CUSTOMER P.O. NO.
03149	049770	04-16-84	06-05-84 UPS	41184

ORDER	SHIP'D	B. ORD.	ITEM NUMBER	DESCRIPTION	PRICE	AMOUNT
000	10000	0	1SPB	1" SPRING PIN BUTTONS RED, BLUE ON WHITE JESSE HELMS STICKER ENC. EXTRA COLOR PLATES	.06300	630.00
	1	0			100.00000	100.00
	2	0			10.00000	20.00



8

SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 58394 2413

66-867  
531  
6-22 19 84

759.18

Seven Hundred Fifty One and 68/100 DOLLARS \$ 751.68

NAME

Aura Badge Co.

ADDRESS

SOUTHEASTERN ADVERTISING CO., INC.

CITY

POSTED PBT

000002413 053108674 00 2051645

0000075168

Date received:

Disposition:

MATION

30

10-10-84

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 812  
ROCKY MOUNT, NC 27801

INV 48703, 48704, 49728, 49203 2434

7-10 19 84

66-887  
531

003 0903 19 07-17-84 5 509034704

PAY Eleven Hundred Seventy Two and 40/100 DOLLARS | \$ 1172.40

TO  
THE  
ORDER  
OF

NAME

ADDRESS

CITY

Gill Studios

POSTED PAY

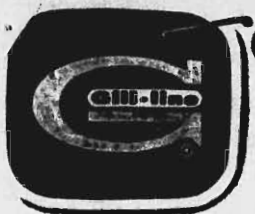
SOUTHEASTERN ADVERTISING CO., INC.

*Charles Schindler*

⑈00002434⑈ >⑈053108674⑈ 00 2051645⑈

⑈0000117240⑈

38040673176



**GILL STUDIOS, Inc.**

**SCREEN PRINTERS**

10800 Lackman Road P.O. Box 2909

Shawnee Mission, Kansas 66201

Phone (913) 888-4422

7-10

ACCOUNT NO.  
789135

INVOICE

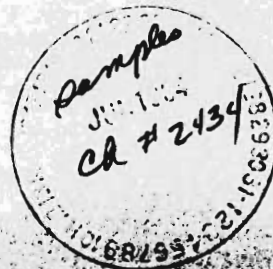
DATE  
6/19/84

INVOICE NO.  
40703

SOUTHEASTERN ADVG INC  
POA 312 1313 11 CHURCH ST  
ROCKY MOUNT NC 27901

ORDER NO.	DATE SHIPPED	METHOD OF SHIPMENT
S604	6/18/84	UPS INSURED

QUANTITY	ITEM	AMOUNT
2500	402 10 ZIP STRIPS	193.75
	MARTIN JIM GOVERNO	
	FREIGHT	0.53
	TOTAL	202.29



TERMS  
10% DUE UPON RECEIPT  
BAL DUE 10th OF MONTH

88040673177



# GILL STUDIOS, Inc.

SCREEN PRINTERS

10800 Lackman Road P.O. Box 2909

Shawnee Mission, Kansas 66201

Phone (913) 888-4422

ACCOUNT NO.  
789135

INVOICE

DATE  
6/19/84

INVOICE NO.  
45704

SOUTHEASTERN ADVG INC  
BOX 312 1313 N CHURCH ST  
ROCKY MOUNT NC 27801

ORDER NO.	DATE SHIPPED	METHOD OF SHIPMENT
6484	6/13/84	UPS INSURED

QUANTITY	ITEM	AMOUNT
1500	186 LC 11.0X14.0 CUSTOM POSTERS	305.05
	MARTIN JIM GOVERNOR	
	FREIGHT	39.50
	TOTAL	345.05 *



TERMS:  
10% DUE UPON RECEIPT  
BAL DUE 10th OF MONTH

88040673178

7-10



# GILL STUDIOS, Inc.

## SCREEN PRINTERS

10800 Lackman Road P.O. Box 2909

Shawnee Mission, Kansas 66201

Phone (913) 888-4422

ACCOUNT NO.  
789137

INVOICE

DATE  
6/20/84INVOICE NO.  
47203

SOUTHEASTERN ADVG INC  
BOX 312 1313 N CHURCH ST  
ROCKY MOUNT NC 27801

ORDER NO.	DATE SHIPPED	METHOD OF SHIPMENT
S6484	6/19/84	UPS INSURED

QUANTITY	ITEM	AMOUNT
1500	150 20 11.5X14.0 CUSTOM POSTERS	387.75
	HELMS JLSSE SENATE	
	FREIGHT	34.05
	TOTAL	422.80



TERMS:  
10% DUE UPON RECEIPT  
BAL. DUE 10% OF MONTH

88040673179

SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

July 24, 1984

The Evening Telegram  
P.O. Box 1080  
Rocky Mount, N.C. 27801  
Attention: Millie Scarbel

RE: enclosed ad

Dear Millie:

I have enclosed the copy that we would like ran 5 times in The Evening Telegram. Please run it on 7-29-84, 8-01-84, 8-05-84, 8-08-84, and 8-12-84.

The add should be 4" in length and 6" width Please note the top line is to be in large bold print and our name of the company on the bottom in small print.

I was advised that this is a 4 colum ad and the cost would be \$64.96.

Thank you, if you have any questions please call me.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*

Charlene Schindehette, Office Manager

# SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

← 6" →

*large bold print*

JESSE HELMS & JIM MARTIN

The following items are in our inventory for sale:

Jesse Helm's Bumper Stickers 3" X 11 1/2" .15ea min. order 100  
Jesse Helm's Poster yard signs 11" X 14" .38ea min. order 100  
Jesse Helm's Lapel buttons 1" .14ea min. order 100

Jim Martin's Bumper 3" X 11 1/2" .15ea min. order 100  
Jim Martin's Poster yard signs 11" X 14" .38ea min. order 100  
Jim Martin's Lapel buttons 1" .14ea min. order 100

Call, write or stop by office to purchase the items of your choice.  
All orders must be paid for when placed. Postage is included in  
the above prices.

Southeastern Advertising, Inc.  
621 N. Church St. of P.O. Box 312  
Rocky Mount, N.C. 27801  
919-977-3149 Contact: Charlene

*small print*

88040673181

↑  
4"  
↓

Phillie Seashell  
Ronde

4.06  
1 col = 1 5/16"

1080

1 Time

5 3/4" X 8" = 4 columns 129.92

4 1/4" X 8" 3 columns 97.44

2 3/4" X 8" 2 columns 64.96

★ 4" X 6" 4 columns 64.96

2 days prior - any day

5 Times  
Sun  
7-29

Wed  
8-1

Sun  
8-5

Wed  
8-8

Sun.  
8-12

88040673182

SOUTHEASTERN ADVERTISING, INC.  
621 N. Church St. or PO Box 312  
Rocky Mount, N.C. 27801  
919-977-3149 Contact: Charlene

Have in inventory for sale the following items:

Jesse Helm's Bumper Stickers 3" X 11 1/2" .15ea min. order 100  
Jesse Helm's Poster yard signs 11" X 14" .38ea min. order 100  
Jesse Helm's Lapel buttons 1" .14ea min. order 100

Jim Martin's Bumper Stickers 3" X 11 1/2" .15ea min. order 100  
Jim Martin's Poster yard signs 11" X 14" .38ea min. order 100  
Jim Martin's lapel buttons 1" .14ea min. order 100

Call, write or stop by office to purchase the items of your choice.  
All orders must be paid for when placed. Postage is included in  
the above prices.

88040673183

6"

2/21/84

Dear Sirs,

Please send me one Jesse Helms  
bumper sticker & some information  
about others you publish.

Thank you,

David Winkler

2339 #1 S.W. 31<sup>st</sup> Pl.  
Gainesville, FL 32608

pd 2-21-84

88040673184

SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

June 22, 1984

James R. Trotter  
105 S. Franklin  
Rocky Mount, N.C. 27801

RE: Jim Martin Bumper Stickers and Jim Martin Posters

Dear Mr. Trotter:

Enclosed are 5 Jim Martin Bumper Stickers and 5 Jim Martin Posters.

Mr. Jack Bailey requested that I send them to your office along with the cost information on each.

The Posters will sell for \$.25ea and I have 1500 in my office.

The Bumper Stickers sell for \$.10ea and I have 2500 in my office.

Please advise if you would like any more sent to your office or refer persons interested in purchasing to my office and I will be glad to help them.

Thank you.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*

Charlene Schindehette, Office Manager

38040673186

SEA

1500

2000  
1500  
1000  
500  
0

plus 15%

100

1000  
500  
0

**SOUTHEASTERN ADVERTISING, INC.**

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

June 25, 1984

James R. Trotter  
105 S. Franklin  
Rocky Mount, N.C. 27801

RE: Jesse Halms Bumper Stickers and Jesse Halms Poster

Dear Mr. Trotter:

Enclosed are 5 Jesse Hamlin's Bumper Stickers and 5 Jess Helm's Posters.

Mr. Jack Bailey requested that I send them to your office along with the cost information on each.

The Posters will sell for \$.30ea and I have 1500 in my office.

The Bumper Stickers sell for \$.125 and I have approx. 5000 in my office.

Please advise if you would like any more sent to your office or refer persons interested in purchasing to my office and I will be glad to help them.

Thank you.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager

88040673187

# XEROX INVOICE

## Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C. 27802  
Dial 442-3149

DESIGNERS OF IDEAS



Leon Henderson

**TERMS: NET CASH.** All accounts over 30 days old will be charged 1/4% of balance per month or a minimum of 80c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
7-06-84		BALANCE FORWARD →		

	9.57
	tax .43
20 Jim Martin Bumper Stickers @ .50 each	10.00

*Cash pd.*

**WE APPRECIATE YOUR BUSINESS**  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
**PAY LAST  
BALANCE**

98040673188

MEMORANDUM

TO: ~~Charlene~~ Charlene Schindehette  
FROM: Jack Bailey  
DATE: July 10, 1984  
SUBJECT: Jim Martin Bumper Stickers

*done*

I need to be reminded to take some Jim Martin bumper signs to the beach when I go on Thursday morning. Please make certain that I have about 300 of these bumper signs in my office on Wednesday afternoon late.

JCDB/aas

88040673189

# SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

July 17, 1984

Dear Republican Supporter:

We have in our inventory here at the office the following items available to you for the price listed.

Jim Martin:

Yard poster 11 X 14	.38ea min. order 100
Bumper stickers 3" X 11 1/2"	.15ea min. order 100
Lapel buttons 1"	.14ea min. order 100

Jesse Helms:

Yard poster 11 X 14	.38ea. min. order 100
Bumper stickers 3" X 11 1/2"	.15ea min. order 100
Lapel buttons 1"	.14ea min. order 100

Enclosed is a sample of each. Your orders will be processed just as soon as we receive them. The above prices includes the shipping cost.

When you place your order be sure to enclose payment for all items on your order.

Thank you, help support the above candidates for office.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

J.C.D. Bailey

Enclosure

# SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149



July 17, 1984

Dear Republican Supporter:

We have in our inventory here at the office the following items available to you for the price listed.

Jim Martin:

Yard poster 11 X 14	.38ea min. order 100
Bumper stickers 3" X 11 1/2"	.15ea min. order 100
Lapel buttons 1"	.14ea min. order 100

Jesse Helms:

Yard poster 11 X 14	.38ea. min. order 100
Bumper stickers 3" X 11 1/2"	.15ea min. order 100
Lapel buttons 1"	.14ea min. order 100

Enclosed is a sample of each. Your orders will be processed just as soon as we receive them. The above prices includes the shipping cost.

When you place your order be sure to enclose payment for all items on your order.

Thank you, help support the above candidates for office.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

J.C.D. Bailey

Enclosure

please  
send  
100  
to:

FRIES SHAFFNER  
Republican Headqtr.

Long Leaf Mall  
Wilmington, N.C.

28403

rec'd 8/1/84  
38

33040673191

quantity  
sent

Billed

Paid

100 Nat Harris

2-11 25<sup>00</sup>

pd 3-02

100 Bill Naughtridge

2-15 25<sup>00</sup>

200 David Miner

3-14 50<sup>00</sup>

pd 5-9

28 Henry Lineberger

7-25 20<sup>00</sup>

pd. -

38040673192

# Samples

Truck Stops 20

Tom Fetzner 10

Lobby F&E 100

Bill Daughtridge 1

Stuart Paine 1

Scott Wilson 12

Godwin Oil Co 1

Holt Oil Co 1

Don Stallings 1 = (147 2-16-83)

Carter Area 100 = 247 as of 3-7-83

Sample at Convention 1,353 = 1600 samples  
400 sold  
2000

Dr Lloyd Bailey 6 = 2006

Lieberger 28 - 28 = 1978

None in inventory

98040673193

88740673194

443-1951

~~Robert High~~ -

400 Jim Martin

400 Jesse Helms

---

1st fellow  
put 2 Tacks on top  
to make more secure  
wrap around pole  
to make more secure.  
If any questions they should  
Call Jack Bailey collect at home  
Ch

Q

8-1-84

1000 JH  
poster

Chris  
picked  
up

Jesse Helms

	printer	all labels	BS	lit
	500	500	5965	19000
Hedge	500	400		500
Arno Duncan	500			
hand out 2-20-60	500			
meeting present				2,500
inventory up to 6-60		1000		2,500
hand out 2-20-60				
order on				
Chas. S. L.				
John D. ...			200	50
	1000		5765	2450

38040673195

98040673196

1300.00 +  
1400.00 +  
2 +  
5000.00 T

*Handwritten:*  
9/20/55

2000.00 +  
100.00 -  
100.00 -  
200.00 -  
247.00 -  
1331.00 T

1331.00 +  
247.00 +  
1600.00 T

1600.00  
1600.00  
1600.00 T

1600.00  
1600.00  
1600.00 T

88040673197

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 812  
ROCKY MOUNT, NC 27801

61526, 61527

2508

66-987  
531

8-10 19 84

PAY Eighteen Hundred Thirteen and 14/100 DOLLARS \$ 1813.14

TO THE  
ORDER  
OF

NAME

Gill Studios, Inc.

ADDRESS

POSTED PBI

CITY

121850122  
SOUTHEASTERN ADVERTISING CO., INC.

*Charles Schindler*

⑈00002508⑈ ⑆⑆053108674⑆ 00 2051645⑈

⑈0000181314⑈



# GILL STUDIOS, Inc.

SCREEN PRINTERS

10800 Lackman Road P.O. Box 2909

Shawnee Mission, Kansas 66201

Phone (913) 888-4422

ACCOUNT NO.

789135

INVOICE

DATE

7/27/64

INVOICE NO.

61527

SOUTHEASTERN ADVG INC  
BOX 312 1313 N CHURCH ST  
ROCKY MOUNT NC 27801

ORDER NO.	DATE SHIPPED	METHOD OF SHIPMENT
966	7/26/64	FREIGHT B/L ENCL

QUANTITY

ITEM

AMOUNT

5000

100 TO 11.0X14.0 CUSTOM POSTERS

102.45

MARTIN JIM

FREIGHT

245.74

TOTAL

948.19



TERMS:  
10% DUE UPON RECEIPT  
BAL. DUE 10% OF MONTH

88040673198



RECEIVED  
OFFICE OF THE  
GENERAL COUNSEL

55 JAN 25 P 2: 26

RE: MUR 1736  
Southeastern Advertising, Inc.  
Jack C. D. Bailey

4. Machine copy of Articles of Incorporation for Southeastern Advertising, Inc.

88040673200

STATE OF  
NORTH  
CAROLINA



Department of The  
Secretary of State

To all to whom these presents shall come, Greeting:

*I, Thad Eure, Secretary of State of the State of  
North Carolina, do hereby certify the following and  
hereto attached ( 3 sheets) to be a true copy of*

ARTICLES OF INCORPORATION

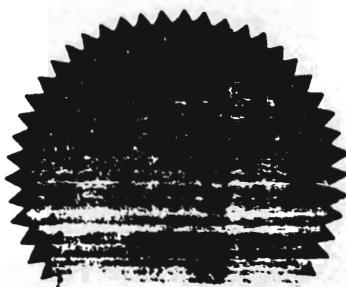
OF

SOUTHEASTERN ADVERTISING, INC.

*the original of which is now on file and a matter of  
record in this office.*

*In Witness Whereof, I have hereunto set my hand  
and affixed my official seal.*

*Done in Office, at Raleigh, this 13th day  
of December, in the year of our Lord 1984.*



Secretary of State

*[Signature]*  
By \_\_\_\_\_  
Secretary of State

88040673201

CERTIFICATE OF INCORPORATION  
OF  
SOUTHEASTERN ADVERTISING, INC.

This is to Certify, That we, the undersigned, do hereby associate ourselves into a corporation under and by virtue of the laws of the State of North Carolina, as contained in Chapter 55 of the General Statutes, entitled "Corporations," and the several amendments thereto, and severally agree to take the number of shares of capital stock in the said corporation set opposite our respective names, and to that end do hereby set forth:

1. The name of this corporation is Southeastern Advertising, Inc.

2. The location of the principal office of the corporation in this State is at 830 Carr Street, in the City of Rocky Mount, County of Nash; but it may have one or more branch offices and places of business out of the State of North Carolina, as well as in said State.

3. The objects for which this corporation is formed are as follows:

To engage in an advertising business by writing, formulating, and advising as to advertisements for corporations, firms, and individuals with reference to advertising either their or its business; to write advertisements and to supervise printing and circulation thereof for a consideration.

To purchase, erect, and lease factories for the manufacture of signs and advertising novelties; and to buy, sell, manufacture, and deal in signs and advertising novelties of all kinds and descriptions.

To manufacture, purchase or otherwise acquire, hold, own, mortgage, sell, assign, and transfer, invest, trade, deal in goods, wares, merchandise, and property of every class and description and especially to buy and sell bankrupt stocks.

Generally to purchase, take or lease, exchange or hire or otherwise acquire any real and personal property and any rights or privileges which the corporation may think necessary or convenient for the purpose of its business.

88040673202

To deal with patents, acquire those taken by others, acquire or grant letters in respect to patents or words, transfer or do whatever else that may be thought fit.

To acquire all good will, property, assets of all kinds and to hold, in whole or in part, all the liabilities of any person, firm or corporation and to pay for the same in cash, stock, bonds or other securities of this corporation or otherwise.

To do all such things as may be necessary or incident to the business of a general advertising and sales agency, and to perform all acts which may be deemed necessary or expedient for the proper and successful prosecution of the objects and purposes for which the corporation is created.

4. The total authorized capital stock of this corporation shall consist of 500 shares of preferred stock of the par value of \$100.00 per share, and said stock shall have such preferences and rights when issued as the corporation by resolutions adopted by the board of directors may determine; and 25,000 shares of voting common stock of the par value of \$1.00 per share, and 25,000 shares of non-voting common stock of the par value of \$1.00 per share.

5. The names and post office addresses of the subscribers for stock, and the number of shares subscribed for by each, the aggregate of which being the amount of capital stock with which the company will commence business, are as follows:

Name	Post Office Address	No. of Shares
J. Chalmers DaCosta Bailey	212 S. Vine Street Rocky Mount, N. C.	2500 shares voting common
John J. Ferebee	707 Sycamore St. Rocky Mount, N. C.	2500 shares voting common
John E. Bishop	728 Eastern Ave. Rocky Mount, N. C.	2500 shares voting common

6. This corporation shall have perpetual existence.

7. The board of directors of this corporation shall have power, by vote of a majority of all the directors, and without the assent or vote of the stockholders, to make, alter, amend and rescind the by-laws of this corporation.

88040673203

In testimony whereof, we have hereunto set our hands and  
affixed our seals, this the 12 day of January, 1956.

J. Chalmers DeCosta Bailey (SEAL)  
John J. Ferebee (SEAL)  
John E. Bishop (SEAL)

NORTH CAROLINA

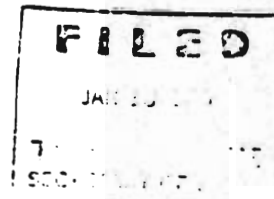
Edgewood COUNTY

I, Charles C. Harris, a notary public of said county, do hereby  
certify that J. Chalmers DeCosta Bailey, John J. Ferebee, and John  
E. Bishop personally appeared before me this day and severally  
acknowledged the execution of the foregoing certificate of incorporatio  
of Southeastern Advertising, Inc.

Witness my hand and notarial seal this 12 day of January, 1956.

Charles C. Harris  
Notary Public

My commission expires: Sept 2, 1957



FILED  
GENERAL COUNSEL

15 JAN 25 P 2: 26

RE: MUR 1736  
Southeastern Advertising, Inc.  
Jack C. D. Bailey

5. Machine copies of correspondence:

- (a) Letter from J. C. D. Bailey to Jeff Batts, dated July 30, 1984, with copy of letter to Carter Wren from Jack Bailey, dated September 13, 1983, and Post Gram to J. C. Bailey from Carter Wren, dated August 10, 1983, attached.
- (b) Letter from Jack dated March 22, 1983 (invitation and agenda for meeting held on April 6, 1983).

88040673205

J. C. D. Bailey  
Post Office Box 1828  
Rocky Mount, North Carolina 27801  
Telephone 919/977-0950

March 22, 1983

Dear Fellow Conservative:

You are invited to meet with a small group of other dedicated conservatives for dinner and cocktails at 6:30 P.M. on Wednesday, April 6, in the Assembly and Training Rooms of Franchise Enterprises, Inc., 1313 North Church Street in Rocky Mount.

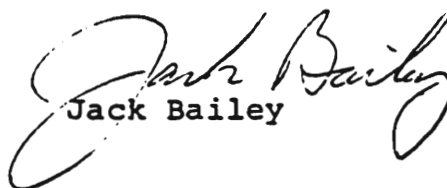
The purpose of this meeting is to discuss the most important 1984 campaign in the nation - that of Jesse Helms for re-election to the United States Senate. Both Tom Ellis and Carter Wren of the National Congressional Club in Raleigh will be here in order to answer any questions this key group might have.

Labor union leaders are already busy organizing a campaign to defeat Jesse in 1984. Even though I don't believe this will happen, I don't have to tell you how the liberal media would interpret such a loss and that it would be considered a mandate for more social welfare programs. The end result would be devastating for our State and our Nation and I believe we need to start early to insure Jesse's victory.

I would appreciate your keeping this invitation confidential as there are only 50 people being invited and I do not want to run the risk of offending someone not invited. Also, I assure you that no pressure will be applied for contributions at this time, although the opportunity for investment is always available at any political meeting, as you well know.

Dinner and drinks will be on me and I would appreciate hearing from you as soon as possible as to whether or not you can attend.

Sincerely,

  
Jack Bailey

JCDB:gh

88040673206

**HELMS CAMPAIGN - PLANNING MEETING**

April 6, 1983

1. WELCOME
2. PURPOSE OF STARTING OUR CAMPAIGN EARLY - IDENTIFY OUR PEOPLE.
  - a. Read out names of those who could not attend.
  - b. Review Long Poll.
3. INTRODUCE CARTER WRENN
  - a. To tell us what happened last November.
4. INTRODUCE TOM ELLIS
  - a. Analysis of our situation
5. PRESENT PLANS FOR OUR CAMPAIGN
  - a. Helen Laughery - Campaign Manager
  - b. Billboard Campaign
  - c. Flood Newspapers with letters to Editors.
  - d. Company Publications
  - e. Put message on Company Letterheads
  - f. Bumper Signs with "Jesse is Right."
  - g. Carry message to the Fundamentalist Churches
    - (1) Get them to get their people registered to offset the large black vote.
  - h. Telephone bank to identify our people.
6. GENE LEWIS - Comments.
7. JIM TROTTER - Comments
8. QUESTIONS & ANSWERS
  - Tom Ellis - Carter Wren - Gene Lewis -
  - Jim Trotter - Jack Bailey

88040673207

J. C. D. Bailey  
Post Office Box 1828  
Rocky Mount, North Carolina 27801

July 30, 1984



Mr. Jeff Batts  
Post Office Box 4847  
Rocky Mount, NC 27801

Dear Jeff:

I thought you might be interested in having a copy of this letter of September 13th that I sent to Carter Wrenn.

It was around this same time that I told Mark Stevens, of the Helms for Senate Committee, that I was working independently and would not serve on any committees. I told him that I did not like the restrictions the committees put on an individual, and, therefore, I would not serve.

Sincerely,

*J. C. D. Bailey*  
J. C. D. Bailey

JCDB/aas

Enclosure

cc: Jim Trotter

88040673208

J. C. D. Bailey  
Post Office Box 1828  
Rocky Mount, North Carolina 27801

September 13, 1983

Mr. Carter Wren  
Executive Director  
National Congressional Club  
Post Office Box 18848  
Raleigh, North Carolina 27609

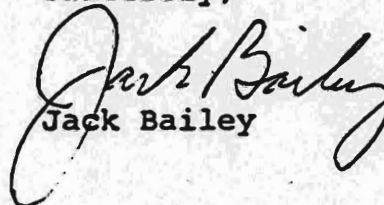
Dear Carter:

Your Post Gram, copy attached for convenient reference, was received by me. While I do not know its reaction on others, this type of solicitation very definitely has an adverse effect on me. I don't appreciate being on a mailing list to receive such "crap" and I am sure many other major contributors feel the same.

It is my belief that mailings of this kind to Congressional Club members who have already contributed more than \$100.00, cause more harm than good. I might be able to understand its being sent to new people who have not previously donated.

Please remove my name from this "junk" mail listing.

Sincerely,

  
Jack Bailey

JCDB:gh

cc: Mr. Tom Ellis, Chairman  
National Congressional Club

bcc: Mr. Jack Laughery  
Mr. Dewey Weaver  
Mr. Jim Trotter

Note: I wish each of you would send  
and similar letter to Carter  
and Tom.

JCDB

88040673209

1  
CONGRESSIONAL CLUB FOUNDATION  
P. O. BOX 1828  
RALEIGH, NC 27611



POST GRAM

8330910/09:22AM EDT/XX0X1123-3/RS/MECS  
AUGUST 10, 1983

MR J C BAILEY  
PO BOX 1828  
ROCKY MOUNT, NC 27801

VERY URGENT. LIFE OR DEATH SITUATION. MUST PAY BILLS  
IMMEDIATELY OR SHUT CONGRESSIONAL CLUB FOUNDATION  
DOORS.

RESPONSE TO MY JUNE 21 OVERNIGHT LETTER THAT I SENT YOU  
FELL SHORT. STILL FACE DEBT OF \$42,450.

TED KENNEDY, TIP O'NEILL AND OTHER LIBERALS GLAD  
FOUNDATION IS IN BIG DEBT. THEY HOPE CONGRESSIONAL  
CLUB FOUNDATION WILL CLOSE DOORS FOREVER.

MR. BAILEY, YOU AND I HAVE FOUGHT THE GOOD BATTLE FOR  
THESE BELIEFS WE SHARE.

SENATORS JESSE HELMS AND JOHN EAST, CO-FOUNDERS OF THE  
CONGRESSIONAL CLUB FOUNDATION HAVE TURNED TO YOU IN THE  
PAST FOR HELP. YOU'VE ALWAYS BEEN THERE. THEY ARE  
COUNTING ON YOU AGAIN.

I AM VERY GRATEFUL FOR YOUR PAST HELP, BUT MUST ONCE  
AGAIN TURN TO YOU FOR FINANCIAL ASSISTANCE.

YOUR EARLIER CONTRIBUTION OF \$250 WAS A GODSEND FOR  
THE FOUNDATION. WITHOUT IT WE WOULD NOT HAVE BEEN  
ABLE TO PROVIDE MOST VALUABLE SUPPORT FOR PRESIDENT  
REAGAN'S PROGRAMS.

NOW THE CONGRESSIONAL CLUB FOUNDATION FACES FINANCIAL  
RUIN. MUST PAY AT LEAST \$24,201.31 WITHIN NEXT TEN  
DAYS TO SATISFY CREDITORS. CAN YOU SEND ME ANOTHER  
\$250 TO HELP MEET OUR EMERGENCY NEEDS?

IF YOU COULD SEND \$500 OR \$750 MY LIFE OR DEATH CRISIS  
WOULD BE OVER. BUT AM COUNTING ON YOUR SENDING AT LEAST  
ANOTHER \$250. NEED YOUR REPLY TODAY.

PLEASE DON'T FAIL ME NOW WHEN I NEED YOU MOST.

SIGNED: CARTER WRENN, EXECUTIVE DIRECTOR  
CONGRESSIONAL CLUB FOUNDATION

Please detach here and return the Post Gram Reply



POST GRAM REPLY

TO: CARTER WRENN, EXECUTIVE DIRECTOR  
CONGRESSIONAL CLUB FOUNDATION

6527

4001

FROM: MR J C BAILEY  
PO BOX 1828  
ROCKY MOUNT, NC 27801

DEAR CARTER:

I DON'T WANT THE CONGRESSIONAL CLUB FOUNDATION TO  
CLOSE ITS DOORS FOREVER. TO HELP WIPE OUT YOUR DEBT  
I AM ENCLOSING A CHECK FOR:

( \$3750 ( \$500 ( \$400 ( \$250 ( ) OTHER

30

RECEIVED  
OFFICE OF THE  
GENERAL COUNSEL

15 JAN 25 P2:26

RE: MUR 1736  
Southeastern Advertising, Inc.  
Jack C. D. Bailey

4. Machine copy of Articles of Incorporation for Southeastern Advertising, Inc.

88040673211

STATE OF  
NORTH  
CAROLINA



Department of The  
Secretary of State

To all to whom these presents shall come, Greeting:

I, Thad Eure, Secretary of State of the State of  
North Carolina, do hereby certify the following and  
hereto attached ( 3 sheets) to be a true copy of

ARTICLES OF INCORPORATION

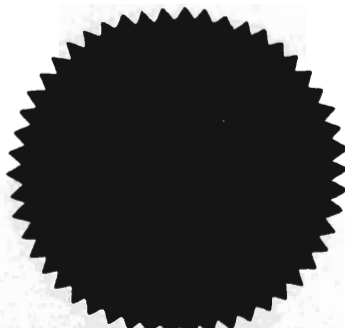
OF

SOUTHEASTERN ADVERTISING, INC.

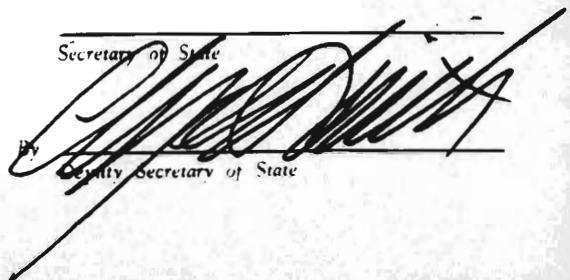
the original of which is now on file and a matter of  
record in this office.

In Witness Whereof, I have hereunto set my hand  
and affixed my official seal.

Done in Office, at Raleigh, this 13th day  
of December, in the year of our Lord 1984.



Secretary of State

By   
Deputy Secretary of State

88040673212

4

1

CERTIFICATE OF INCORPORATION  
OF  
SOUTHEASTERN ADVERTISING, INC.

This is to Certify, That we, the undersigned, do hereby associate ourselves into a corporation under and by virtue of the laws of the State of North Carolina, as contained in Chapter 55 of the General Statutes, entitled "Corporations," and the several amendments thereto, and severally agree to take the number of shares of capital stock in the said corporation set opposite our respective names, and to that end do hereby set forth:

1. The name of this corporation is Southeastern Advertising, Inc.

2. The location of the principal office of the corporation in this State is at 830 Carr Street, in the City of Rocky Mount, County of Nash; but it may have one or more branch offices and places of business out of the State of North Carolina, as well as in said State.

3. The objects for which this corporation is formed are as follows:

To engage in an advertising business by writing, formulating, and advising as to advertisements for corporations, firms, and individuals with reference to advertising either their or its business; to write advertisements and to supervise printing and circulation thereof for a consideration.

To purchase, erect, and lease factories for the manufacture of signs and advertising novelties; and to buy, sell, manufacture, and deal in signs and advertising novelties of all kinds and descriptions.

To manufacture, purchase or otherwise acquire, hold, own, mortgage, sell, assign, and transfer, invest, trade, deal in goods, wares, merchandise, and property of every class and description and especially to buy and sell bankrupt stocks.

Generally to purchase, take or lease, exchange or hire or otherwise acquire any real and personal property and any rights or privileges which the corporation may think necessary or convenient for the purpose of its business.

88040673213

To deal with patents, acquire those taken by others, acquire or grant letters in respect to patents or words, transfer or do whatever else that may be thought fit.

To acquire all good will, property, assets of all kinds and to hold, in whole or in part, all the liabilities of any person, firm or corporation and to pay for the same in cash, stock, bonds or other securities of this corporation or otherwise.

To do all such things as may be necessary or incident to the business of a general advertising and sales agency, and to perform all acts which may be deemed necessary or expedient for the proper and successful prosecution of the objects and purposes for which the corporation is created.

4. The total authorized capital stock of this corporation shall consist of 500 shares of preferred stock of the par value of \$100.00 per share, and said stock shall have such preferences and rights when issued as the corporation by resolutions adopted by the board of directors may determine; and 25,000 shares of voting common stock of the par value of \$1.00 per share, and 25,000 shares of non-voting common stock of the par value of \$1.00 per share.

5. The names and post office addresses of the subscribers for stock, and the number of shares subscribed for by each, the aggregate of which being the amount of capital stock with which the company will commence business, are as follows:

Name	Post Office Address	No. of Shares
J. Chalmers DaCosta Bailey	212 S. Vine Street Rocky Mount, N. C.	2500 shares voting common
John J. Ferebee	707 Sycamore St. Rocky Mount, N. C.	2500 shares voting common
John E. Bishop	728 Eastern Ave. Rocky Mount, N. C.	2500 shares voting common

6. This corporation shall have perpetual existence.

7. The board of directors of this corporation shall have power, by vote of a majority of all the directors, and without the assent or vote of the stockholders, to make, alter, amend and rescind the by-laws of this corporation.

88040673214

In testimony whereof, we have hereunto set our hands and  
affixed our seals, this the 14 day of January, 1956.

J. Chalmers DaCosta Bailey (SEAL)  
John J. Ferebee (SEAL)  
John E. Bishop (SEAL)

NORTH CAROLINA

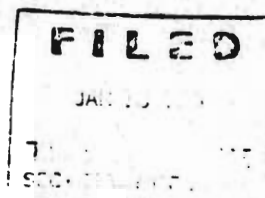
Edgewood COUNTY

I, Charles C. Harris Jr. a notary public of said county, do hereby  
certify that J. Chalmers DaCosta Bailey, John J. Ferebee, and John  
E. Bishop personally appeared before me this day and severally  
acknowledged the execution of the foregoing certificate of incorporation  
of Southeastern Advertising, Inc.

Witness my hand and notarial seal this 14 day of January, 1956.

Charles C. Harris Jr.  
Notary Public

My commission expires: April 2, 1957



RECEIVED  
OFFICE OF THE  
GENERAL COUNSEL

85 JAN 25 P 2: 26

RE: MUR 1736  
Southeastern Advertising, Inc.  
Jack C. D. Bailey

5. Machine copies of correspondence:

- (a) Letter from J. C. D. Bailey to Jeff Batts, dated July 30, 1984, with copy of letter to Carter Wren from Jack Bailey, dated September 13, 1983, and Post Gram to J. C. Bailey from Carter Wren, dated August 10, 1983, attached.
- (b) Letter from Jack dated March 22, 1983 (invitation and agenda for meeting held on April 6, 1983).

88040673216

J. C. D. Bailey  
Post Office Box 1828  
Rocky Mount, North Carolina 27801  
Telephone 919/977-0950

March 22, 1983

Dear Fellow Conservative:

You are invited to meet with a small group of other dedicated conservatives for dinner and cocktails at 6:30 P.M. on Wednesday, April 6, in the Assembly and Training Rooms of Franchise Enterprises, Inc., 1313 North Church Street in Rocky Mount.

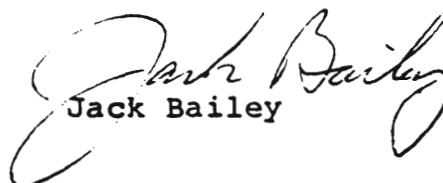
The purpose of this meeting is to discuss the most important 1984 campaign in the nation - that of Jesse Helms for re-election to the United States Senate. Both Tom Ellis and Carter Wren of the National Congressional Club in Raleigh will be here in order to answer any questions this key group might have.

Labor union leaders are already busy organizing a campaign to defeat Jesse in 1984. Even though I don't believe this will happen, I don't have to tell you how the liberal media would interpret such a loss and that it would be considered a mandate for more social welfare programs. The end result would be devastating for our State and our Nation and I believe we need to start early to insure Jesse's victory.

I would appreciate your keeping this invitation confidential as there are only 50 people being invited and I do not want to run the risk of offending someone not invited. Also, I assure you that no pressure will be applied for contributions at this time, although the opportunity for investment is always available at any political meeting, as you well know.

Dinner and drinks will be on me and I would appreciate hearing from you as soon as possible as to whether or not you can attend.

Sincerely,

  
Jack Bailey

JCDB:gh

88040673217

HELMS CAMPAIGN - PLANNING MEETING

April 6, 1983

1. WELCOME
2. PURPOSE OF STARTING OUR CAMPAIGN EARLY - IDENTIFY OUR PEOPLE.
  - a. Read out names of those who could not attend.
  - b. Review Long Poll.
3. INTRODUCE CARTER WRENN
  - a. To tell us what happened last November.
4. INTRODUCE TOM ELLIS
  - a. Analysis of our situation
5. PRESENT PLANS FOR OUR CAMPAIGN
  - a. Helen Laughery - Campaign Manager
  - b. Billboard Campaign
  - c. Flood Newspapers with letters to Editors.
  - d. Company Publications
  - e. Put message on Company Letterheads
  - f. Bumper Signs with "Jesse is Right."
  - g. Carry message to the Fundamentalist Churches
    - (1) Get them to get their people registered to offset the large black vote.
  - h. Telephone bank to identify our people.
6. GENE LEWIS - Comments.
7. JIM TROTTER - Comments
8. QUESTIONS & ANSWERS
  - Tom Ellis - Carter Wren - Gene Lewis -
  - Jim Trotter - Jack Bailey

88040673218

J. C. D. Bailey  
Post Office Box 1828  
Rocky Mount, North Carolina 27801

July 30, 1984



Mr. Jeff Batts  
Post Office Box 4847  
Rocky Mount, NC 27801

Dear Jeff:

I thought you might be interested in having a copy of this letter of September 13th that I sent to Carter Wrenn.

It was around this same time that I told Mark Stevens, of the Helms for Senate Committee, that I was working independently and would not serve on any committees. I told him that I did not like the restrictions the committees put on an individual, and, therefore, I would not serve.

Sincerely,

A handwritten signature in cursive script that reads 'Jack'.

J. C. D. Bailey

JCDB/aas

Enclosure

cc: Jim Trotter

88040673219

J. C. D. Bailey  
Post Office Box 1828  
Rocky Mount, North Carolina 27801

September 13, 1983

Mr. Carter Wren  
Executive Director  
National Congressional Club  
Post Office Box 18848  
Raleigh, North Carolina 27609

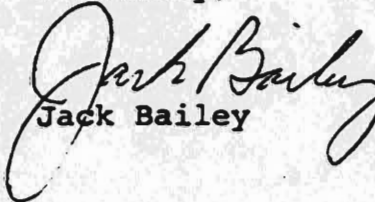
Dear Carter:

Your Post Gram, copy attached for convenient reference, was received by me. While I do not know its reaction on others, this type of solicitation very definitely has an adverse effect on me. I don't appreciate being on a mailing list to receive such "crap" and I am sure many other major contributors feel the same.

It is my belief that mailings of this kind to Congressional Club members who have already contributed more than \$100.00, cause more harm than good. I might be able to understand its being sent to new people who have not previously donated.

Please remove my name from this "junk" mail listing.

Sincerely,

  
Jack Bailey

JCDB:gh

cc: Mr. Tom Ellis, Chairman  
National Congressional Club

bcc: Mr. Jack Laughery  
Mr. Dewey Weaver  
Mr. Jim Trotter

Note: I wish each of you would send  
and similar letter to Carter  
and Tom.

JCDB

88040673220

CONGRESSIONAL CLUB FOUNDATION  
P. O. BOX 1828  
RALEIGH, NC 27611

POST GRAM

8330910/09:22AMEOT/XX0X112343/RS/MECS  
AUGUST 10, 1983

MR J C BAILEY  
PO BOX 1828  
ROCKY MOUNT, NC 27801

VERY URGENT. LIFE OR DEATH SITUATION. MUST PAY BILLS  
IMMEDIATELY OR SHUT CONGRESSIONAL CLUB FOUNDATION  
DOORS.

RESPONSE TO MY JUNE 21 OVERNIGHT LETTER THAT I SENT YOU  
FELL SHORT. STILL FACE DEBT OF \$42,450.

TED KENNEDY, TIP O'NEILL AND OTHER LIBERALS GLAD  
FOUNDATION IS IN BIG DEBT. THEY HOPE CONGRESSIONAL  
CLUB FOUNDATION WILL CLOSE DOORS FOREVER.

MR. BAILEY, YOU AND I HAVE FOUGHT THE GOOD BATTLE FOR  
THESE BELIEFS WE SHARE.

SENATORS JESSE HELMS AND JOHN EAST, CO-FOUNDERS OF THE  
CONGRESSIONAL CLUB FOUNDATION HAVE TURNED TO YOU IN THE  
PAST FOR HELP. YOU'VE ALWAYS BEEN THERE. THEY ARE  
COUNTING ON YOU AGAIN.

I AM VERY GRATEFUL FOR YOUR PAST HELP, BUT MUST ONCE  
AGAIN TURN TO YOU FOR FINANCIAL ASSISTANCE.

YOUR EARLIER CONTRIBUTION OF \$250 WAS A GODSEND FOR  
THE FOUNDATION. WITHOUT IT WE WOULD NOT HAVE BEEN  
ABLE TO PROVIDE MOST VALUABLE SUPPORT FOR PRESIDENT  
REAGAN'S PROGRAMS.

NOW THE CONGRESSIONAL CLUB FOUNDATION FACES FINANCIAL  
RUIN. MUST PAY AT LEAST \$24,201.31 WITHIN NEXT TEN  
DAYS TO SATISFY CREDITORS. CAN YOU SEND ME ANOTHER  
\$250 TO HELP MEET OUR EMERGENCY NEEDS?

IF YOU COULD SEND \$500 OR \$750 MY LIFE OR DEATH CRISIS  
WOULD BE OVER. BUT AM COUNTING ON YOUR SENDING AT LEAST  
ANOTHER \$250. NEED YOUR REPLY TODAY.

PLEASE DON'T FAIL ME NOW WHEN I NEED YOU MOST.

SIGNED: CARTER WRENN, EXECUTIVE DIRECTOR  
CONGRESSIONAL CLUB FOUNDATION

↓ Please detach here and return the Post Gram Reply ↓

POST GRAM REPLY

TO: CARTER WRENN, EXECUTIVE DIRECTOR  
CONGRESSIONAL CLUB FOUNDATION

6527 4001

FROM: MR J C BAILEY  
PO BOX 1828  
ROCKY MOUNT, NC 27801

DEAR CARTER:

I DON'T WANT THE CONGRESSIONAL CLUB FOUNDATION TO  
CLOSE ITS DOORS FOREVER. TO HELP WIPE OUT YOUR DEBT  
I AM ENCLOSING A CHECK FOR:

( ) \$750 ( ) \$500 ( ) \$400 ( ) \$250 ( ) \$\_\_\_\_\_ OTHER

End 30



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 14, 1985

James R. Trotter, Esquire  
116 West Jones Street  
Raleigh, North Carolina 27611

RE: MUR 1736  
Nash/Edgecombe Billboard Fund  
James R. Trotter, as Treasurer

Dear Mr. Trotter:

This letter confirms the change in the deposition schedule in the above-referenced matter. The deposition is now scheduled to be taken at 2:00 on Wednesday, February 20, 1985, in Room 414 in the Federal Building and Central Postal Station, 300 Fayetteville Street Mall in Raleigh.

We appreciate your cooperation in this matter and ask that if you have any questions, please contact Stephen Mims at (202) 523-4143.

Sincerely,

Charles N. Steele  
General Counsel

BY:   
Kenneth A. Gross  
Associate General Counsel

3/a

88040673222



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

February 14, 1985

Ms. Rhonda Cathcart  
General Services Administration  
Room 222  
301 Newbern Avenue  
Raleigh, North Carolina 27601

RE: Use of facilities for  
Deposition - February 20  
and 21, 1985

Dear Ms. Cathcart:

This letter confirms the arrangement agreed to between you and Mr. Mims of this office for the use of Room 414 in the Federal Building and Central Postal Station, 300 Fayetteville Street Mall in Raleigh on February 20 and 21, 1985.

We appreciate your cooperation in this matter and ask that if you have any questions, please contact Stephen Mims at (202) 523-4143.

Sincerely,

Charles N. Steele  
General Counsel

BY:   
Kenneth A. Gross  
Associate General Counsel

34

88040673223



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 14, 1985

Ms. Faye Stevens, CVR  
Associated Reporting Transcription  
2806 Overbrook Drive  
Raleigh, North Carolina 27608

RE: Deposition  
Schedule

Dear Ms. Stevens:

This letter confirms the change in the depositions previously scheduled by Mr. Mims with you. The depositions are now scheduled to be taken at 2:00 on Wednesday February 20, and at 10:00 on February 21, 1985, in Room 414 in the Federal Building and Central Postal Station, 300 Fayetteville Street Mall in Raleigh.

We appreciate your cooperation in this matter and ask that if you have any questions, please contact Stephen Mims at (202) 523-4143.

Sincerely,

Charles N. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel

31c

88040673224



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 14, 1985

Jeff D. Batts, Esquire  
P.O. Drawer 4847  
Rocky Mount, North Carolina 27803-4847

RE: MUR 1736  
Southeastern Advertising, Inc.  
Jack C. D. Bailey

Dear Mr. Batts:

This letter confirms the change in the deposition schedule in the above-referenced matter. The deposition is now scheduled to be taken at 10:00 on Thursday, February 21, 1985, in Room 414 in the Federal Building and Central Postal Station, 300 Fayetteville Street Mall in Raleigh.

We appreciate your cooperation in this matter and ask if you have any questions, please contact Stephen Mims at (202) 523-4143.

Sincerely,

Charles N. Steele  
General Counsel

BY:   
Kenneth A. Gross  
Associate General Counsel

31d

88040673225

JACH 0938

THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF:

THE NASH/EDGEcombe BILLBOARD FUND)  
JAMES R. TROTTER, AS TREASURER )

M.U.R. 1736

APPEARING FOR THE F.E.C.:

MR. THOMAS J. WHITEHEAD  
ASSISTANT GENERAL COUNSEL  
MR. STEPHEN H. MIMS  
ATTORNEY  
OFFICE OF GENERAL COUNSEL  
FEDERAL ELECTION COMMISSION  
1325 "K" STREET, N. W.  
WASHINGTON, D. C. 20463

\* \* \* \* \*

DEPOSITION

OF

JAMES R. TROTTER

\* \* \* \* \*

AT RALEIGH, NORTH CAROLINA  
FEBRUARY 20, 1985  
2:08 P.M.

REPORTED BY: FAYE STEVENS, CVR

Associated Reporting & Transcription 2805 OVERBROOK DRIVE • RALEIGH, NORTH CAROLINA 27608 • TELEPHONE: 919/782-3333

# HEMILOCK

## BRASSABLE

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PENGAD CO., BAYONNE, N.J. 07008 800 406 227

1 MR. TROTTER

DIRECT

PAGE 2

2 I, FAYE BUNN STEVENS, BEING A NOTARY PUBLIC/REPORTER  
3 FOR THE STATE OF NORTH CAROLINA, WAS APPOINTED COMMISSIONER  
4 TO TAKE THE DEPOSITION OF JAMES R. TROTTER IN ROOM 414,  
5 CENTURY STATION, 300 FAYETTEVILLE STREET MALL, RALEIGH,  
6 NORTH CAROLINA, ON FEBRUARY 20, 1985, BEGINNING AT 2:00 P.M.

7  
8 WHEREUPON,

9  
10 JAMES R. TROTTER,

11 HAVING FIRST BEEN DULY SWORN,

12 WAS EXAMINED AND TESTIFIED

13 AS FOLLOWS:

14 DIRECT EXAMINATION BY MESSRS. MIMS AND WHITEHEAD:

15 Q (BY MR. MIMS) WOULD YOU PLEASE STATE AND SPELL YOUR  
16 NAME FOR THE RECORD?

17 A MY NAME IS JAMES R. TROTTER. MY LAST NAME IS  
18 SPELLED T-R-O-T-T-E-R.

19 Q AND, MR. TROTTER, WHAT IS YOUR PRESENT ADDRESS?

20 A I LIVE AT 3709 WINCHESTER DRIVE IN ROCKY MOUNT.  
21 BUT I ALSO LIVE, DURING THE WEEK, IN RALEIGH. I HAVE  
22 AN APARTMENT UP HERE. AND I CAN'T GIVE YOU THE---  
23 I'VE JUST MOVED AND I CAN'T GIVE YOU THE NUMBER,  
24 BECAUSE I DON'T KNOW. IT'S ON WADE AVENUE. IT'S THE  
25 RALEIGH TOWN APARTMENTS, AND IT'S NO. 21, I THINK.

1 MR. TROTTER

DIRECT

PAGE 3

2 Q OKAY. AND YOUR OFFICE ADDRESS IN RALEIGH?

3 A IS 116 WEST JONES STREET, WHICH IS THE ADMINISTRA-  
4 TION BUILDING. IT'S THE OFFICE OF THE GOVERNOR.

5 MR. MIMS: MR. TROTTER, I'M GOING TO ASK  
6 YOU A SERIES OF QUESTIONS. IF AT ANY TIME YOU  
7 DO NOT UNDERSTAND A QUESTION I ASK, TELL ME  
8 THAT YOU DON'T UNDERSTAND IT, AND I WILL EITHER  
9 REPEAT THE QUESTION OR TRY TO REPHRASE THE  
10 QUESTION SO THAT YOU DO UNDERSTAND IT.

11 IF YOU FAIL TO TELL ME THAT YOU DO NOT  
12 UNDERSTAND A QUESTION, I WILL ASSUME THAT YOU  
13 DO UNDERSTAND IT AND I WILL ASSUME THAT YOUR  
14 ANSWER RESPONDS TO IT. IS THAT CLEAR?

15 WITNESS: THAT'S CLEAR.

16 Q (BY MR. MIMS) ARE YOU REPRESENTED BY COUNSEL HERE  
17 TODAY?

18 A NO.

19 Q ARE YOU PRESENTLY EMPLOYED?

20 A YES.

21 Q AND BY WHOM, PLEASE?

22 A I AM EMPLOYED BY THE STATE OF NORTH CAROLINA AS  
23 A STAFF MEMBER TO THE GOVERNOR.

24 Q HAVE YOU DISCUSSED THIS CASE BEFORE COMING HERE  
25 TODAY WITH ANYONE?

1 MR. TROTTER

DIRECT

PAGE 4

2 A YOU MEAN, EVER?

3 Q YES.

4 A YES, I'VE DISCUSSED IT WITH YOU.

5 Q OKAY. OUTSIDE REPRESENTATIVES OF THE FEDERAL  
6 ELECTION COMMISSION.

7 A WELL, I DISCUSSED THE FACT THAT I WAS GOING TO BE  
8 HERE TODAY WITH MY SECRETARY, MY WIFE. MR.---I HAVE  
9 A---I HAD A TELEPHONE CONVERSATION WITH MR. BAILEY---  
10 THAT'S J.C.D. BAILEY---ONE DAY THIS WEEK ON ANOTHER  
11 MATTER, AND HE ASKED ME IF I WAS GOING TO BE DEPOSED  
12 TODAY. AND AT THAT TIME, I DID NOT KNOW THAT THE  
13 ARRANGEMENTS HAD BEEN MADE THAT I WAS TO BE DEPOSED  
14 TODAY; SO, I TOLD HIM I DIDN'T KNOW. BUT I HAVE  
15 NOT DISCUSSED THE SUBSTANCE OF THE MATTER WITH  
16 ANYONE---I CAN'T SAY EVER, BUT NOT FOR SOME TIME---A  
17 LONG TIME. LET'S PUT IT THAT WAY.

18 IF YOU WOULD BE MORE SPECIFIC AS TO WHAT YOU'RE  
19 TRYING TO GET, I COULD PROBABLY GIVE YOU A BETTER  
20 ANSWER---MORE SPECIFIC ANSWER.

21 Q THE DOCUMENTS THAT YOU SUBMITTED TO THE COMMISSION  
22 PURSUANT TO THE SUBPOENA REQUEST---

23 A UH-HUH (YES).

24 Q ---WITH RESPECT TO THOSE, DID YOU DISCUSS ANY OF  
25 THOSE DOCUMENTS WITH MR. BAILEY OR ANYONE ELSE,

1  
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25

MR. TROTTER

DIRECT

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SUBSTANTIVELY?

A NO; DON'T RECALL HAVING DONE SO.

Q ARE YOU FAMILIAR WITH THE NASH/EDGEcombe BILLBOARD  
FUND?

A YES.

Q ON WHAT BASIS?

A I WAS A CONTRIBUTOR TO THE FUND AND I WAS ALSO---DID  
THE RECORD-KEEPING AND REPORTING ON THE FUND.

Q DOES THAT FUND HAVE ANY RELATIONSHIP WITH THE  
NASH COUNTY JESSE HELMS FOR SENATE COMMITTEE?

A NOT TO MY KNOWLEDGE.

Q DO YOU KNOW OF SUCH A COMMITTEE?

A OF THE NASH COUNTY---

Q NASH COUNTY JESSE HELMS FOR SENATE COMMITTEE.

A I DO NOT KNOW OF ANY SUCH COMMITTEE AS SUCH. AT  
ONE TIME---THE REASON THAT I WAS HESITATING IN MY  
ANSWER, AT ONE TIME, WE MAY HAVE ASSIGNED THAT  
NAME---WHEN I SAY "WE," I MAY HAVE ASSIGNED THAT  
NAME TO THE NASH/EDGEcombe BILLBOARD FUND, OR WHAT  
CAME TO BE KNOWN AS THE NASH/EDGEcombe BILLBOARD  
FUND---BUT MY RECOLLECTION ON THAT IS NOT CLEAR.

Q SO THEN, AM I CORRECT IN UNDERSTANDING YOU TO SAY  
THAT YOU DO NOT KNOW OF AN ORGANIZATION CALLED  
"THE NASH COUNTY JESSE HELMS FOR SENATE COMMITTEE"?

ERASABLE

A THAT'S RIGHT.

MR. MIMS: BY THE WAY, FOR THE SAKE OF EASE IN REFERRING TO THE NASH/EDGEcombe BILLBOARD FUND, IF YOU DON'T MIND, I'LL JUST REFER TO IT AS "THE FUND."

WITNESS: ALL RIGHT. I UNDERSTAND THAT.

MR. MIMS: IT MAKES THINGS A LITTLE EASIER.

WITNESS: OKAY.

Q (BY MR. MIMS) NOW, YOU INDICATED THAT YOU SERVED AS TREASURER OF THE COMMITTEE?

A NO, I SAID THAT I SERVED AS A---MADE THE REPORTS.  
I THINK I MAY HAVE SIGNED---I THINK THE WORD  
"TREASURER" MAY HAVE APPEARED BY MY NAME WHERE I  
SIGNED IT, SIGNED THE REPORTS TO THE F.E.C.

Q BUT YOU'RE NOT TREASURER?

A WE HAVE NEVER HAD AN ELECTION OF TREASURER AS SUCH.  
THE COMMITTEE ARRANGEMENT WAS A VERY INFORMAL  
ARRANGEMENT, AND THERE WAS NEVER ANY ELECTION OF  
OFFICERS OR ANYTHING OF THAT NATURE.

Q ARE YOU THE PERSON IN POSSESSION OF THE FUND'S  
BOOKS AND RECORDS?

A WELL, I THINK YOU'VE GOT THEM NOW. I DID HAVE THEM.  
I WAS THE PERSON IN POSSESSION OF THEM. BUT AS I  
RECALL, I SENT THEM TO YOU.

RECALL, I SENT THEM TO  
FEMLOCK  
L. A. AYLL  
COTTON CONTENT.

1 MR. TROTTER

DIRECT

PAGE 7

2 Q ALL THE RECORDS?

3 A ALL THAT I KNOW OF.

4 Q WHO FORMED THE FUND?

5 A I DON'T KNOW THAT THERE WAS A FORMATION AS SUCH.  
6 THERE WAS A "COMING TOGETHER," IS THE WAY I WOULD  
7 DESCRIBE IT. IT WAS A "COMMON ENTERPRISE," IS THE  
8 WAY I WOULD---I THINK IS A BETTER TERM TO USE. BUT  
9 I WAS---I WAS AMONG THOSE IN THE "COMING TOGETHER."

10 Q WAS THERE ANY PERIOD IN TIME THAT YOU CAN NARROW  
11 THIS "COMING TOGETHER" DOWN TO? WHEN DID IT TAKE  
12 PLACE?

13 A HAVE YOU GOT THE RECORDS THAT I SENT UP TO YOU  
14 PRESENT? I COULD USE THOSE AND PERHAPS REFRESH  
15 MY RECOLLECTION. BUT, MY RECOLLECTION IS THAT IT  
16 WAS IN THE SPRING OF 1983.

17 Q OKAY. BEFORE I GET INTO THE DOCUMENTS, I WANT TO  
18 ASK SOME OTHER GENERAL QUESTIONS---

19 A OKAY. FINE.

20 Q ---ABOUT THE FUND.

21 A ALL RIGHT.

22 Q AND THEN, WE'LL GO INTO THAT---

23 A SURE.

24 Q ---AND MAYBE I CAN HELP OUT.

25 WHY WAS THE FUND FORMED?

A YOU MEAN, WHAT WAS ITS PURPOSE?

**Q** YES.

A THE---THE GROUP OF PEOPLE THAT CAME TOGETHER WERE INTERESTED IN SENATOR HELMS. AND AT THAT PARTICULAR TIME, THERE WAS NO ELECTION PENDING, BUT WE ANTICIPATED---I CAN'T SPEAK FOR ANYBODY BUT MYSELF. BUT I ANTICIPATED THAT THERE WOULD BE AN ELECTION, AND WE WANTED TO SIMPLY KEEP SENATOR HELMS' NAME BEFORE THE PUBLIC. WHEN I SAY "WE," AGAIN, I HAVE TO SAY "I"; BECAUSE I CAN ONLY SPEAK FOR MYSELF. THAT'S WHAT MY MOTIVES WERE.

Q OKAY.

MR. MIMS: WHAT I'M GOING TO DO IS ASK THE REPORTER TO MARK THIS AS F.E.C. EXHIBIT NO. 1 FOR IDENTIFICATION, AND IT'S TWO PAGES LONG.

(THEREUPON, THE DOCUMENT REFERRED  
TO ABOVE WAS MARKED AS DEPOSITION  
EXHIBIT NO. 1 - FOR IDENTIFICATION.)

MR. MIMS: IF YOU WILL, SHOW IT TO  
THE WITNESS, PLEASE.

(THEREUPON, THE REPORTER COMPLIES.)

Q (BY MR. MIMS) HAVE YOU SEEN THIS DOCUMENT BEFORE,  
MR. TROTTER, EITHER OR BOTH PAGES?

1 MR. TROTTER

DIRECT

PAGE 9

2 A I CAN'T HONESTLY SAY THAT I HAVE OR HAVE NOT. IT'S  
3 POSSIBLE THAT I RECEIVED A COPY OF IT. I JUST DO  
4 NOT HAVE A SPECIFIC RECOLLECTION. NOW, THE TWO---  
5 THE TWO DOCUMENTS APPEAR TO HAVE DIFFERENT DATES.  
6 ONE IS DATED MARCH 22, AND THE OTHER---1983, AND  
7 THE OTHER IS APRIL 6, 1983. I DON'T MEAN TO BE  
8 EVADING YOUR QUESTION, BUT I DO NOT HAVE A CLEAR  
9 RECOLLECTION. IT COULD BE EITHER WAY. I'M NOT  
10 SAYING THAT I HAVE NOT SEEN THEM, BUT NEITHER AM I  
11 SAYING THAT I HAVE. I JUST DON'T RECALL.

12 Q THE LETTER DATED MARCH 22, 1983, ADDRESSED TO  
13 "DEAR FELLOW CONSERVATIVE"---

14 A YES.

15 Q ---DISCUSSES A MEETING THAT IS TO BE ORGANIZED---

16 A UH-HUH (YES).

17 Q ---ASKING THESE INDIVIDUALS TO ATTEND THE MEETING,  
18 AND IT APPEARS TO BE SIGNED BY AN INDIVIDUAL  
19 NAMED JACK BAILEY. OTHER THAN THE FACT THAT YOU'VE  
20 JUST SEEN THIS NOW, YOU DON'T KNOW WHAT THIS  
21 MEETING REFERS TO---6:30 P.M. ON WEDNESDAY, APRIL 6?

22 A WELL, AGAIN, I CAN'T BE AS SPECIFIC AS TO SAY THAT  
23 I RECALL A MEETING THAT TOOK PLACE ON THAT PARTICULAR  
24 DATE. I DO RECALL ATTENDING A MEETING, AND THAT  
25 VERY EASILY COULD HAVE BEEN AN INVITATION TO THE

MR. TROTTER

DIRECT

PAGE 10

MEETING THAT I RECALL HAVING ATTENDED. AND WHEN I SAY "THAT," I'M TALKING ABOUT THE EXHIBIT NO. 1. AND IT'S---YOU KNOW, IT'S POSSIBLE THAT I GOT A COPY OF THAT INVITATION THROUGH THE MAIL. I JUST DON'T RECALL. I DO RECALL HAVING ATTENDED A MEETING THAT SOUNDS LIKE THE ONE DESCRIBED IN THAT LETTER, IN EXHIBIT 1.

Q THE SECOND PAGE OF THIS EXHIBIT, DATED APRIL 6, 1983, APPEARS TO BE AN AGENDA FOR A MEETING, PERHAPS REFERRED TO IN THAT LETTER.

A YES.

Q DO YOU RECALL ATTENDING SUCH A MEETING AT THE OFFICE OF FRANCHISE ENTERPRISES---

A YES.

Q ---ON OR ABOUT APRIL 6, 1983?

A YES, I DO. I CAN'T---CAN'T NAIL THE DATE DOWN, BUT I DO RECALL ATTENDING SUCH A MEETING.

Q WHO ORGANIZED THE MEETING?

A I COULD HAVE PARTICIPATED IN THE ORGANIZATION ON IT. I KNOW THAT MR. BAILEY WAS AN ORGANIZER OF IT. AND HE AND I, I'M SURE, TALKED ABOUT THE MEETING PRIOR TO THE MEETING.

Q DID THIS MEETING HAVE ANYTHING TO DO WITH THE ORGANIZATION OF THE FUND?

MR. TROTTER

DIRECT

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A WELL, NOT AS SUCH. MY RECOLLECTION IS---AND I'LL SORT OF JUST TRY TO GIVE THIS TO YOU IN NARRATIVE FORM. MY RECOLLECTION IS THAT THIS GREW OUT OF A CONVERSATION---WHEN I SAY "THIS," I'M TALKING ABOUT THE MEETING THAT---THAT I WAS REFERRING TO--- GREW OUT OF A CONVERSATION THAT MR. BAILEY AND I HAD PRIOR TO THE MEETING. I MET OUT OF HIS---WE MET OUT OF HIS OFFICE AT FRANCHISE ENTERPRISES---MR. BAILEY IS A LONG-TIME FRIEND OF MINE---AND AT WHICH HE SHOWED ME, AS I RECALL, A PHOTOGRAPH OF A BILLBOARD THAT HE HAD HAD, I THINK, ERECTED THAT HAD AS ITS LEGEND, "JESSE HELMS IS RIGHT." AND WE HAD---HE AND I HAD BEEN TALKING IN TERMS OF THE DESIRABILITY OF PUTTING UP ADDITIONAL BILLBOARDS AND WOULD THERE BE A WAY OF FUNDING THAT. AND MY RECOLLECTION IS, IS THAT THE MEETING THAT I'VE BEEN REFERRED TO---REFERRING TO---GREW OUT OF THAT CONVERSATION. AND I'M NOT--- GOING BACK TO EXHIBIT 1, I'M NOT SAYING THAT EXHIBIT---THAT IT DIDN'T TAKE PLACE ON APRIL THE 6TH, NOR AM I SAYING THAT EXHIBIT 1 ISN'T AN INVITATION THAT I HAD SEEN AND MAYBE EVEN PROOFED BEFORE IT WENT OUT. I JUST DON'T HAVE A RECOLLECTION OF IT AS SUCH.

Q I THINK I UNDERSTAND. A COUPLE OF QUESTIONS FROM

1 MR. TROTTER

DIRECT

PAGE 12

2 THE AGENDA---

3 A UH-HUH (YES).

4 Q ---OF THIS MEETING.

5 A OKAY.

6 Q I ASSUME THAT YOU ATTENDED, BECAUSE ITEM NO. 8  
7 INDICATES THAT TOM ELLIS, CARTER WRENN, GENE LEWIS,  
8 JIM TROTTER AND JACK BAILEY WOULD BE IN ATTENDANCE.

9 A UH-HUH (YES).

10 Q ABOUT THE MEETING, WHAT I'D LIKE TO DO IS FOCUS  
11 ON THAT AND JUST SEE IF YOU CAN RECALL SOME OF THE  
12 THINGS THAT OCCURRED THAT NIGHT, IF IT WAS APRIL 6,  
13 OR WHENEVER THIS MEETING TOOK PLACE THAT ALL THESE  
14 PEOPLE WERE IN ATTENDANCE.

15 A SURE.

16 Q APPARENTLY SOMEONE---AND I DON'T KNOW WHO; I'LL  
17 ASK YOU TO TELL ME---INTRODUCED MR. CARTER WRENN TO  
18 SPEAK TO YOUR GROUP. DO YOU RECALL WHO INTRODUCED  
19 MR. WRENN? WAS MR. WRENN INDEED THERE?

20 A I CAN'T SAY DEFINITELY THAT MR. WRENN WAS THERE.  
21 I DO REMEMBER THAT TOM ELLIS WAS THERE. I'M NOT  
22 SAYING THAT MR. WRENN WAS NOT THERE. I JUST DON'T  
23 HAVE A SPECIFIC RECOLLECTION OF HIM. I DO HAVE  
24 A RECOLLECTION OF TOM ELLIS HAVING BEEN THERE.

25 Q WAS THERE SOMEONE AT THIS MEETING ACTING AS AN EMCEE,

1 MR. TROTTER

DIRECT

PAGE 13

2 SO TO SPEAK?

3 A MR. BAILEY.

4 Q THAT WAS MR. BAILEY?

5 A UH-HUH (YES).

6 Q AND DID MR. BAILEY INTRODUCE MR. ELLIS?

7 A I THINK THAT HE DID.

8 Q DO YOU---

9 A IT WAS DONE---AS I RECALL, IT WAS AT THE TAIL END  
10 OF THE MEETING. AND I DON'T KNOW THAT I WOULD SAY  
11 "INTRODUCED" SO MUCH AS "RECOGNIZED." YOU KNOW,  
12 HE SAID THAT---THAT, YOU KNOW, "TOM ELLIS IS HERE  
13 WITH US TONIGHT, AND THIS IS MR. ELLIS." SOMETHING  
14 LIKE THAT.

15 Q DO YOU RECALL WHAT MR. ELLIS SAID?

16 A NO, I CAN'T---I DON'T---I RECALL---OR, AS I RECALL  
17 IT, THE MATTER OF THE BILLBOARDS HAD ALREADY BEEN  
18 PRESENTED TO THE GROUP. AND IT WAS AFTER THAT, THAT  
19 MR. ELLIS WAS RECOGNIZED. AND I REALLY---I REALLY  
20 DON'T RECALL WHAT HE SAID OR ANYTHING THAT HE SAID,  
21 OTHER THAN "GLAD TO BE HERE" AND THAT SORT OF THING.

22 Q IN WHAT CAPACITY DID MR. ELLIS ADDRESS THE GROUP?

23 A JUST AS "TOM ELLIS." HE WAS, I WOULD JUST GUESS,  
24 KNOWN, EITHER PERSONALLY OR BY NAME, TO MOST OF THE  
25 PEOPLE THERE.

1 MR. TROTTER

DIRECT

PAGE 14

2 Q HOW MANY PEOPLE WERE THERE?

3 A I WOULD BE GUESSING, BUT I WOULD SAY FIFTEEN OR  
4 FEWER. BUT I'M GUESSING ON THAT. THERE COULD  
5 HAVE BEEN TWENTY PEOPLE THERE. THEY WERE---THERE  
6 WERE HUSBANDS AND WIVES IN SOME INSTANCES. NOT  
7 EVERYBODY BROUGHT HIS WIFE. SOME DID AND SOME DIDN'T.

8 Q WHO WERE THESE PEOPLE, PRINCIPALLY?

9 A WHO WERE THEY?

10 Q YES.

11 A YOU WANT ME TO GIVE YOU THEIR NAMES?

12 Q TO THE BEST OF YOUR RECOLLECTION.

13 A I'M NOT GOING TO DO A VERY GOOD JOB OF THAT. IF  
14 YOU HAVE A LIST OF THE MEMBERS OF THE FUND, THAT'S  
15 WHO, BASICALLY, WAS THERE. I COULD GO DOWN THAT  
16 LIST. YOU REMEMBER I SENT YOU SOME LEDGERS SHEETS?

17 Q YES.

18 A IF YOU COULD GIVE ME THOSE LEDGER SHEETS, I COULD  
19 GO DOWN THAT.

20 MR. MIMS: LET THE RECORD SHOW THAT I  
21 AM SHOWING MR. TROTTER MATERIALS SUBMITTED  
22 UNDER THE SUBPOENA THAT HAVEN'T BEEN MARKED  
23 AS AN EXHIBIT YET.

24 A MR. BAILEY, OF COURSE, WAS THERE. I DO NOT RECALL  
25 THAT ANNE BAILEY, HIS WIFE, WAS THERE. CLIFF PERRY

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2 WAS THERE; AND I BELIEVE THAT MRS. PERRY WAS THERE,  
3 TOO. I THINK ELWOOD MIXON WAS THERE. JOHN LEWIS,  
4 I DON'T RECALL EITHER WAY. I THINK BRUCE LEA WAS  
5 THERE. I DO NOT RECALL WHETHER JACK LAUGHERY WAS  
6 THERE, BUT I'M INCLINED TO THINK THAT HE WAS NOT---  
7 BUT HE MAY HAVE BEEN. S.F. HORNE, THAT WOULD BE  
8 FRANK HORNE. I THINK FRANK WAS THERE. I THINK  
9 JIMMY DICKENS WAS THERE. I BELIEVE THAT TOM BETTS  
10 WAS THERE. I BELIEVE THAT MIKE BARNHILL WAS THERE.  
11 I BELIEVE THAT LLOYD BAILEY WAS THERE. I'M PRETTY  
12 SURE THAT GENERAL GATSIK WAS THERE. I'M PRETTY  
13 SURE THAT DEWEY WEAVER WAS THERE. DON WILHALF, I  
14 RECALL, WAS THERE. I THINK---BUT I'M NOT SURE

15 ABOUT JERRY BISHOP, BUT I BELIEVE JERRY WAS THERE.

16 I DO NOT BELIEVE THAT JAMES C. GARDNER WAS THERE.

17 I'M NOT SURE ABOUT TOM SUITER. AND I DON'T RECALL  
18 WHETHER R.O. MULLEN WAS THERE OR NOT. RICHARD  
19 SHERMAN COULD HAVE BEEN THERE; AND, AGAIN, MY---MY  
20 RECOLLECTION IS JUST NOT GOOD ON IT.

21 Q DO YOU KNOW HOW THESE PEOPLE CAME TO BE SELECTED TO  
22 ATTEND THIS MEETING? DID YOU KNOW THESE PEOPLE  
23 BEFORE THE MEETING?

24 A OH, YES. THEY ARE ALL FELLOW TOWNSPEOPLE AND PEOPLE  
25 THAT I'VE KNOWN FOR YEARS.

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Q GOING BACK TO THE AGENDA FOR THE---ACCORDING TO THE AGENDA---THE "HELMS CAMPAIGN PLANNING MEETING, APRIL 6, 1983, ITEM NO. 4 SAID, "INTRODUCE TOM ELLIS, SUBCATEGORY 'A,' ANALYSIS OF OUR SITUATION." THAT, IN ITSELF, DOES THAT HELP YOU RECALL WHAT MR. ELLIS MIGHT HAVE SAID AT THE MEETING?

A NO, IT DOES NOT. YOU KNOW, AS I INDICATED PREVIOUSLY, MY RECOLLECTION WAS THAT---THAT IT WAS AFTER WE HAD BEEN THROUGH THE DISCUSSION ON THIS---WELL, WE HAD SUPPER FIRST. AND WE HAD FINISHED SUPPER, AS I RECALL IT. AND THEN THERE WAS A DISCUSSION OF THE BILLBOARDS AND, I THINK, SOME---OR PERHAPS INDICATIONS ON VARIOUS PEOPLE'S PARTS THAT THEY WOULD BE WILLING TO, OR INTERESTED IN, PARTICIPATING IN THE UNDERTAKING. AND IT WAS AFTER THAT, THAT ELLIS WAS RECOGNIZED. BUT I COULD BE MISTAKEN ABOUT THAT.

Q WHO PAID FOR THE DINNER?

A I DON'T KNOW. I DID NOT. IT MAY HAVE BEEN THAT WE ALL PITCHED IN, YOU KNOW, AND HELPED DEFRAY THE COST. I HAVE NO RECOLLECTION OF THAT. I KNOW I DID NOT PAY FOR THE DINNER. NOR DO I RECALL THAT IT CAME OUT OF FUNDS THAT---AS A MATTER OF FACT, I'M ALMOST POSITIVE IT DIDN'T COME OUT OF FUNDS THAT WERE---THAT I COLLECTED. SO, I CAN'T ANSWER WHO

A YES. SHE HAD BEEN A CANDIDATE FOR A COUNTY COMMISSIONER, AS I RECALL, IN 1982. AND I HELPED RUN HER CAMPAIGN.

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2 Q DID SHE SERVE IN ANY OTHER CAPACITY THAT YOU'RE  
3 AWARE OF IN ANY OTHER PERSON'S CAMPAIGN?

4 A PRIOR TO 1983?

5 Q YES---OR, I WON'T PUT A RESTRICTION ON THAT. AT  
6 ANY TIME THAT YOU'RE AWARE OF.

7 A SHE HELPED OUT ON THE JIM MARTIN CAMPAIGN IN 1984.

8 Q THAT'S GOVERNOR MARTIN'S CAMPAIGN?

9 A YEAH.

10 Q AND WHAT DID SHE DO IN HELPING OUT ON GOVERNOR  
11 MARTIN'S CAMPAIGN?

12 A SHE DID NOT HAVE AN OFFICIAL TITLE. I WOULD CALL  
13 HELEN FROM TIME TO TIME AND ASK HER TO GIVE ME  
14 NAMES OF PEOPLE THAT I---SHE THOUGHT MIGHT DO WORK  
15 FOR ME AND THAT SORT OF THING. SHE AND I HAVE  
16 TALKED POLITICALLY---MAYBE I CAN PUT THIS THING  
17 IN FOCUS FOR YOU A LITTLE BIT. HELEN LAUGHERY,  
18 GENE LEWIS, JACK BAILEY, JACK LAUGHERY, WHO IS  
19 HELEN'S HUSBAND, AND I HAVE, IN RECENT YEARS, BEEN  
20 A NUCLEUS OF REPUBLICAN ACTIVITY IN NASH COUNTY.  
21 WE HAVEN'T HAD A FORMAL ORGANIZATION AS SUCH OR  
22 AT---YOU KNOW, AT ALL. WE WOULD SIMPLY GET TOGETHER  
23 AND WORK TOGETHER IN REPUBLICAN MATTERS. WE HAVE---  
24 SOME OF US HAVE BEEN IN THE PARTY AFFAIRS, BUT OUR  
25 COMING TOGETHER HAS MOSTLY BEEN INVOLVED AROUND

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WORKING IN BEHALF OF CANDIDATES. AND THE MOST  
EXTENSIVE WORK WE DID TOGETHER WAS WHEN HELEN  
HERSELF WAS A CANDIDATE FOR COUNTY COMMISSIONER.

Q WHEN YOU RECEIVED A COPY OF THE COMPLAINT IN THIS  
MATTER---

A UH-HUH (YES).

Q ---ONE OF THE BILLBOARDS THAT WAS THE SUBJECT MATTER  
OF THIS COMPLAINT SAID THAT THE BILLBOARD WAS "PAID  
FOR BY NASH COUNTY JESSE HELMS FOR SENATE COMMITTEE,  
HELEN LAUGHERY, CHAIRPERSON." GOING BACK TO YOUR  
ANSWER EARLIER ABOUT WHETHER YOU RECALLED THE  
EXISTENCE OF A NASH COUNTY JESSE HELMS FOR SENATE  
COMMITTEE---

A UH-HUH (YES).

Q ---CAN YOU EXPLAIN THAT STATEMENT ON THAT BILLBOARD?

A WELL, I CAN EXPLAIN IT TO THIS EXTENT: THAT I WAS  
NOT RESPONSIBLE FOR THE LEGENDS THAT WERE ON THE  
BILLBOARDS AND, IN FACT, HAD NOT SEEN THEM UNTIL  
AFTER THIS MATTER WAS BEGUN. I THINK I REPORTED  
THAT IN ONE OF THE WRITTEN DOCUMENTS I SUBMITTED.  
THAT WRITTEN DOCUMENT THAT I SUBMITTED IS AS ACCURATE  
A STATEMENT ON THE MATTER AS I THINK I CAN GIVE.

Q WE'LL GET INTO MORE DETAIL ON THE BILLBOARDS AFTER  
WE GO BACK---

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2 A OKAY.

3 Q ---THROUGH THIS MEETING. BUT THAT HELPS THAT

4 QUESTION. THANK YOU.

5 A AND I WILL TOUCH BACK ON ONE THING, AND THAT IS: I

6 DO HAVE THIS RECOLLECTION THAT AT ONE TIME, THAT

7 THE---THAT "NASH COUNTY FOR JESSE HELMS," OR SOME

8 COMBINATION OF THOSE WORDS, WERE USED IN CONJUNCTION

9 WITH WHAT BECAME KNOWN AS "NASH COUNTY BILLBOARD FUND."

10 AND---BECAUSE I THINK---DIDN'T ONE OF THE CHECKS

11 THAT I SENT YOU---ONE OF MY CHECKS, DIDN'T IT---WASN'T

12 IT MADE PAYABLE TO "NASH COUNTY BILLBOARD FUND"?

13 Q THE CHECKS RECEIVED FROM---

14 A I THINK I SAID IN ONE OF THE WRITTEN STATEMENTS

15 THAT I SUBMITTED, THAT---THAT ONE OF MY CHECKS,

16 A PERSONAL CHECK THAT I SIGNED AND THAT WAS INITIALLY

17 MADE PAYABLE TO "NASH COUNTY BILLBOARD FUND," AS I

18 RECALL---I MEAN, "NASH COUNTY FOR JESSE HELMS"---I

19 HAVE A RECOLLECTION THAT THE FIRST CHECK THAT I

20 PERSONALLY WROTE, BY WAY OF CONTRIBUTION, WAS MADE

21 PAYABLE TO "NASH COUNTY FOR JESSE HELMS," OR

22 SOMETHING LIKE THAT; AND THAT THAT WAS THE NAME

23 THAT WE---THAT I, INITIALLY, ASCRIBED TO THE GROUP.

24 Q OKAY.

25 A NOW, WHETHER THAT HAS ANY BEARING ON THE QUESTION,

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AGAIN, MY RECOLLECTION OF MR. ELLIS' INVOLVEMENT WAS THAT IT CAME AT THE TAIL END OF THE MEETING AND THAT IT WAS SIMPLY A RECOGNITION OF HIM; BUT I COULD BE MISTAKEN IN THAT. THE---THE DISCUSSION AS I RECALL, WAS THAT THERE WAS PRESENT AT THE MEETING ONE OR MORE PICTURES OF THE ONE BILLBOARD THAT MR. BAILEY HAD PUT UP. AND THE PROPOSAL THAT WAS MADE WAS THAT THE---THAT ADDITIONAL BILLBOARDS

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2 SIMILAR BILLBOARDS, BE PUT UP TO THE EXTENT THAT  
3 THE GROUP WOULD CONTRIBUTE MONEY TO PAY FOR THEM.  
4 IT WAS A VERY INFORMAL TYPE THING.

5 Q WHAT DO YOU RECALL WOULD HAVE BEEN MEANT BY, UNDER  
6 "PRESENT PLANS," AGAIN READING FROM THE AGENDA,  
7 "FLOOD NEWSPAPERS WITH LETTERS TO EDITORS"?

8 A I DON'T HAVE ANY RECOLLECTION OF THAT.

9 Q DO YOU RECALL ANYBODY DISCUSSING IT?

10 A NO, HUH-UH. I'M NOT SAYING IT WASN'T DISCUSSED.  
11 I HAVE NO RECOLLECTION OF IT, THOUGH.

12 Q THE SAME QUESTION AS TO THE NEXT ITEM, "COMPANY  
13 PUBLICATIONS."

14 A I DO NOT RECALL THAT BEING SPECIFICALLY DISCUSSED.  
15 I DO KNOW THAT FRANCHISE ENTERPRISES HAS A---A PUBLI-  
16 CATION---YOU KNOW, A HOUSE ORGAN. AND IT'S POSSIBLE  
17 THAT SOMETHING WAS SAID BY MR. BAILEY IN CONNECTION  
18 WITH THAT; BUT, AGAIN, I'M SPECULATING. I DON'T  
19 HAVE A CLEAR RECOLLECTION OF IT.

20 Q I'D LIKE TO GET A LITTLE CLARIFICATION ON THAT.  
21 YOU SAY FRANCHISE ENTERPRISES HAS A COMPANY PUBLICA-  
22 TION. DO YOU KNOW HOW BIG FRANCHISE ENTERPRISES IS?  
23 WHAT IS ITS MAIN BUSINESS?

24 A IT IS A LICENSEE OF HARDEE'S AND OPERATES HARDEE'S  
25 RESTAURANTS.

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2 Q IN WHAT AREAS?

3 A I THINK THEY HAVE STORES IN NORTH CAROLINA AND IN  
4 GEORGIA. WHETHER THEY HAVE STORES ELSEWHERE, I DON'T  
5 KNOW.

6 Q DO YOU KNOW WHO THE PRESIDENT OF FRANCHISE  
7 ENTERPRISES IS?

8 A I'M UNDER THE IMPRESSION IT'S MR. BAILEY. I DON'T  
9 ACTUALLY KNOW. BUT I'M UNDER THE IMPRESSION THAT  
10 MR. BAILEY IS THE PRESIDENT. IF NOT, HE'S THE C.E.O.

11 Q DO YOU KNOW WHAT RELATION FRANCHISE ENTERPRISES  
12 HAS TO SOUTHEASTERN ADVERTISING---IF ANY?

13 A I DON'T KNOW. I KNOW THAT MR. BAILEY IS INVOLVED  
14 IN EACH; BUT WHETHER THERE'S A RELATIONSHIP BETWEEN  
15 THE TWO CORPORATIONS, I DON'T---I DON'T KNOW. THEY  
16 MAY BE BROTHER/SISTER CORPORATIONS. I JUST DON'T  
17 KNOW.

18 Q ANOTHER ITEM APPEARS FROM READING THE AGENDA; IT  
19 SAYS, "PUT MESSAGE ON COMPANY LETTERHEADS." WHO  
20 WOULD HAVE DISCUSSED THAT?

21 A WELL, I DON'T KNOW THAT---DON'T KNOW THAT IT WAS  
22 DISCUSSED.

23 Q DO YOU RECALL ANY DISCUSSION ABOUT WHAT THAT MIGHT  
24 MEAN, "PUT MESSAGE ON COMPANY LETTERHEADS"? WHAT  
25 MESSAGE?

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A WHAT THAT IT "MIGHT" MEAN?

Q EXCUSE ME WHAT "DID" IT MEAN?

A I DON'T KNOW. I HAVE---AND I CAN'T ASCRIBE THIS TO ANY PARTICULAR PERIOD OF TIME, BUT I HAVE HEARD DISCUSSED PUTTING POLITICAL MESSAGES ON COMPANY LETTERHEADS; BUT WHETHER---YOU KNOW, I JUST HAVE--- I'M AWARE OF THIS CONCEPT.

Q YOU SAID YOU'VE HEARD IT DISCUSSED. YOU'VE DISCUSSED IT WITH SOMEONE? DO YOU RECALL WHO THAT MIGHT BE?

A WELL, FIRST, I---I REALLY---I REALLY DON'T HAVE A--- YOU KNOW, A SPECIFIC RECOLLECTION OF EVER HAVING DISCUSSED THIS SPECIFICALLY WITH ANYONE. I DO KNOW THAT---THAT I'M AWARE OF TAKING A STICKER AND PUTTING IT ON AN OUTSIDE OF AN ENVELOPE, A JIM MARTIN STICKER AND PUTTING IT ON THE OUTSIDE OF AN ENVELOPE--- THAT SORT OF THING---AND PUT---TAKING A JIM MARTIN STICKER AND PUT IT ON A PIECE OF LETTERHEAD. BUT I CAN'T SAY THAT I---YOU KNOW, THAT ON SUCH AND SUCH A DATE I DISCUSSED IT WITH ANYONE OR THAT I'VE EVER DISCUSSED IT WITH ANY PARTICULAR PERSON; BUT I FEEL SURE THAT I HAVE.

Q HOW ABOUT PUTTING A STICKER ON A LETTERHEAD OR AN ENVELOPE FOR A FEDERAL CANDIDATE?

A I DON'T RECALL SPECIFICALLY HAVING EVER DONE IT OR,

PENGAD CO., BAYONNE, N.J. 07008

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YOU KNOW, HAD SUCH A DISCUSSION; BUT IT'S POSSIBLE  
THAT I HAVE.

Q HAVE YOU EVER DONE IT?

A HAVE I EVER DONE IT?

Q YES.

A NO, NOT TO MY RECOLLECTION.

Q THE NEXT ITEM THAT APPEARS FROM READING THE AGENDA  
SAYS, "BUMPER SIGNS WITH 'JESSE IS RIGHT.'" WHAT  
DOES THAT MEAN?

A I CAN'T TELL YOU WHAT THAT MEANS, BUT I'M AWARE THAT---  
THAT THERE WERE BUMPER STICKERS PRINTED WITH "JESSE  
HELMS IS RIGHT"---YOU KNOW, THAT THEY WERE---THAT  
THEY WERE DONE. AND, YOU KNOW, I'VE HAD THEM IN  
MY POSSESSION. I DON'T THINK I EVER HAD ONE ON  
MY CAR, BUT---AS A MATTER OF FACT, I'M SURE I DIDN'T  
HAVE IT ON MY CAR. BUT I'M AWARE THAT THEY WERE---  
THEY WERE PRINTED AND DISTRIBUTED.

Q WAS THIS A SUBJECT OF CONVERSATION AT THAT MEETING  
ON APRIL 6, 1983?

A IT COULD HAVE BEEN. I'M NOT SAYING THAT IT WAS OR  
WASN'T. AND, AGAIN, I DON'T MEAN TO BE EVASIVE;  
BUT I SIMPLY DON'T HAVE A SPECIFIC RECOLLECTION OF  
HAVING DISCUSSED THOSE BUMPER STICKERS. IT---YOU  
KNOW, THEY COULD HAVE BEEN PASSED OUT AT THAT MEETING.

HEMLOCK  
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2 I DON'T KNOW.

3 Q THERE APPEARS, FROM THE AGENDA, TO BE A RATHER  
4 SIGNIFICANT DEVOTION TO, QUOTE, PRESENT PLANS FOR  
5 OUR CAMPAIGN. DID ANY KEY PERSON THAT YOU KNOW OF---  
6 I WON'T SAY ANY KEY PERSON. WHO PRESENTED THE  
7 "PRESENT PLANS FOR OUR CAMPAIGN," DISCUSSING ANY  
8 OF THE SUBJECTS THAT WE'VE JUST MENTIONED?

9 A WELL, LET ME PUT IT---MY ANSWER THIS WAY, IS THAT  
10 MR. BAILEY LED MOST OF THE DISCUSSION. AGAIN, IT  
11 WAS A---IT WAS A SMALL GROUP OF PEOPLE WHO KNEW  
12 EACH OTHER AND THERE WAS A LOT OF GIVE AND TAKE IN  
13 THE DISCUSSION, BACK AND FORTH. IT WAS, YOU KNOW,  
14 QUESTIONS ASKED, COMMENTS MADE, THAT SORT OF THING.  
15 MORE OF A ROUND-TABLE DISCUSSION THAN A LECTURE TYPE  
16 SITUATION.

17 Q THE NEXT ITEM THAT APPEARS, READING FROM THE AGENDA,  
18 SAYS, "CARRY MESSAGE TO THE FUNDAMENTALIST CHURCHES;  
19 GET THEM TO GET THEIR PEOPLE REGISTERED TO OFFSET  
20 THE LARGE BLACK VOTE." WAS THAT, AGAIN, MR. BAILEY  
21 WHO WOULD HAVE DISCUSSED THAT? WAS IT MENTIONED  
22 AND DISCUSSED?

23 A FIRST, I CAN'T SAY THAT IT WAS DISCUSSED; SECOND,  
24 I'M NOT SAYING THAT IT WASN'T DISCUSSED. IT EASILY  
25 COULD HAVE BEEN DISCUSSED AND IT COULD HAVE BEEN

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MR. BAILEY THAT DISCUSSED IT.

Q WELL, THE NEXT ITEM FOLLOWING THAT IS, "TELEPHONE BANK TO IDENTIFY OUR PEOPLE." DO YOU RECALL THAT SUBJECT BEING DISCUSSED AT THIS MEETING? AND IF SO, BY WHOM?

A NO, BUT THAT SEEMS TO BE WAY IN---THAT WOULD BE--- SEEM TO BE LOOKING TOWARD A CAMPAIGN, IF YOU'RE TALKING ABOUT "TELEPHONE BANKS." AND AT THAT PARTICULAR POINT IN TIME, THERE WAS NO CAMPAIGN THAT I'M AWARE OF. MY RECOLLECTION IS---IS THAT AT THAT MEETING, WE WERE ANTICIPATING THAT THERE WOULD BE A CAMPAIGN; BUT HARDLY ANYBODY HAD GIVEN ANY INDICATION THAT THEY WERE GOING TO RUN. THERE'D BEEN NO ANNOUNCEMENTS THAT THERE---THAT SENATOR HELMS WAS GOING TO SEEK REELECTION AT THAT PARTICULAR POINT IN TIME.

Q DO YOU KNOW OF ANY PHONE BANK THAT HAD BEEN ESTABLISHED TO INFLUENCE AN ELECTION?

A AT THAT POINT IN TIME?

Q ANY TIME.

A YES. IN CONNECTION WITH THE JIM MARTIN CAMPAIGN IN 1984, WE ESTABLISHED---HAD TELEPHONE BANKS.

Q AND THAT WAS ONLY FOR GOVERNOR MARTIN?

A IN 1984?

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ERASABLE

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Q YES.

A THE ONLY ONES THAT I'M AWARE OF.

Q WAS THERE EVER ANY PHONE BANK SET UP FOR JESSE HELMS?

A THAT I KNOW OF?

Q EXCUSE ME. BY THIS GROUP OF PEOPLE---

A NOT THAT I'M AWARE OF.

Q ---WHO ATTENDED THIS MEETING.

A NOT THAT I KNOW OF.

Q THE NEXT ITEM, READING FROM THE AGENDA, SAYS, "GENE LEWIS, COMMENTS." DID MR. LEWIS SPEAK AT THE MEETING?

A I DO NOT RECALL THAT HE DID; BY THE SAME TOKEN, NOR DO I---AM I SAYING THAT HE DID NOT.

Q WHO, BY THE WAY, IS GENE LEWIS?

A WELL, IF YOU'RE ASKING ME WHAT IS HIS OCCUPATION---

Q YES.

A ---HE IS THE PRESIDENT OF LEWIS ADVERTISING.

Q DOES THAT HAVE ANY RELATIONSHIP TO SOUTHEASTERN ADVERTISING?

A IF THERE'S A RELATIONSHIP, I'M UNAWARE OF IT. LEWIS ADVERTISING HAS, AMONG ITS CLIENTS, SEVERAL OF THE HARDEE'S LICENSEES. IT'S A---IT'S AN ADVERTISING AGENCY IN ROCKY MOUNT.

Q WELL, THE NEXT ITEM, READING FROM THE AGENDA, SAYS,

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"JIM TROTTER, COMMENTS." DID YOU SPEAK AT THE MEETING?

A I VERY EASILY COULD HAVE.

Q DO YOU RECALL WHAT YOU SAID AT THE MEETING?

A NO. I HAVE NO RECOLLECTION OF WHAT I SAID. AGAIN,  
IF I SPOKE---AND I'M NOT SAYING I DID OR I DID NOT.  
BUT IF I SPOKE, IT WOULD HAVE BEEN IN FAVOR AND  
IN SUPPORT OF THE BILLBOARD CAMPAIGN.

Q AND HOW ABOUT THE OTHER ITEMS, "PRESENT PLANS FOR OUR CAMPAIGN"?

A I DO---I DO RECALL---EXCUSE ME. I DO RECALL THAT AT THE MEETING, THAT I AGREED TO RECEIVE THE FUNDS AND MAKE THE PAYMENTS IN CONNECTION WITH THE PROPOSAL.

NOW, YOU ASKED ME A QUESTION. REPEAT THAT ONE,  
IF YOU WILL.

Q THE QUESTION WAS A FOLLOW-UP ON YOUR AGREEING TO ASSIST WITH THE BILLBOARD CAMPAIGN. DID YOU AGREE TO THE OTHER "PRESENT PLANS FOR OUR CAMPAIGN" THAT WE PREVIOUSLY MENTIONED THAT APPEAR ON THIS AGENDA; THAT IS---I'LL RUN THROUGH THEM AGAIN: "FLOOD NEWSPAPERS WITH LETTERS TO EDITORS; COMPANY PUBLICATIONS; PUT MESSAGE ON COMPANY LETTERHEADS; BUMPER SIGNS WITH 'JESSE IS RIGHT'; CARRY MESSAGE TO THE

ERASABLE  
COTTON CONTENT

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FUNDAMENTALIST CHURCHES; GET THEM TO GET THEIR  
PEOPLE REGISTERED TO OFFSET THE LARGE BLACK VOTE,  
TELEPHONE BANK TO IDENTIFY OUR PEOPLE"?

A NOW, ASK ME THE QUESTION AGAIN, BECAUSE I DIDN'T---I  
GOT THE ITEMS. I GOT THE ITEMS. NOW, ASK ME YOUR  
QUESTION ABOUT THOSE ITEMS.

Q YOU INDICATED THAT YOU WOULD SUPPORT THE BILLBOARD  
CAMPAIGN. IS THAT CORRECT?

A YES. THAT'S RIGHT.

Q DID YOU ALSO INDICATE THAT YOU WOULD SUPPORT THE---  
THE OTHER ITEMS?

Q ---EFFORT TO FLOOD THE NEWSPAPERS WITH LETTERS TO  
THE EDITORS?

A I HAVE NO RECOLLECTION OF THAT, ONE WAY OR THE  
OTHER.

Q COMPANY PUBLICATIONS?

A I HAVE NO COMPANY PUBLICATIONS THAT I COULD---WOULD  
HAVE HAD ACCESS TO; SO---I JUST DON'T HAVE ANY  
RECOLLECTION OF ANY OF THOSE ITEMS HAVING BEEN  
DISCUSSED AT THE MEETING. AGAIN, I'M NOT SAYING  
THEY WEREN'T; BUT THE FOCUS OF THE MEETING WAS ON  
THE BILLBOARDS. AND I'M NOT AWARE THAT---THAT  
THERE WAS A CONCERTED EFFORT EVER DONE FOR ANY  
OF THE ITEMS THAT YOU LISTED OUT ON THAT.

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Q ONE LAST QUESTION ABOUT THAT MEETING. MR. BAILEY'S LETTER ON MARCH 22, 1983, SAID THAT, AND I'LL QUOTE: "ALSO, I ASSURE YOU THAT NO PRESSURE WILL BE APPLIED FOR CONTRIBUTIONS AT THIS TIME, ALTHOUGH THE OPPORTUNITY FOR INVESTMENT IS ALWAYS AVAILABLE AT ANY POLITICAL MEETING, AS YOU WELL KNOW." MY QUESTION IS: DID ANYONE SOLICIT CONTRIBUTIONS AT THAT MEETING?

A NOT TO MY RECOLLECTION. WHAT WAS DONE WAS, THAT THE BILLBOARD PROPOSAL WAS PUT BEFORE THE GROUP. AND THEN, THE QUESTION WAS ASKED, YOU KNOW, DO WE WANT TO---YOU KNOW, DO WE, AS A GROUP, WANT TO UNDERTAKE THE---PUTTING UP SOME BILLBOARDS. AND, AS I RECALL, A NUMBER OF THE PEOPLE THERE, INCLUDING MYSELF, SAID, "YES, WE WOULD LIKE TO DO THAT." AND THEN, EVERYTHING GREW OUT OF THAT. BUT I'M NOT AWARE OF ANY---ANYBODY BEING SOLICITED TO DO---TO DO ANYTHING.

Q OKAY. LEAVING THAT MEETING AND TURNING TO THE  
SUBJECT OF THE BILLBOARDS. WHO DESIGNED THE  
BILLBOARDS?

A I DON'T KNOW. I DID NOT.

Q WHO SELECTED THE SITES FOR THE BILLBOARDS?

A AGAIN, I---I DON'T KNOW. I DID NOT. AND MY ANSWERS

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ARE SEEMING---MAY SEEM TO BE EVASIVE TO YOU, AND  
I'M---BUT I'M BEING TRUTHFUL WHEN I SAY, "I DO NOT  
KNOW." BECAUSE I DON'T KNOW THE MECHANICS OF IT.  
BUT THAT ASPECT OF IT WAS LEFT TO MR. BAILEY---OR  
BOTH OF THOSE, THE DESIGN OF THE BILLBOARDS AND  
THE BILLBOARD SITES. WHETHER HE HIMSELF DID THEM  
OR WHETHER SOMEBODY ELSE DID THEM, I DON'T KNOW.

Q I SEE. BUT YOU DIDN'T?

A BUT I DID NOT. THAT'S RIGHT.

Q DID THE GROUP, THE FUND, PARTICIPATE IN ANY WAY IN  
THE SELECTION OF THE SITES?

A I THINK THAT AT THAT MEETING THERE WERE DISCUSSIONS  
OF SITES. I THINK IT WOULD HAVE BEEN SOMETHING  
LIKE THIS, WITH MR. BAILEY SAYING, "I THINK WE MIGHT  
BE ABLE TO GET A BILLBOARD DOWN ON SOUTH CHURCH  
STREET. I THINK WE MIGHT BE ABLE TO GET A BILLBOARD  
OUT ON 64. I THINK WE MIGHT BE ABLE TO GET A  
BILLBOARD UP ON NORTH CHURCH STREET...." THAT SORT OF  
THING. BUT---AND I THINK THERE WAS SIMPLY AN  
ACQUIESCENCE IN THAT BY THE GROUP, RATHER THAN AN  
APPROVAL BY THE GROUP OF THESE PLACES AS SITES.  
THE WAY IT WORKED, IT WAS LEFT TO MR. BAILEY TO  
WORK OUT THE ARRANGEMENTS FOR THE BILLBOARDS WITHIN  
THE AMOUNT OF MONEY THAT WAS BEING RECEIVED.

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2 Q HOW MANY BILLBOARDS WERE THERE, IN TOTAL, THAT THE  
3 FUND PAID FOR?

4 A FOUR, AS I RECALL.

5 Q DO YOU KNOW WHETHER THERE WERE ANY OTHER BILLBOARDS  
6 THAT SAID---THAT HAD A MESSAGE SIMILAR TO THIS,  
7 PLACED BY MR. BAILEY OR ANYONE FROM THE FUND?

8 A I'M NOT AWARE OF ANY.

9 Q HOW MANY OF THOSE BILLBOARDS EXISTED BEFORE THE FUND  
10 CAME INTO EXISTENCE?

11 A ONE, TO MY RECOLLECTION. THAT'S THE ONE ON TARBORO  
12 STREET.

13 Q TARBORO?

14 A UH-HUH (YES).

15 MR. MIMS: LET'S HAVE THIS MARKED AS  
16 EXHIBIT NO. 2, AND IT IS FOUR PAGES LONG.

17 (THEREUPON, THE DOCUMENT REFERRED  
18 TO ABOVE WAS MARKED AS DEPOSITION  
19 EXHIBIT NO. 2 - FOR IDENTIFICATION.)

20 MR. MIMS: AND WOULD YOU SHOW THAT TO  
21 MR. TROTTER, PLEASE. THANKS.

22 (THEREUPON, THE REPORTER COMPLIES.)

23 Q (BY MR. MIMS) WOULD YOU IDENTIFY THAT DOCUMENT,  
24 PLEASE.

25 A YES. THAT IS A MEMORANDUM THAT I PREPARED ON OR

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ABOUT THE DATE SHOWN.

Q WHAT DOES THE DOCUMENT SAY?

A WHAT DOES IT SAY?

Q YES, SIR. WITHOUT READING IT, WOULD YOU SUMMARIZE IT JUST FOR THE RECORD.

A YES. WHAT I WAS TRYING TO DO WAS TO MEMORIALIZE AN INSPECTION I HAD MADE OF THE FOUR BILLBOARDS.

Q DID YOU NOTE WHAT EACH OF THE BILLBOARDS HAD AS A DISCLAIMER AT THE BOTTOM OF THE SIGN?

A YOU MEAN, THE ATTRIBUTION LEGEND?

Q YES, SIR.

A YES, I DID.

Q AND, WOULD YOU READ FOR THE RECORD THE ATTRIBUTION LEGEND, PLEASE, FOR THE BILLBOARD ON TARBORO STREET.

A THE LEGEND IS, "THIS BILL...." QUOTE, THIS BILLBOARD IS POLITICAL ADVERTISING PAID FOR BY J. C. D. BAILEY. CONTRIBUTIONS TO KEEP THIS IN PLACE WILL BE APPRECIATED. CALL SOUTHEASTERN ADVERTISING, INC., 977-3149, P. O. BOX 312, ROCKY MOUNT, N. C., END QUOTE.

Q DO YOU KNOW WHEN THAT BILLBOARD WAS PLACED?

A I BEG YOUR PARDON?

Q DO YOU KNOW WHEN THAT BILLBOARD WAS FIRST PLACED?

A NO, I CAN'T TELL YOU EXACTLY. AS I RECALL, IT WAS IN PLACE BEFORE THE MEETING WE'VE BEEN TALKING

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MR. TROTTER

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ABOUT. AND I WOULD SAY IT WOULD HAVE BEEN IN PLACE AT LEAST THIRTY DAYS PRIOR TO THAT.

Q WHO PAID FOR IT UP UNTIL THE TIME THE BILLBOARD FUND CAME INTO EXISTENCE?

A I CAN'T ANSWER THAT, BECAUSE I DON'T KNOW. I DON'T KNOW THAT IT WAS PAID. AS I RECALL, THE FUND PICKED UP THE PAYMENT FOR THAT BILLBOARD; BUT WHEN---YOU KNOW, THE DATE THAT IT BEGAN PAYING FOR IT, I CAN'T TELL YOU WITHOUT LOOKING AT THE RECORDS. BUT THE REPORTS THAT WERE FILED WITH THE S.E.C. WOULD BE---F.E.C. WOULD BE ACCURATE ON THAT POINT.

Q WHO DID THE BILLBOARD FUND MAKE PAYMENTS TO FOR THOSE BILLBOARDS? DID YOU MAKE PAYMENTS TO THE OWNERS OF THE SIGNS?

A NO, I DON'T THINK SO. I THINK THE PAYMENTS WERE MADE TO SOUTHEASTERN ADVERTISING, BUT THE CHECKS WOULD SHOW. THE CHECKS THAT I SUBMITTED TO THE F.E.C. WILL ACCURATELY REFLECT THE PAYMENTS THAT WERE MADE, AND THE PAYEES ON THE CHECKS WOULD BE THE PERSONS TO WHOM THE---OR INSTITUTION TO WHOM THE PAYMENTS WERE MADE.

MR. MIMS: WOULD YOU MARK THAT, PLEASE,

AS F.E.C. EXHIBIT NO. 3.

(THEREUPON, THE DOCUMENT REFERRED

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TO ABOVE WAS MARKED AS DEPOSITION  
EXHIBIT NO. 3 - FOR IDENTIFICATION.)

Q (BY MR. MIMS) WILL YOU PLEASE IDENTIFY THAT  
DOCUMENT, MR. TROTTER. HAVE YOU SEEN THAT BEFORE?

A I FEEL SURE THAT I HAVE.

Q OKAY. IS THAT THE FORM IN WHICH THE FUND WAS  
INVOICED FOR THE SIGNS?

A THIS, OR SOMETHING SIMILAR TO THIS. I THINK THAT  
I---

Q ALL FOR SOUTHEASTERN ADVERTISING?

A THAT'S MY RECOLLECTION. I THINK I FURNISHED THE  
F.E.C. COPIES OF EVERYTHING THAT I HAD IN MY FILE  
ON IT. AND THAT'S---YES, THIS---THE FORM LOOKS  
FAMILIAR. IT LOOKS LIKE WHAT WE WOULD NORMALLY GET  
AND USE AS A BASIS FOR MAKING THE PAYMENTS.

Q DID THE FUND EVER ENTER INTO A CONTRACTUAL AGREEMENT  
WITH SOUTHEASTERN ADVERTISING TO PAY FOR THE SIGNS?

A THERE WERE NO WRITTEN CONTRACTS OF WHICH I AM AWARE.  
THERE WAS A VERBAL UNDERSTANDING THAT---THAT I WOULD  
RECEIVE INVOICES FOR THE BILLBOARDS AND THAT I  
WOULD WRITE CHECKS IN PAYMENT OF THOSE. I DON'T  
REMEMBER WHETHER---WHEN WE HAD THAT UNDERSTANDING,  
WHETHER THE UNDERSTANDING WAS THAT IT WOULD COME  
FROM SOUTHEASTERN ADVERTISING OR IT WAS JUST THAT I

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WOULD BE INVOICED FOR THEM. BUT MY RECOLLECTION IS THAT---IT WAS JUST SIMPLY, I WOULD BE INVOICED AND WITHOUT MY ACTUALLY KNOWING FROM WHOM THE INVOICE WOULD COME. ALTHOUGH, IT COULD HAVE BEEN THAT IT WAS SAID THAT IT WOULD COME FROM SOUTHEASTERN. I JUST AM NOT CLEAR ON THAT POINT.

Q YOU SAID YOU HAD "A VERBAL UNDERSTANDING." DOES THAT MEAN AN ORAL UNDERSTANDING, NOT WRITTEN UNDERSTANDING?

A NOT WRITTEN. THERE WERE NO WRITTEN AGREEMENTS THAT I'M---THAT I RECALL.

Q THAT UNDERSTANDING WAS WITH WHOM?

A MR. BAILEY. AND IT CAME AT---AS I RECALL, IT WAS PART OF THE DISCUSSION AT THE MEETING WE'VE BEEN TALKING ABOUT; THAT THIS WAS THE PLAN THAT WAS OUTLINED TO THE MEETING, WAS THAT THE INVOICES WOULD BE---THAT I WOULD, YOU KNOW, ACT AS PAYING AGENT, COLLECTING AND PAYING AGENT, AND THAT THE INVOICES WOULD COME IN TO ME AND I WOULD PAY THE INVOICES OUT OF A BANKING ACCOUNT THAT I WAS GOING TO MAINTAIN, I THINK, AT FIRST UNION BANK.

Q THE FUND SUBMITTED A STATEMENT OF ORGANIZATION TO THE FEDERAL ELECTION COMMISSION IN 1983; AND WITH THE STATEMENT OF ORGANIZATION, YOU ACCOMPANY IT WITH

1 MR. TROTTER

DIRECT

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2 A LETTER THAT YOU REFERRED TO IN YOUR RESPONSE TO  
3 THE COMPLAINT IN THIS CASE. WITHHOLDING THE CONCES-  
4 SION THAT, BY SUBMITTING A STATEMENT OF ORGANIZATION,  
5 BY PARAPHRASING YOUR LETTER, THAT "YOU WERE NOT A  
6 POLITICAL COMMITTEE," COULD YOU PLEASE EXPLAIN FOR  
7 THE RECORD WHY YOU FELT THE NASH/EDGECOMBE BILLBOARD  
8 FUND WAS NOT A POLITICAL COMMITTEE?

9 A I'M NOT SURE I CAN. I THINK THAT THE STATEMENTS  
10 THAT I HAVE PREVIOUSLY GIVEN ACCURATELY REFLECT  
11 THE POSITION THAT I HAD ON THAT. I DO RECALL  
12 STUDYING THE MATTER AT THE TIME AND BEING CONCERNED  
13 ABOUT IT AND HAVING TELEPHONE CONVERSATIONS WITH  
14 SOMEONE AT THE F.E.C. ABOUT IT, AND WANTING TO BE  
15 SURE THAT I COMPLIED WITH THE LAW.

16 Q OKAY. I DON'T WANT TO INTERRUPT YOU, BUT I WANT  
17 TO FREEZE THE TIME FRAME HERE. WHEN DID YOU FIRST  
18 START TO FORMULATE THIS OPINION THAT SUCH A FUND  
19 WOULDN'T BE A POLITICAL COMMITTEE UNDER THE FEDERAL  
20 ELECTION CAMPAIGN ACT? WAS IT AT THE FORMATIVE  
21 STAGE OR WAS IT AFTER THE DECISION WAS MADE?

22 A IT WAS---I THINK IT WAS AFTER THE DECISION WAS MADE.  
23 I THINK IT WAS WHEN I BECAME CONCERNED ABOUT---  
24 ALTHOUGH, I'M NOT---I CAN'T BE POSITIVE ABOUT THAT.  
25 I'D HAVE TO HAVE MY FILES AND GO BACK TO TRY TO NAIL

5 6 2 3 0 4 0 6 8 8 0 4 0 6 3 2 6 5

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DOWN A DATE ON THAT.

Q DID YOU EVER PROVIDE ANYONE WITH ANY LEGAL ADVICE REGARDING THE CONTENT OF THE MESSAGE CONTAINED IN THE FORMS?

A ASK ME THAT QUESTION AGAIN.

Q DID YOU EVER PROVIDE ANY LEGAL ADVICE WITH RESPECT TO THE CONTENT OF THE MESSAGE IN THE BILLBOARDS, THE FOUR BILLBOARDS?

A NOT THAT I RECALL. I NEVER HAD A LE---A LAWYER/CLIENT RELATIONSHIP WITH---WITH ANYONE WITH RESPECT TO THE BILLBOARDS. SO, THE ANSWER TO THAT WOULD BE "NO."

Q IF YOU WILL, JUST CONTINUE. I INTERRUPTED YOU JUST TO ESTABLISH THAT TIME FRAME; AND, IF YOU WOULD, CONTINUE TO EXPLAIN WHAT IT WAS THAT CAUSED YOU FINALLY TO FILE THE STATEMENT OF ORGANIZATION BUT, AT THE SAME TIME, TO INDICATE THAT YOU DIDN'T THINK THAT YOU WOULD, AS CONSTITUTED, BE A POLITICAL COMMITTEE.

A ALL RIGHT. BEAR IN MIND, NOW, THAT A CONSIDERABLE AMOUNT OF TIME HAS PASSED SINCE I WAS GOING THROUGH THE THOUGHT PROCESSES AND ANALYSIS THAT WAS DONE AT THE TIME I MADE THE FILING. I'M HAVING TO TALK WITHOUT THE BENEFIT OF MY FILES ABOUT TECHNICAL MATTERS. I WAS VERY CONCERNED ABOUT GIVING UP OUR

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FIRST AMENDMENT RIGHTS. AND I SPENT A CONSIDERABLE  
AMOUNT OF TIME RESEARCHING THE QUESTION. AS I RECALL,  
I PUT TOGETHER---OR CERTAINLY, I READ A NUMBER OF  
CASES ON THE SUBJECT. I FEEL THAT FIRST AMENDMENT  
RIGHTS ARE VERY PRECIOUS RIGHTS. THEY'RE AMONG  
THE MOST PRECIOUS RIGHTS THAT WE, AS AMERICAN  
CITIZENS, HAVE. I FEEL THAT MUCH BLOOD HAS BEEN  
SHED IN SUPPORT OF THOSE RIGHTS AND THAT THOSE  
RIGHTS ARE NOT TO BE YIELDED TO THE GOVERNMENT  
FREELY. BY THE SAME TOKEN, WHEN I CAME INTO LAW  
PRACTICE, I PUT MY HAND ON A BIBLE AND I SWORE  
THAT I WOULD UPHOLD THE CONSTITUTIONAL LAWS OF  
THE UNITED STATES, AMONG OTHER THINGS. AND SO, ON  
THE ONE HAND, I WAS LOOKING AT WHAT APPEARED TO  
ME TO BE THE STATUTES AND REGULATIONS OF THE UNITED  
STATES OF AMERICA THAT SAID ONE THING. I SAW THE  
CONSTITUTION OF THE UNITED STATES OF AMERICA THAT  
APPEARED TO ME THAT THERE WAS AT LEAST A SIGNIFICANT  
QUESTION AS TO WHETHER WE CAME UNDER THE STATUTE.  
I DID NOT WANT TO YIELD MY CONSTITUTIONAL RIGHTS,  
NOR DID I WANT TO YIELD IN BEHALF OF ANYONE ELSE  
THEIR CONSTITUTIONAL RIGHTS. AND THAT'S WHY I  
TOOK THE POSITION THAT I DID.

Q DO YOU KNOW WHAT THE DEFINITION OF A "POLITICAL

1 MR. TROTTER

DIRECT

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2 "COMMITTEE" IS UNDER THE STATUTE, UNDER THE FEDERAL  
3 ELECTION CAMPAIGN ACT?

4 A I CANNOT QUOTE IT, NO.

5 Q I'M GOING TO READ FROM THE FEDERAL ELECTION CAMPAIGN  
6 ACT, SECTION 431, SUBPARAGRAPH 4, DEFINITIONS:

7 "THE TERM 'POLITICAL COMMITTEE' MEANS: ANY  
8 COMMITTEE, CLUB, ASSOCIATION, OR OTHER GROUP OF  
9 PERSONS WHICH RECEIVES CONTRIBUTIONS AGGREGATING  
10 IN EXCESS OF ONE THOUSAND DOLLARS (\$1,000) DURING  
11 A CALENDAR YEAR, OR WHICH MAKES EXPENDITURES  
12 AGGREGATING IN EXCESS OF \$1,000 DURING A CALENDAR  
13 YEAR."

14 WITHIN THE CONTEXT OF THAT DEFINITION, DO YOU  
15 BELIEVE THAT THE NASH/EDGEcombe BILLBOARD FUND IS  
16 A POLITICAL COMMITTEE?

17 A I THINK THE CLEAREST STATEMENT I COULD MAKE AND  
18 THE MOST ACCURATE STATEMENT I COULD MAKE IN RESPONSE  
19 TO THAT, WOULD BE TO REFER YOU TO THE WRITTEN  
20 MATERIAL THAT I HAVE PREVIOUSLY SUBMITTED. THAT  
21 MATERIAL WAS CAREFULLY THOUGHT OUT AND GIVEN TO YOU  
22 IN WRITING, AND I DON'T THINK I CAN IMPROVE UPON THAT.

23 Q I'D LIKE TO GO BACK TO PAYMENTS MADE BY THE FUND  
24 FOR THE BILLBOARDS---

25 A UH-HUH (YES).

HEMLOCK

ERASABLE

COTTON

MR. TROTTER

DIRECT

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Q ---AND TURN TO THE QUESTION OF CONTRIBUTIONS TO THE FUND. AND IN SO DOING, I'D LIKE TO HAVE THE REPORTER MARK THIS AS EXHIBIT NO. 4. IT IS THREE PAGES.

(THEREUPON, THE DOCUMENT REFERRED TO ABOVE WAS MARKED AS DEPOSITION EXHIBIT NO. 4 - FOR IDENTIFICATION.)  
MR. MIMS: AND, IF YOU WILL, SHOW IT TO MR. TROTTER, PLEASE.

(THEREUPON, THE REPORTER HANDS DOCUMENT TO WITNESS.)

Q (BY MR. MIMS) AND I'D LIKE TO ASK MR. TROTTER IF HE WOULD IDENTIFY THAT, PLEASE.

A THIS, I THINK, IS A XEROXED COPY OF THE LEDGER SHEET THAT WAS FURNISHED TO YOU PURSUANT TO YOUR SUBPOENA.

Q ON THE LEDGER SHEET IS A LIST OF SOME TWENTY NAMES.

A YES.

Q IS THAT CORRECT?

A YES, TWENTY NAMES; UH-HUH.

Q AND NEXT TO EACH NAME IS AN AMOUNT, I ASSUME IS A DOLLAR AMOUNT---

A YES.

Q ---FOR EACH MONTH OF THE YEAR, BEGINNING IN JUNE, 1983, AND ENDING IN---I THINK THE LAST ENTRY IS FOR ONE

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1 MR. TROTTER

DIRECT

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2 PERSON IN AUGUST, 1984. IS THAT CORRECT?---ON PAGE 3.

3 A THAT'S CORRECT.

4 Q DOES THIS LEDGER SHEET REPRESENT FUNDS ACTUALLY  
5 RAISED BY THE BILLBOARD FUND, OR ARE THEY PROJECTIONS?

6 A THEY ARE NOT PROJECTIONS. WHAT THEY REPRESENT ARE  
7 MONIES SENT TO ME AND DEPOSITED BY MY SECRETARY FOR  
8 ME IN THE BANK ACCOUNT, FROM THE PERSONS AS INDICATED

9 Q AND THESE FUNDS WERE USED FOR WHAT?

10 A TO PAY THE INVOICES SUBMITTED FOR THE BILLBOARDS.

11 Q THE INVOICES TO SOUTHEASTERN ADVERTISING FOR THE  
12 BILLBOARDS?

13 A INVOICES "FROM" SOUTHEASTERN ADVERTISING.

14 Q THANK YOU FOR CORRECTING ME.

15 NOW, I'D LIKE TO ASK A QUESTION ABOUT ONE  
16 OF THESE CONTRIBUTORS ON HERE; AND THAT IS WITH  
17 RESPECT TO MR. JACK LAUGHERY. I BELIEVE IT APPEARS  
18 ON LINE NO. 1.

19 A YES.

20 Q IT SAYS, "JUNE, 1983," READING FROM THE LEDGER  
21 SHEET, "\$900"; HANDWRITTEN NOTATION NEXT TO IT  
22 SAYS, "PAID IN FULL."

23 A YES.

24 MR. MIMS: I'D LIKE TO HAVE THE REPORTER  
25 MARK THIS AS F.E.C. EXHIBIT NO. 5, FOR IDENTIFICATION.

HEMLOCK

MR. TROTTER

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(THEREUPON, THE DOCUMENT REFERRED  
TO ABOVE WAS MARKED AS DEPOSITION  
EXHIBIT NO. 5 - (FOR IDENTIFICATION.)

MR. MIMS: SHOW IT TO MR. TROTTER, PLEASE.

(THEREUPON, THE REPORTER HANDS  
DOCUMENT TO WITNESS.)

WITNESS: OKAY.

Q (BY MR. MIMS) HAVE YOU SEEN THIS BEFORE, THIS LETTER?

A I THINK THAT I HAVE.

Q COULD YOU EXPLAIN WHAT IT IS ABOUT, PLEASE?

A THE LETTER, OF COURSE, IS SELF-EXPLANATORY. MY  
RECOLLECTION---MY INDEPENDENT RECOLLECTION OF THAT  
IS THAT AT OR ABOUT THE TIME THAT MR. LAUGHERY WISHED  
TO MAKE HIS CONTRIBUTION TO THE BILLBOARD FUND,  
THERE WAS A DINNER, AS I RECALL BEING A FUND-RAISING  
TYPE DINNER, FOR SENATOR HELMS---AND I THINK IN  
WASHINGTON, BUT I MAY BE MISTAKEN ABOUT AS TO WHERE  
IT WAS. BUT MR. LAUGHERY---THERE WAS A---I DON'T  
REMEMBER WHETHER IT WAS A THOUSAND-DOLLAR DINNER  
OR WHAT IT WAS, BUT THERE WAS A---THERE WAS A DOLLAR  
TICKET TO THE DINNER. AND MY RECOLLECTION IS THAT  
MR. LAUGHERY WANTED HIS CONTRIBUTION TO THE BILLBOARD  
FUND TO COUNT AS A PART OF---OR TO COUNT ON THE PUR-  
CHASE PRICE OF THE TICKET. AND THAT'S MY

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MR. TROTTER

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RECOLLECTION OF IT. ALL OF MY KNOWLEDGE CONCERNING THAT IS SECONDHAND. I HAVE NO FIRSTHAND KNOWLEDGE OF IT.

Q WAS THE BILLBOARD FUND IN ANY WAY RELATED TO THE HELMS CAMPAIGN?

A NOT TO MY KNOWLEDGE.

Q WAS THE BILLBOARD FUND IN ANY WAY RELATED TO THE NATIONAL CONGRESSIONAL CLUB OR THE NORTH CAROLINA CONGRESSIONAL CLUB?

A NOT TO MY KNOWLEDGE.

Q WAS THE BILLBOARD FUND IN ANY WAY RELATED TO JEFFERSON MARKETING?

A NOT TO MY KNOWLEDGE.

Q HOW IS IT, THEN, THAT A CONTRIBUTION TO THE BILLBOARD FUND CAN BE CONSIDERED ALSO, BY THE HELMS FOR SENATE COMMITTEE, AS INTENDED TO DEFRAID THE COST OF TICKETS FOR A FUND-RAISER?

A ALL RIGHT, NOW, YOU'RE ASKING THE WRONG PERSON THAT QUESTION. I HAVE ONLY SECONDHAND KNOWLEDGE OF THIS TRANSACTION. YOU'VE ASKED ME IF I'VE SEEN IT BEFORE; AND I SAID, "YES, I HAD." BUT MY KNOWLEDGE IS ALL SECONDHAND. I DID NOT PARTICIPATE-- HAVE ANY KNOWLEDGE, FIRSTHAND KNOWLEDGE, OF THE TRANSACTION.

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DIRECT

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Q HOW WERE CONTRIBUTIONS TO THE BILLBOARD FUND COLLECTED?

A I WOULD SEND OUT A NOTICE EACH MONTH TO THE PERSONS WHO HAD AGREED TO MAKE CONTRIBUTIONS TO THE FUND, IN RESPONSE TO WHICH THEY WOULD SEND CHECKS TO MY OFFICE.

Q AND WHO PAID THE POSTAGE FOR THOSE NOTICES?

A I DID, I'M SURE.

Q YOU DID PERSONALLY?

A I'M SURE I DID. I'M JUST GUESSING. BUT I KEPT THE STAMPS IN MY OFFICE DRAWER, AND I JUST FEEL CONFIDENT THAT MY SECRETARY USED THOSE STAMPS---JUST, YOU KNOW, MY REGULAR STAMPS IN MY OFFICE DRAWER---ON THOSE ENVELOPES. BUT I DON'T KNOW THAT. ALL I KNOW IS---

Q DID THE BILLBOARD FUND PAY FOR IT?

A BEG YOUR PARDON?

Q DID THE BILLBOARD FUND PAY FOR THE POSTAGE?

A I DON'T THINK SO. AGAIN, ONCE I SET THE MACHINERY UP---THAT IS, WHEN I SAY "SET THE MACHINERY UP," I EXPLAINED TO MY SECRETARY HOW I WANTED THIS HANDLED. SHE---IT WAS JUST DONE AUTOMATICALLY, AND I DON'T---I WASN'T AWARE MONTH BY MONTH THAT THE NOTICES WENT OUT OR THE CHECKS CAME IN OR THE DEPOSITS WERE MADE OR THE INVOICES WERE PAID. SHE

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A NOT TO MY KNOWLEDGE. TO THE BEST OF MY KNOWLEDGE,  
ALL OF THE MONEY WENT TO---TO SOUTHEASTERN  
ADVERTISING. THE CHECKS WERE MADE TO SOUTHEASTERN  
ADVERTISING. NOW, WHAT HAPPENED TO THE MONEY AFTER  
IT WENT TO SOUTHEASTERN ADVERTISING, I HAVE NO IDEA.

A NO.

MR. MIMS: WE HAVE ANOTHER EXHIBIT FOR IDENTIFICATION. IF YOU WOULD, MARK IT AS EXHIBIT NO. 6 AND SHOW IT TO MR. TROTTER, PLEASE.

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(THEREUPON, THE DOCUMENT REFERRED  
TO ABOVE WAS MARKED AS DEPOSITION  
EXHIBIT NO. 6 - FOR IDENTIFICATION -  
AND WAS HANDED TO THE WITNESS.)

WITNESS: ALL RIGHT.

Q (BY MR. MIMS) I ASK, MR. TROTTER, IF YOU HAVE SEEN  
THIS DOCUMENT BEFORE; AND IF SO, WOULD YOU PLEASE  
DESCRIBE IT?

A I THINK I RECEIVED THE ORIGINAL OF THIS DOCUMENT  
ON OR ABOUT THE DATE SHOWN. NOW, WHEN I SAY "THE  
ORIGINAL OF THE DOCUMENT," I AM EXCLUDING THE TYPED  
PORTION AT THE BOTTOM OF THE EXHIBIT NO. 6; BECAUSE  
I DON'T THINK THAT WHEN I GOT THE---WELL, MAYBE IT---  
MAYBE THAT WAS ON THERE, BECAUSE THAT BEARS THE  
SAME DATE. I THINK I PROBABLY RECEIVED THE  
ORIGINAL OF IT JUST IN THE FORM IN WHICH IT IS HERE.

YOU PROBABLY GOT IT OUT---THIS OUT OF MY FILE,  
DIDN'T YOU?

Q THAT'S RIGHT.

A THE MATERIAL I SENT YOU.

Q RIGHT.

A YEAH, OKAY.

Q THERE IS A TYPED NOTE AT THE BOTTOM---

A UH-HUH (YES).

1 MR. TROTTER

DIRECT

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2 Q ---OF THE LETTER TO YOU, AND IT HAS THE NAME AT  
3 THE BOTTOM OF THE TYPED NOTE, "GERI." WHO IS "GERI"?

4 A GERI HARRELL, WHO IS MR. BAILEY'S SECRETARY AT  
5 FRANCHISE ENTERPRISES.

6 Q WOULD YOU SPELL THE LAST NAME FOR ME, PLEASE?

7 A I'LL TRY. I THINK IT'S H-A-R-R-E-L-L---I THINK.

8 Q THE NOTE AT THE BOTTOM---

9 A UH-HUH (YES).

10 Q ---SEEMS TO REFER TO A PRESS CONFERENCE OR  
11 LUNCHEON. DID YOU ATTEND A PRESS CONFERENCE  
12 RELATIVE TO THIS NOTE?

13 A NO, AND I---I DON'T KNOW WHAT SHE'S REFERRING TO  
14 THERE.

15 Q IF I MIGHT READ THE NOTE FOR THE RECORD, IT SAYS:  
16 "MR. TROTTER, HAVE BEEN UNABLE TO REACH YOU BY  
17 PHONE YESTERDAY OR TODAY. MR. BAILEY WILL BE IN  
18 MEETINGS UNTIL THURSDAY AFTERNOON, AND I BADLY NEED  
19 TO TALK TO YOU CONCERNING MONDAY'S PRESS CONFERENCE/  
20 LUNCHEON IN RALEIGH AND THE BILLBOARD PROGRAM."

21 DO YOU RECALL WHETHER THERE WAS A PRESS CONFERENCE?

22 A NO, I DON'T RECALL.

23 Q DID YOU ANSWER ANY QUESTIONS FOR GERI RELATIVE TO  
24 THIS NOTE?

25 A DID I ANSWER ANY QUESTIONS FOR HER?

1 MR. TROTTER DIRECT PAGE 50

2 Q YES. DID YOU CALL HER BACK AND DISCUSS THE NOTE?

3 A I HAVE NO RECOLLECTION OF HAVING DONE SO. IT'S

4 POSSIBLE. YOU KNOW, THIS---THIS DOESN'T SUGGEST

5 ANYTHING TO ME. I HAVE NO RECOLLECTION OF WHAT

6 THAT'S ABOUT AT ALL.

7 Q DO YOU HAVE ANY RECOLLECTION OF HAVING SPOKEN WITH

8 GERI AT ANY TIME?

9 A OH, YES, I'VE TALKED WITH HER LOTS OF TIMES.

10 Q ANYTHING ABOUT THE BILLBOARD FUND?

11 A YES, I'VE TALKED WITH HER ABOUT THE BILLBOARD FUND.

12 Q AND WOULD YOU TELL US ABOUT THAT, PLEASE.

13 A WELL, I CAN'T---I DON'T HAVE A RECOLLECTION OF

14 ANY SPECIFIC CONVERSATIONS THAT SHE AND I HAVE HAD

15 ABOUT---ABOUT THE BILLBOARD FUND. BUT SHE WAS

16 MR. BAILEY'S SECRETARY; AND HE WOULD LEAVE, FROM

17 TIME TO TIME WOULD ASK HER TO CALL ME AND DISCUSS

18 THINGS WITH ME OR CALL THINGS TO MY ATTENTION.

19 AND, YOU KNOW, NOTHING---NOTHING SPECIFIC COMES

20 TO MIND. BUT I---I HAVE HAD MANY, MANY TELEPHONE

21 CONVERSATIONS WITH GERI HARRELL ABOUT THIS AND

22 MANY, MANY OTHER SUBJECTS. WHEN I SAY "THIS," I'M

23 TALKING ABOUT THE BILLBOARD FUND.

24 Q DID THE BILLBOARD FUND EVER HOLD ANY PRESS CONFERENCE?

25 A NOT TO MY KNOWLEDGE.

A LET ME MAKE---MAKE THIS STATEMENT; AND THAT IS, THAT ONCE---ONCE THE UNDERTAKING GOT UNDERWAY, IT WAS JUST AUTOMA---ALMOST A MATTER OF THE NOTICES GOING OUT, THE CHECKS COMING IN, AND THE CHECKS BEING WRITTEN. AND, YOU KNOW, THAT WAS---AND THE

MR. TROTTER

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REPORTING TO THE F.E.C. AND THAT WAS THE EXTENT OF THE MATTER AS FAR AS I WAS CONCERNED WITH IT, UNTIL, YOU KNOW, THIS MATTER STARTED.

Q (BY MR. WHITEHEAD) LET ME ASK YOU A QUESTION. THE TENOR OF THAT NOTE BY GERI, WHO WAS THE SECRETARY OF MR. BAILEY, IS ALMOST IMPERATIVE. SHE'S HAVING DIFFICULTY BECAUSE HER BOSS HAS BEEN AT MEETINGS---

A UM-HUH (YES).

Q ---DAY AFTER DAY, AND SHE NEEDS THESE QUESTIONS ANSWERED. YOU HAVE ABSOLUTELY NO RECOLLECTION OF HER DISCUSSING A PRESS CONFERENCE OR LUNCHEON THAT WAS COMING UP THE MONDAY FOLLOWING THE JULY 26TH DATE, NO RECOLLECTION OF WHAT SHE MIGHT HAVE BEEN INTERESTED IN, WHAT ANSWERS SHE NEEDED TO GET TO GET TO THE PRESS TO HAVE AN ADVANCE RELEASE, OR NOTHING AT ALL? NO RECOLLECTION?

A NO, BUT LET ME SAY THIS. GERI HARRELL IS GIVEN TO EXCESSIVE STATEMENTS. SHE---AND I DON'T SAY THIS CRITICALLY OF JESSE---OF GERI. IT'S JUST, HER PERSONALITY IS THAT SHE SORT OF LIVES IN A CONTINUING STATE OF EMERGENCY; AND EVERYTHING IS ALWAYS URGENT AND, TO USE YOUR WORD, "IMPERATIVE," AND THAT SORT OF THING. SO, THIS IS JUST---YOU KNOW, THIS DOES NOT RECALL---

HEMILOCK

MR. TROTTER

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Q IT WAS JUST HER WAY OF EXPRESSING HERSELF---

A YEAH.

Q ---AND IT WAS NOT SUCH A BIG DEAL THAT IT WOULD REGISTER?

A IT DOES NOT, IN MY MIND, NO.

MR. WHITEHEAD: OKAY.

WITNESS: COULD WE GO OFF THE RECORD A SECOND?

MR. MIMS: YES, PLEASE DO.

WITNESS: WELL, WE DON'T HAVE TO GO OFF THE RECORD. I WAS JUST GOING TO SAY, IF YOU CARE TO ALTERNATE AMONG YOURSELVES WITH QUESTIONS, THAT'S ALL RIGHT WITH ME.

MR. WHITEHEAD: WELL, FINE, FINE. IF THAT'S ALL RIGHT WITH YOU.

WITNESS: YEAH, SURE. I DON'T CARE.

MR. WHITEHEAD: MANY LAWYERS DON'T PARTICULARLY COTTON TO HAVING TWO DIFFERENT STYLES COMING IN AND OUT.

WITNESS: NO, THAT'S FINE. YOU'RE TRYING TO GET AT THE TRUTH, AND I'M TRYING TO RESPOND WITH THE TRUTH. AND IF IT'S EASIER TO DO IT, THAT'S FINE WITH ME.

MR. MIMS: THANK YOU.

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THE REQUIREMENTS OF THE

A RIGHT. ERASABLE

Q -- THE BILLBOARDS. DID

A YES, I DID. WHAT I SAID---I THINK I WROTE A LETTER---  
AND I RECALL THAT I SUBMITTED A COPY OF IT TO YOU---IN

MR. MIMS: I'D LIKE TO HAVE THE REPORTER  
MARK THIS AS F.E.C. EXHIBIT NO. 7 FOR IDENTI-

(THEREUPON, THE DOCUMENT REFERRED  
TO ABOVE WAS MARKED AS DEPOSITION

(THEREUPON, THE REPORTER HANDS

Q (BY MR. MIMS) IS THAT THE LETTER TO WHICH YOU ARE

A YES

1 MR. TROTTER

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2 Q THE DOCUMENT THAT WE RECEIVED PURSUANT TO THE  
3 SUBPOENA HAS TWO PAGES; YET, THE SECOND PAGE IS  
4 MARKED "NO. 4." NOW, THE QUESTION IS, WHETHER YOU  
5 RECALL WHETHER THERE WAS ANY MORE TO THAT DOCUMENT.

6 A THERE WAS NOT. I DO NOT RECALL THAT THERE WAS.

7 Q WOULD YOU CHECK YOUR RECORDS AT THE CONCLUSION OF  
8 TODAY'S SESSION AND BE SURE OF THAT FOR ME, PLEASE.

9 A I THINK YOU'VE GOT MY RECORDS.

10 Q WE DIDN'T GET THE OTHER TWO PAGES.

11 A I SENT YOU MY ENTIRE FILES.

12 Q EVERYTHING?

13 A YES, I SENT YOU---I JUST BUNDLED UP MY ENTIRE FILES,  
14 AND YOU GOT EVERYTHING.

15 Q SO, THEN, IF THERE WAS ANYTHING CONTAINED IN A  
16 DOCUMENT THAT YOU WOULD HAVE WITHHELD FOR ANY  
17 PRIVILEGE OR ANY REASON, YOU WOULD HAVE STATED THAT?

18 A I DID NOT---I DID NOT WITHHOLD ANY DOCUMENTS. I  
19 SENT YOU EVERYTHING THAT I HAD.

20 Q (BY MR. WHITEHEAD) SO, IT'S LIKELY THAT THAT'S A  
21 TYPOGRAPHICAL ERROR?

22 A THAT WOULD BE MY GUESS.

23 Q DOES THE CONTINUITY OF THE LETTER GO---

24 A YES, THAT'S EXACTLY RIGHT. THE CONTINUITY IS HERE.  
25 I THINK IT HAS TO BE A TYPO.

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2 Q (BY MR. MIMS) WITH RESPECT TO PAYMENTS BY THE  
3 BILLBOARD FUND TO SOUTHEASTERN ADVERTISING FOR  
4 THE BILLBOARDS, IS THERE AN OUTSTANDING BALANCE THAT  
5 THE BILLBOARD FUND OWES SOUTHEASTERN ADVERTISING?

6 A SOUTHEASTERN ADVERTISING CLAIMS THAT THERE'S AN  
7 OUTSTANDING BALANCE, YES.

8 Q WOULD YOU ELABORATE ON THAT, PLEASE.

9 A I CAN'T GIVE YOU THE AMOUNT, BUT THERE ARE INVOICES  
10 THAT I HAVE SENT TO YOU THAT HAVE NOT BEEN HONORED.

11 Q HAVE YOU RECEIVED INVOICES SINCE YOU SUBMITTED  
12 THE MATERIAL---

13 A NO.

14 Q ---TO THE COMMISSION UNDER SUBPOENA?

15 A I DON'T THINK SO.

16 Q YOU SAY "THEY CLAIM" THAT YOU OWE THEM MONEY. WHY  
17 IS IT THAT THEY CLAIM THAT THEY YOU OWE THEM MONEY?  
18 I MEAN, WHAT IS IT THAT---

19 A WELL---YEAH. MY POSITION HAS BEEN: "I CALLED TO  
20 YOUR ATTENTION THAT THE ATTRIBUTION LEGENDS WERE  
21 INCORRECT AND SAID THAT WHEN YOU CORRECT THEM, I'LL  
22 THEN HONOR YOUR INVOICES. I'M NOT GOING TO HONOR  
23 YOUR INVOICES UNTIL THEY ARE CORRECTED." THE BILL-  
24 BOARDS REMAINED IN PLACE WITHOUT THE LEGENDS HAVING  
25 BEEN CORRECTED. NOW, THERE WAS AN ATTEMPT MADE TO

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CORRECT THE LEGENDS THAT I NOTED IN DRIVING BY  
THE BILLBOARDS. I DIDN'T ACTUALLY GO OUT AND  
INSPECT EACH BILLBOARD, BUT THERE WAS ONE THAT I  
WOULD DRIVE BY FAIRLY FREQUENTLY GOING TO WORK. AND  
I NOTICED THAT SOMEBODY HAD GONE AND PUT SOMETHING---  
OR IT LOOKED LIKE IT HAD BEEN PAINTED OVER. BUT  
YOU COULD STILL SEE WHAT WAS THERE BY THE USE OF,  
YOU KNOW, YOUR GLASSES. I COULDN'T READ IT. I COULD  
SEE THAT IT WAS STILL THERE. YOU KNOW, USING  
BINOCULARS, I COULD READ IT. AND IT HAD NOT---NOT  
ENOUGH PAINT HAD BEEN PUT ON IT TO OBSCURE IT. AND  
THE CORRECTED LEGEND HAD NOT BEEN PUT IN PLACE.  
SO, EVEN THOUGH THE BILLBOARDS CONTINUED TO BE IN  
PLACE, I REFUSED TO HONOR THE INVOICES AND HAVE NOT  
HONORED THE INVOICES.

MR. MIMS: I'D LIKE TO HAVE THE REPORTER  
MARK THESE AS F.E.C. EXHIBITS NO. 8 AND 9.

(THEREUPON, THE DOCUMENTS REFERRED TO  
ABOVE WERE MARKED AS DEPOSITION EXHIBIT  
NOS. 8 AND 9 - FOR IDENTIFICATION.)

MR. MIMS: WOULD YOU SHOW THOSE TO  
MR. TROTTER, PLEASE.

(THEREUPON, THE REPORTER HANDS  
DOCUMENTS TO WITNESS.)

HEMLOCK  
ERASABLE  
COTTON CONTENT

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2 Q (BY MR. MIMS) HAVE YOU SEEN THOSE DOCUMENTS BEFORE,

3 MR. TROTTER?

4 A YES.

5 Q AND WERE THEY SENT TO YOU BY MR. BAILEY?

6 A WELL, I RECEIVED COPIES OF THEM; AND I PRESUME---YOU

7 KNOW, I PRESUME IT CAME FROM MR. BAILEY.

8 Q DID YOU HAVE ANY CONVERSATION WITH MR. BAILEY OUTSIDE

9 OF THE LETTER WHERE YOU INDICATED THE ATTRIBUTION

10 LEGEND HAD TO BE CHANGED?

11 A YES.

12 Q AND WOULD YOU TELL ME A LITTLE BIT ABOUT THAT, PLEASE.

13 A WELL, I'M NOT SURE WHETHER I HAD THE CONVERSATION

14 BEFORE I SENT THE LETTERS OR AFTER I SENT THE

15 LETTERS, OR BOTH; BUT I WOULD GUESS BOTH. AND THE

16 GIST OF IT WAS, YOU KNOW, "JACK, THESE ATTRIBUTION

17 LEGENDS ARE NOT CORRECT; AND HERE'S WHY THEY'RE

18 NOT CORRECT. AND THE ATTRIBUTION LEGENDS HAVE TO

19 BE CHANGED. AND I'M NOT GOING TO PAY ANY INVOICES

20 UNTIL THEY ARE CHANGED." AND HE, YOU KNOW, READILY

21 AGREED. I MEAN, THERE WAS NO DISAGREEMENT ON OUR

22 PART---ON HIS PART, WITH RESPECT TO THAT. IT WAS

23 JUST NEVER DONE.

24 MR. MIMS: WOULD YOU MARK THIS AS EXHIBIT,

25 FOR IDENTIFICATION, NO. 10, PLEASE.

HEMLOCK

EXHIBIT NO. 10 - FOR IDENTIFICATION

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(THEREUPON, THE DOCUMENT REFERRED  
TO ABOVE WAS MARKED AS DEPOSITION  
EXHIBIT NO. 10 - FOR IDENTIFICATION.)

Q (BY MR. MIMS) MR. TROTTER, IS THAT AN INVOICE FROM  
SOUTHEASTERN ADVERTISING TO THE BILLBOARD FUND?

A YES.

Q AND WHAT DOES IT APPEAR TO BE FOR?

A IT'S "SEPTEMBER RENT FOR HELMS SIGN"; AND THEN, UNDER-  
NEATH THAT IS, "REPRODUCED NEW COPY FOR PART OF BILL-  
BOARD"; AND THEN, "PAID TO GLASGOW SIGN SERVICE."

Q AND DO YOU KNOW WHAT THAT REPRODUCTION CHARGE IS FOR?

WITNESS: HAVE YOU GOT A COPY OF THE  
PRICE LETTER?

MR. MIMS: LET'S GO OFF THE RECORD FOR  
JUST A SECOND.

(THEREUPON, THERE WAS A BRIEF PAUSE.)

MR. WHITEHEAD: NO, WE DO NOT HAVE A COPY  
OF THE PRICE LETTER WITH US.

A THE INVOICE SAYS, DOWN AT THE BOTTOM OF THE PAGE,  
"GLASGOW SIGN SERVICE." GLASGOW WAS ONE OF TWO  
SIGN SERVICES THAT HAD THE BILLBOARDS. I DON'T  
REMEMBER WHICH ONES THEY WERE. AND SO, I'M UNABLE  
TO IDENTIFY WHAT THAT "REPRODUCED NEW COPY FOR  
PART OF BILLBOARD" IS. BECAUSE I DON'T---I CAN'T

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REMEMBER WHICH ONES WERE THE GLASGOW SIGNS. LET ME  
LOOK AT---

Q (BY MR. MIMS) DID YOU REQUEST THAT ANY OTHER PART  
OF ANY OTHER SIGNS BE REPRODUCED?

A NO.

Q DID MR. BAILEY EVER TELL YOU THAT THE ATTRIBUTION  
LEGENDS HAD BEEN CHANGED PER YOUR SUGGESTIONS?

A NO, HE DID---NOT THAT I RECALL. WHAT HE DID DO,  
THOUGH, WAS TO TELL ME THAT HE HAD GIVEN INSTRUCTIONS  
THAT THEY BE CHANGED. NO, I TAKE THAT BACK. I  
BELIEVE HE TOLD ME THAT HE WAS GOING TO GIVE  
INSTRUCTIONS; AND THEN, I GOT THE COPIES OF THE  
LETTERS FINALLY THAT INDICATED THAT HE HAD GIVEN  
THE INSTRUCTIONS.

Q HOW LONG DID THE BILLBOARD SIGNS STAY IN PLACE?

A WELL, THE FIRST ONE WAS ALREADY IN PLACE WHEN THE  
BILLBOARD-FUND GROUP CAME TOGETHER.

Q LET ME RESTATE THAT. IT MIGHT BE EASIER.

WHEN WERE THEY REMOVED? WHEN WERE THEY FINALLY  
TAKEN DOWN?

A I CAN'T TELL YOU THAT THEY'VE ALL BEEN TAKEN DOWN  
NOW. THERE ARE---I KNOW THE ONE ON 64 WEST IS GONE,  
BECAUSE I DRIVE BY THAT ONE FREQUENTLY---OR WHERE  
IT WAS. SO, I KNOW THAT ONE'S GONE. THE ONE THAT

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WAS ON 301 SOUTH, AS I RECALL, STAYED IN PLACE THROUGH NOVEMBER. AND I CAN'T TELL YOU WHEN IT WAS TAKEN DOWN, BUT IT IS---MY RECOLLECTION IS THAT IT IS DOWN NOW. THE OTHER TWO, I HAVEN'T SEEN, AND I DON'T KNOW WHETHER THEY'RE DOWN OR NOT. THEY ARE OFF MY BEATEN TRACK.

Q WHEN YOU---

LET ME EXPLAIN SOMETHING. ROCKY MOUNT IS A FUNNY COMMUNITY, IN THAT IT IS SPLIT BY A RAILROAD TRACK. AND NASH COUNTY IS ON ONE SIDE OF THE RAILROAD TRACK, AND EDGECOMBE COUNTY IS ON THE OTHER SIDE OF THE RAILROAD TRACK. AND YOU EITHER LIVE IN NASH AND FUNCTION IN NASH, OR LIVE IN EDGECOMBE AND FUNCTION IN EDGECOMBE. BUT WHICHEVER ONE YOU'RE IN, THE OTHER SIDE IS OFF YOUR NORMAL BEATEN TRACK. AND SO, THE NASH SIGNS I WOULD SEE AS I'D GO TO AND FROM WORK AND TRAVEL FROM ROCKY MOUNT TO RALEIGH, AND ONLY OCCASIONALLY SEE THEM WHEN I WOULD WANDER OVER TO EDGECOMBE COUNTY. THAT'S WHY I'M---KEEP TALKING ABOUT THOSE THAT ARE ON MY BEATEN TRACK.

Q (BY MR. WHITEHEAD) IS ROCKY MOUNT THE COUNTY SEAT  
OF EITHER ONE OF THOSE COUNTIES?

A NO.

Q SO, AS A LAWYER, YOU HAVE TO GO TO ONE COUNTY SEAT

UNCLASSIFIED  
CONTENT

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IF YOU'RE ON THIS SIDE OF THE RAILROAD TRACKS, AND  
THE OTHER COUNTY SEAT IF YOU'RE ON THE OTHER SIDE  
OF THE RAILROAD TRACKS?

A THAT'S RIGHT.

Q (BY MR. MIMS) AS THE PERSON WHO AGREED TO COLLECT  
THE MONEY AND MAKE THE PAYMENTS FOR THE BILLBOARD  
FUND, DID YOU HAVE ANY UNDERSTANDING WITH MR. BAILEY  
ON JUST HOW LONG YOU WOULD FUNCTION IN THAT CAPACITY,  
COLLECTING MONEY AND MAKING PAYMENTS FOR THOSE SIGNS?  
WHEN WAS YOUR EXPECTATION THAT YOU WOULD NO LONGER  
HAVE TO DO THIS?

A IT WAS OPEN-ENDED.

Q OPEN-ENDED? SO, AS FAR AS YOU WERE CONCERNED,  
YOU COULD HAVE COLLECTED MONEY THROUGH TODAY. IS  
THAT RIGHT?

A THAT'S RIGHT. I STOPPED COLLECTING---I STOPPED  
SENDING INVOICES OUT AND COLLECTING THE FUNDS---WELL,  
ACCORDING TO THIS, I STOPPED IN JULY OF 1984. THE  
FIFTY DOLLARS THAT WAS RECEIVED IN AUGUST OF 1984,  
THERE WAS---I RECALL MY SECRETARY---I DON'T---THERE  
WAS SOMETHING UNUSUAL ABOUT THAT---THAT FIFTY DOLLARS,  
AND---BUT I---I THINK THE LAST MAILING WENT OUT IN  
JULY OF 1984.

MR. WHITEHEAD: LET THE RECORD REFLECT

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UNLOCK

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THAT MR. TROTTER WAS REFERRING TO F.E.C.  
EXHIBIT NO. 4.

WITNESS: RIGHT, WHICH IS THE LEDGER SHEETS.

Q (BY MR. MIMS) HAS MR. BAILEY CONTACTED YOU SINCE  
YOU MADE YOUR LAST PAYMENT ON AN INVOICE, WITH  
RESPECT TO ANY ADDITIONAL AMOUNTS OWING SOUTHEASTERN  
ADVERTISING?

A YES, HE'S TALKED WITH ME A COUPLE OF TIMES ON THE  
TELEPHONE ABOUT IT, SAYING THAT---THAT THE AMOUNT  
IS OWED AND THE AMOUNT'S GOT TO BE---YOU KNOW, IT'S  
GOT TO BE PAID.

Q AND HAS HE TAKEN ANY STEPS TO COLLECT THAT DEBT---

A HUH-UH (NO).

Q ---OTHER THAN A PHONE CONVERSATION?

A NO, NO.

Q DO YOU KNOW HOW LARGE THAT DEBT IS FROM MR. BAILEY'S  
ASSERTION?

A NO.

Q (BY MR. WHITEHEAD) NOW THAT THE CAMPAIGN IS OVER  
AND AT LEAST TWO SIGNS ARE DOWN, TO YOUR RECOLLECTION---  
OR TO YOUR KNOWLEDGE, BECAUSE YOU'VE PASSED THEM---DO  
YOU INTEND TO PAY IN CONNECTION WITH THE SIGNS, NOW  
THAT EVERYTHING IS OVER, IN EFFECT?

A WELL, THE FUNDS THAT REMAIN ARE NOT MY FUNDS. AND I

HEMLOCK  
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1 DON'T THINK I HAVE A VERY CLEAR INTENT WITH RESPECT  
2 TO WHAT'S TO HAPPEN. I THINK WHAT I'VE BEEN DOING  
3 IS WAITING TO SEE WHAT THE DISPOSITION OF THIS  
4 MATTER WAS GOING TO BE AND TO, YOU KNOW, GET INSTRUCTIONS  
5 ON HOW DO I HANDLE THIS. I FEEL LIKE I'M IN  
6 A---A VERY UNCERTAIN POSITION ON IT, AND I WANT TO  
7 DO WHATEVER IS THE RIGHT THING TO DO. I DO KNOW  
8 THE MONEY'S NOT MINE.

9  
10 Q (BY MR. MIMS) MR. TROTTER, HAVE YOU AT ANY TIME  
11 SERVED IN ANY OFFICIAL CAPACITY ON ANY POLITICAL COMMITTEE  
12 OR ANY CAMPAIGN FOR A CANDIDATE FOR POLITICAL OFFICE?

13 A YES.

14 Q AND WOULD YOU DESCRIBE THAT, PLEASE.

15 A YES. I WAS NASH COUNTY CHAIRMAN FOR THE JIM MARTIN  
16 FOR GOVERNOR IN 1984. AND I WAS PART OF A GROUP  
17 CALLED "NASH COUNTY FORWARD," AND IT SPONSORED HELEN  
18 LAUGHERY AND GEORGE MOORE'S CAMPAIGNS FOR COUNTY COM-  
19 MISSIONERS IN 1982. AND IN THE 1978 HELMS CAMPAIGN,  
20 AS I RECALL, I SOLICITED MONEY FOR SENATOR HELMS.

21 Q (BY MR. WHITEHEAD) IN CONNECTION WITH THE 1984  
22 SENATOR HELMS CAMPAIGN---

23 A 1984?

24 Q YES---WERE YOU EVER INVOLVED IN ANY WAY WITH THAT  
25 PARTICULAR CAMPAIGN?

A I ATTENDED A MEETING IN, I THINK, THE SPRING OF 1984.

HEMLOCK

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IN ROCKY MOUNT---NO, IT WASN'T IN THE SPRING OF 1984, EITHER. IT MUST HAVE BEEN IN THE LATE FALL OF 1983---IN ROCKY MOUNT, AT WHICH TIME THERE WAS AN EFFORT MADE TO PUT TOGETHER A FUND SOLICITATION FOR THE CAMPAIGN. AND---BUT I TOOK ON MY RESPONSIBILITIES WITH THE MARTIN CAMPAIGN SHORTLY THEREAFTER AS I RECALL, IT WAS JUST BEFORE CHRISTMAS OF 1983 THAT I ATTENDED THAT. AND THEN I TOOK ON MY RESPONSIBILITIES WITH THE MARTIN CAMPAIGN AND ENDED---ENDED THAT. I WENT TO ONE---THAT ONE LUNCHEON---OR MEETING, AS I RECALL IT WAS; AND THEN, I ACTUALLY CALLED ON SOME PEOPLE AND ASKED THEM TO HELP ME CALL ON SOME PEOPLE. WE WERE PUTTING TOGETHER A GROUP OF NAMES FOR PEOPLE TO CALL, AND I NEVER ACTUALLY COLLECTED ANY MONEY, NOR DID I SUPERVISE THEIR DOING IT. I SIMPLY SHIFTED INTO THE MARTIN CAMPAIGN.

Q IN CONNECTION WITH THAT PARTICULAR MEETING IN THE LATE FALL OF 1983---

A UH-HUH (YES).

Q ---THE SENATOR HELMS FUND-RAISING EFFORT, DO YOU RECALL WHO WAS AT THAT MEETING IN ROCKY MOUNT?

A WELL, THERE WERE A LARGE NUMBER OF PEOPLE.

Q TWENTY PEOPLE? FIFTY PEOPLE?

A I WOULD SAY AT LEAST TWENTY THERE.

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2 Q WHO CALLED THE MEETING?

3 A I DON'T RECALL. BUT I RECALL THAT---

4 Q HOW WERE YOU CONTACTED?

5 A WELL, I RECALL MS. LAUGHERY, HELEN LAUGHERY, BEING

6 INVOLVED.

7 Q SHE CONTACTED YOU. IS THAT YOUR TESTIMONY?

8 A I'M NOT SURE, NO, THAT SHE DID. BUT I RECALL THAT---

9 THAT SHE WAS THERE, AND I RECALL---NOW THAT I'M

10 PICKING UP ON THIS THING, I RECALL THAT SHE, AT THAT

11 PARTICULAR TIME, WAS IDENTIFIED AS THE PERSON

12 HEADING THE HELMS CAMPAIGN IN NASH COUNTY. AND

13 I THINK, FOR A WHILE, SHE MAY HAVE DONE THAT.

14 Q ANYBODY---WAS CARTER WRENN AT THAT PARTICULAR MEETING

15 IN ROCKY MOUNT, DO YOU KNOW?

16 A I DO NOT THINK SO. I THINK THEY HAD ONE OF THEIR

17 FIELD REPS THERE.

18 Q WHO WOULD THAT BE? DO YOU HAVE ANY IDEA?

19 A NO.

20 Q WHERE WAS IT HELD IN ROCKY MOUNT---EXCUSE ME.

21 A I WAS GOING TO SAY THIS. I HAVE CONTRIBUTED TO THE

22 CONGRESSIONAL CLUB OVER A NUMBER OF YEARS. AS A

23 MATTER OF FACT, I ASKED---AT ONE TIME, I ASKED

24 SENATOR HELMS TO CONSIDER ME FOR AN APPOINTMENT TO

25 THE FEDERAL BENCH. AND HE DIDN'T DO IT, BUT---I DON'T

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KNOW WHETHER HE CONSIDERED ME OR NOT, BUT I DID NOT GET THE APPOINTMENT. LET'S PUT IT THAT WAY.

AND I CONTRIBUTED ANNUALLY TO THE CONGRESSIONAL CLUB AND I CONTRIBUTED TO---I KNOW, TO HIS 1978 CAMPAIGN AND TO HIS 1972 CAMPAIGN. I'VE BEEN A SUPPORTER OF SENATOR HELMS FROM THE BEGINNING.

Q DID YOU CONTRIBUTE IN ANY WAY TO THE 1984 CAMPAIGN?

A I THINK I DID. I THINK I SENT FIVE HUNDRED DOLLARS, BUT I'M NOT SURE.

Q WAS THAT TO THE CAMPAIGN OR TO THE CONGRESSIONAL CLUB?

A I DON'T REMEMBER, BUT I THINK I SENT IT TO THE CAMPAIGN. BUT I'M NOT SURE. BUT I THINK I SENT IT TO THE CAMPAIGN. I REMEMBER BEING CONCERNED THAT I NOT EXCEED THE CONTRIBUTION LIMIT; AND IF I HAD GIVEN TO THE CONGRESSIONAL CLUB, I WOULDN'T HAVE HAD THAT CONCERN. MY RECOLLECTION, AGAIN, IS---IS THAT, AS BETWEEN THE TWO, I FIGURED THAT SENATOR HELMS' CAMPAIGN NEEDED MY CONTRIBUTION MORE THAN THE CONGRESSIONAL CLUB DID.

Q GOING BACK TO THAT MEETING IN THE LATE FALL OF 1983---

A UH-HUH (YES).

Q ---WHERE WAS IT HELD IN ROCKY MOUNT? DO YOU HAVE ANY IDEA?

A YEAH. AS I RECALL, IT WAS AT THE CARLTON HOUSE.

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Q WAS THERE AN EXPECTATION TO RAISE FUNDS FOR THE  
CAMPAIGN AT THAT PARTICULAR MEETING? DO YOU RECALL?

A YEAH. I DON'T---YOUR VERB IS AN UNUSUAL ONE. BUT  
WE WERE ASKED TO RAISE---YEAH, WE WERE ASKED TO  
RAISE MONEY. WE WERE THERE TO BE ASKED TO HELP  
RAISE MONEY. YEAH.

Q WHAT PARTICULAR FUND RAISING DID THEY SAY FOR YOU,  
MR. TROTTER, TO DO? DID THEY SUGGEST ANYTHING TO  
YOU, MAKE A LIST OF PEOPLE, WHATEVER?

A THERE WAS---THERE WERE A LIST OF CARDS, A STACK  
OF CARDS THERE; AND THE CARDS WERE PASSED OUT---WELL,  
I BELIEVE---I BELIEVE WE SELECTED CARDS, AS I RECALL.

Q THOSE CARDS ALREADY HAD NAMES PRINTED ON THEM?

A YES.

Q NAMES, ADDRESSES, TELEPHONE NUMBERS?

A YES, UH-HUH.

Q AND YOU CHOSE HOW MANY NAMES? PERHAPS TEN, FIFTEEN  
TWENTY?

A NO, I DIDN'T HAVE---I DIDN'T HAVE OVER TEN.

Q THESE WERE PEOPLE YOU KNEW?

A YES.

Q DID YOU MAKE ANY PHONE CALLS OR WRITE ANY LETTERS  
OR HAVE ANY PERSONAL MEETINGS WITH ANY OF THESE  
PEOPLE?

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FOR ON CONT

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A I RECALL THAT I TALKED WITH AT LEAST TWO, ONE BY TELEPHONE AND ONE BY PERSONAL VISIT.

Q DID YOU AT ANY TIME ACCEPT ANY CONTRIBUTIONS FROM EITHER ONE OF THESE TWO PEOPLE FOR THE CAMPAIGN?

A I DON'T THINK I DID. I DON'T RECALL HAVING DONE SO. I GOT INVOLVED---SEE, WE HAD A FUND-RAISER---NOT FUND-RAIDER. WE HAD A LINCOLN DAY DINNER PRECEDED BY A---WELL, IT WAS A FUND-RAISER---A COCKTAIL PARTY FOR GOVERNOR MARTIN ON JANUARY---AS I RECALL, JANUARY THE 7TH.

Q SO, THIS WAS AFTER THE FUND-RAISING MEETING IN LATE 1983?

A YES. AND BEFORE---BEFORE I GOT MY EFFORTS UNDERWAY, I HAD TAKEN ON THE RESPONSIBILITY OF THE MARTIN THING.

Q WHAT WERE YOUR DUTIES AS FAR AS THE MARTIN CAMPAIGN WAS CONCERNED?

A I WAS NASH COUNTY CHAIRMAN.

Q I THINK YOU PROBABLY TESTIFIED TO THAT EARLIER.

A YES, UH-HUH. THAT WAS MY OFFICIAL TITLE. I ALSO RAISED MONEY FOR HIM.

Q WELL THEN, ASIDE FROM THIS PARTICULAR EFFORT, THE BILLBOARD FUND, DID YOU HAVE ANY OTHER ACTIVITY ON BEHALF OF SENATOR HELMS?

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A IN HIS CAMPAIGN?

Q UH-HUH (YES).

A NOT REALLY. THERE WAS A---IN ROCKY MOUNT, A HEADQUARTERS FOR THE MARTIN---REAGAN/MARTIN/HELMS CAMPAIGNS. AND THERE WERE CAMPAIGN MATERIALS THERE. AND I'M SURE AT ONE TIME OR ANOTHER I PASSED OUT CAMPAIGN MATERIALS FOR---YOU KNOW, PEOPLE WOULD COME IN AND SAY, "I'D LIKE TO HAVE CAMPAIGN MATERIALS"; AND I'M SURE I PASSED THEM OUT.

Q DID THIS CONSIST OF SLATE CARDS OR SOME SORT OF---

A OH, THERE WERE BUTTONS; THERE WERE BUMPER STICKERS; THERE WERE YARD SIGNS.

Q WERE THESE ALL A JOINT EFFORT? I MEAN, WAS THERE ONE LOCATION WHERE YOU COULD PICK ANY ONE OF THE CANDIDATES'---REAGAN, HELMS OR MARTIN---BUMPER STICKERS, YARD SIGNS?

A YES.

Q WHERE WAS THAT LOCATED IN ROCKY MOUNT?

A IT WAS ON SUNSET AVENUE.

Q WHOSE CAMPAIGN HEADQUARTERS WAS IT?

A WELL, IT WAS---THE MARTIN CAMPAIGN PAID FOR PART OF IT, AND THERE WERE---THERE WAS A---PART OF IT WAS PAID FOR BY THE HELMS CAMPAIGN. I DON'T RECALL THAT---WHEN I SAY "THE HELMS CAMPAIGN," I'M MISLEADING

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2 YOU THERE. IT WAS NOT---OR MISSTATING THAT, BECAUSE

3 I'M NOT INTENTIONALLY MISLEADING YOU.

4 Q UH-HUH; GO AHEAD.

5 A I THINK THOSE FUNDS CAME FROM LOCALLY-COLLECTED

6 FUNDS IN BEHALF OF SENATOR HELMS, BUT I'M NOT SURE

7 OF THAT. BUT I---THERE WERE NO CONTACTS WITH THE

8 HELMS ORGANIZATION AS SUCH, THE HELMS CAMPAIGN AS

9 SUCH.

10 Q YOU TESTIFIED, I BELIEVE, THAT ALL OF THESE THINGS---

11 YARD SIGNS, BUTTONS, FLIERS, THAT KIND OF THING---WERE

12 ALL AT THAT ONE LOCATION. THEY COULD BE GIVEN OUT

13 TO PEOPLE WHO NEEDED THEM, EITHER FOR MARTIN, FOR

14 HELMS OR FOR REAGAN.

15 A YES.

16 Q IS THAT RIGHT?

17 A THAT'S RIGHT.

18 Q BUT THE PREMISES THEMSELVES WERE, AS I UNDERSTAND

19 YOU, GOVERNOR MARTIN'S RENTED PREMISES. IT WAS FOR

20 THE MARTIN CAMPAIGN. IS THAT CORRECT?

21 A THEY WERE SHARED.

22 Q SHARED?

23 A SHARED.

24 Q SO, THERE WAS AN ALLOCATION. WAS THERE AN ALLOCATION,

25 IS MY QUESTION; NOT "THERE WAS."

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2 A YEAH. THAT'S RIGHT. THEY WERE SHARED---SHARED AND---  
3 SHARED OCCUPANCY AND, ALTHOUGH THERE WAS---I'M NOT  
4 SAYING THIS AS ACCURATELY AS I WANT TO. I'M TRYING  
5 TO GET IT RIGHT.

6 THE PEOPLE WHO WERE THERE WERE THE---ON A DAY-TO-  
7 DAY BASIS. I WAS NOT THERE. I WAS IN MY LAW PRAC-  
8 TICES, AND I WAS IN AND OUT---IN AND OUT OF THERE.  
9 BUT THE PEOPLE WHO MANNED THE HEADQUARTERS WERE  
10 BASICALLY MARTIN PEOPLE. AND THE---WE HAD THE---THE  
11 HELMS MATERIALS WERE THERE AND AVAILABLE AND WERE,  
12 YOU KNOW, DISTRIBUTED FROM THERE.

13 Q WHERE DID THE MATERIALS THAT RELATE TO SENATOR  
14 HELMS---IN YOUR RECOLLECTION, WHERE DID THEY COME  
15 FROM?

16 A I THINK THEY CAME THROUGH SOUTHEASTERN ADVERTISING---  
17 I THINK.

18 Q SO, SOUTHEASTERN ADVERTISING, AS FAR AS YOU KNOW,  
19 SUPPLIED THE VARIOUS MATERIALS THAT WERE ON THE  
20 PREMISES IN THE GOVERNOR MARTIN HEADQUARTERS IN  
21 ROCKY MOUNT. IS THAT RIGHT?

22 A WELL, I CAN'T SAY THAT. YOU KNOW, I WOULD GO OUT  
23 THERE ONE DAY AND THEY WOULDN'T BE THERE. I'D GO  
24 OUT THERE THE NEXT DAY, AND THERE THEY'D BE. WHO  
25 ACTUALLY---HOW THEY ACTUALLY, PHYSICALLY, GOT FROM

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ONE PLACE TO THE OTHER, I DON'T KNOW. BUT THERE WERE BUMPER STICKERS OR BUTTONS. THERE WERE YARD SIGNS.

Q AND SOUTHEASTERN ADVERTISING, AS FAR AS YOU KNOW, WERE THE ONES THAT SUPPLIED EACH AND EVERY ITEM, YARD SIGNS, BUMPER STICKERS. IS THAT RIGHT?

A INSOFAR AS I KNOW. THEY DID NOT COME FROM THE HELMS ORGANIZATION. I DO KNOW THAT.

Q DID MR. BAILEY IN ANY WAY PAY FOR THE PREMISES THAT WERE USED, IN A JOINT EFFORT, FOR SENATOR HELMS, GOVERNOR MARTIN, PRESIDENT REAGAN?

A NOT TO MY KNOWLEDGE.

Q DID SOUTHEASTERN ADVERTISING?

A NOT TO MY KNOWLEDGE.

Q SO, AS FAR AS YOU KNOW, THE ONLY THINGS THAT CAME IN FROM SOUTHEASTERN ADVERTISING THAT WERE ON THOSE PREMISES WERE THE VARIOUS TYPES OF POLITICAL PARAPHERNALIA, IF YOU WILL---YARD SIGNS, BUMPER STICKERS.

A YES, INSOFAR AS I KNOW; UH-HUH.

Q DID YOU---

A LET ME SAY THIS. IT WAS A---IT WAS A LOCAL EFFORT. NOW, THERE---LATER ON, THERE WAS A HELMS CAMPAIGN EFFORT ACROSS THE STREET FROM US WHERE THE HELMS ORGANIZATION ACTUALLY HAD A HEADQUARTERS OF THEIR OWN.

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2 WHENEVER SENATOR---WELL, THE ONE OR TWO TIMES THAT  
3 SENATOR HELMS CAME THERE, HE CAME TO THAT PARTICULAR  
4 LOCATION.

5 Q CAN YOU SET THAT IN TIME?

6 A YEAH. OURS---I CAN'T SAY THAT IT WAS A G.O.P. EFFORT,  
7 BECAUSE THERE WERE A LOT OF LOCAL G.O.P. CANDIDATES THAT  
8 WE DID NOT---WE WOULD NOT LET THEM PUT THEIR SIGNS  
9 OUT IN THE YARD AND THAT SORT OF THING. I REMEMBER  
10 ONE FELLOW GOT AWFULLY PUT OUT WITH ME ABOUT IT.  
11 AND THE REASON WE DID NOT, IS WE---WE WANTED TO  
12 RETAIN THE REAGAN/HELMS/MARTIN, THOSE THREE NAMES,  
13 BEFORE THE PUBLIC AND NOT HAVE THESE LESSER OFFICES  
14 INVOLVED. BUT IT WAS THE EFFORT OF OUR LOCAL GROUP.  
15 REMEMBER I SAID THAT---THAT GENE LEWIS AND THE  
16 LAUGHERYS, JACK BAILEY AND I, YOU KNOW, ACTED AS  
17 SPONSORS FOR THE G.O.P. CAMPAIGN EFFORTS.

18 Q DID YOU EVER HAVE ANY DISCUSSIONS WITH EITHER JACK  
19 BAILEY OR HIS SECRETARY, GERI---

20 A GERI HARRELL.

21 Q ---IN CONNECTION WITH THE MATERIAL SUPPLIED BY  
22 SOUTHEASTERN ADVERTISING TO THE SENATOR HELMS  
23 CAMPAIGN? AGAIN, I'M NOT TALKING IN TERMS OF  
24 BILLBOARDS. I'M TALKING IN TERMS OF THE, WHAT I  
25 WOULD CALL FOR LACK OF A BETTER TERM, "POLITICAL

1 MR. TROTTER

DIRECT

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2 PARAPHERNALIA," SUCH AS YARD SIGNS, BUMPER STICKERS,  
3 ET CETERA.

4 A GIVE ME YOUR QUESTION AGAIN. BECAUSE THERE'S A  
5 PART OF YOUR QUESTION THAT I DON'T AGREE WITH.

6 Q ALL RIGHT. DID YOU HAVE ANY DISCUSSIONS---AND YOU CAN  
7 TELL ME WHICH PART YOU DIDN'T DISCUSS---

8 A ALL RIGHT.

9 Q ---BUT LET'S ANSWER WHAT YOU CAN.

10 A ALL RIGHT.

11 Q DISCUSSIONS WITH MR. BAILEY, FOR EXAMPLE, IN CONNEC-  
12 TION WITH HIS SUPPLYING THESE VARIOUS POLITICAL ITEMS.

13 A I'M SURE THAT HE, AT ONE TIME OR ANOTHER, MAY HAVE  
14 CALLED ME AND SAID, "SOME HAVE COME OUT THERE"---YOU  
15 KNOW, THAT SORT OF THING. BUT AS FAR AS---WELL,  
16 LET ME SAY THIS. I HAD DISCUSSIONS WITH HIM  
17 CONCERNING GETTING THE LOCATION. YOU KNOW, HE WAS  
18 INVOLVED IN THE MARTIN CAMPAIGN, TOO; NOT OFFICIALLY  
19 INVOLVED, BUT HE---HE WORKED VERY HARD FOR JIM MARTIN.  
20 AND, AS I SAY, THIS LITTLE GROUP OF PEOPLE THAT I  
21 HAVE DESCRIBED TO YOU SPONSORED THAT HEADQUARTERS,  
22 SPONSORED IT IN THE SENSE THAT---THAT WE PUT IT  
23 TOGETHER AS A LOCAL EFFORT. BUT, YES, I HAD---NOT  
24 JUST OCCASIONAL. IN THE EARLY DAYS PARTICULARLY,  
25 I HAD MANY CONVERSATIONS WITH MR. BAILEY CONCERNING IT.

MR. TROTTER

DIRECT

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AND I'M SURE WITH GERI HARRELL, TOO, WHEN HE WOULD BE OUT OF TOWN. MR. BAILEY TRAVELS A GREAT DEAL OF THE TIME. AND WHAT HE WOULD DO, FREQUENTLY, WOULD BE TO CALL IN TO GERI HARRELL AND, IN THE COURSE OF THE CONVERSA---AS A RESULT OF THAT, GERI HARRELL WOULD THEN CALL ME AND SAY, "I JUST TALKED TO MR. BAILEY, AND HE SAYS...." THUS AND SO.

Q WELL, DID MR. BAILEY---

A WE'RE NOT STRANGERS TO EACH OTHER.

Q WELL, I UNDERSTAND THAT.

A WE'RE CLOSE PEOPLE.

Q THERE'S NO QUESTION ABOUT THAT IN MY MIND.

DID MR. BAILEY EVER DISCUSS WITH YOU THE FACT THAT HE WAS PRINTING UP THESE YARD SIGNS?

A YES.

Q DID HE EVER DISCUSS WITH YOU THE FACT THAT HE WAS PRINTING UP THESE BUMPER STICKERS?

A I THINK THE ANSWER TO THAT IS---"PRINTING UP" IS NOT THE RIGHT WORDS; BUT HE WAS HAVING IT DONE, YES. THEY WERE BEING PREPARED, YES.

Q PREPARING THEM?

A YES, YES.

Q MAKING SURE THAT THEY---

A HE WAS HAVING THEM PREPARED, YES.

1 MR. TROTTER

DIRECT

PAGE 77

2 Q WHAT WERE THOSE DISCUSSIONS ABOUT? WHAT DID HE  
3 SAY TO YOU, IF YOU CAN RECALL?

4 A JUST THAT "I'M HAVING THEM DONE..." AND THAT, YOU  
5 KNOW, "WE'RE SENDING THEM OUT"---THAT SORT OF THING.

6 Q DID HE SUGGEST THAT HE WAS HAVING THEM DONE AT  
7 ANYBODY'S DIRECTION?

8 A NO.

9 Q WHO PAID FOR THESE VARIOUS---FOR THE YARD SIGNS,  
10 LET'S SAY?

11 A I DID NOT. I DO NOT KNOW WHO DID.

12 Q DID ANYBODY EVER MENTION TO YOU WHO MIGHT HAVE PAID  
13 FOR THEM?

14 A I DON'T RECALL THAT THEY DID.

15 Q DID MR. BAILEY SAY THAT HE PAID FOR THEM?

16 A I DON'T RECALL HIS EVER SAYING THAT HE DID.

17 Q DID MR. BAILEY EVER PRINT UP OR MAKE THE SIGNS  
18 THAT PERTAINED TO GOVERNOR MARTIN'S EFFORT? WERE  
19 THE BUMPER STICKERS FOR GOVERNOR MARTIN A PRODUCT  
20 OF SOUTHEASTERN ADVERTISING?

21 A THERE WERE BUMPER STICKERS AND YARD SIGNS SUPPORTING  
22 GOVERNOR MARTIN THAT CAME FROM SOUTHEASTERN  
23 ADVERTISING, YES.

24 Q DID HE STATE WHO---DID YOU HAVE ANY OCCASION TO PAY  
25 THOSE BILLS AS THE LOCAL ROCKY MOUNT REPRESENTATIVE

440673304

MR. TROTTER

DIRECT

PAGE 78

FOR GOVERNOR MARTIN?

A YES, I THINK PAYMENTS WERE MADE IN THAT CONNECTION.

Q WHAT WAS THE OFFICIAL NAME OF THE COMMITTEE FOR GOVERNOR MARTIN? I KEEP CALLING IT GOVERNOR MARTIN'S EFFORT, BUT WHAT WAS IT CALLED?

A IT WAS THE---IT WAS THE MARTIN STATEWIDE CAMPAIGN. THERE WAS ONLY ONE CAMPAIGN ORGANIZATION.

Q AND THAT WAS CALLED?

A JIM MARTIN FOR GOVERNOR, AS I RECALL.

Q JIM MARTIN FOR GOVERNOR?

A UH-HUH (YES).

Q DID YOU HAVE THE RESPONSIBILITY, AS PART OF THE JIM MARTIN FOR GOVERNOR COMMITTEE, OF ARRANGING TO HAVE THESE MATERIALS PREPARED?

A NO. THE WAY THAT WAS DONE, WE COLLECTED FUNDS FOR GOVERNOR MARTIN; AND THEY WERE SENT DOWN TO---TO CHARLOTTE, WHERE THE HEADQUARTERS WERE. I HAD A BANK ACCOUNT, A CLEARING ACCOUNT, IN ROCKY MOUNT FOR THE MARTIN FOR GOVERNOR. THEY WOULD SEND FUNDS BACK TO ME AS NEEDED. AND THEN I WOULD DISBURSE MONIES OUT OF THAT FUND. DO YOU FOLLOW?

Q YES.

A ALL OUR MONEY---ALL OUR---ALL THE FUNDS WE COLLECTED WENT TO CHARLOTTE; THEN, I WOULD SAY---ASK CHARLOTTE

1 MR. TROTTER

DIRECT

PAGE 79

2 TO SEND ME SOME MONEY BACK TO PUT IN MY ACCOUNT IN  
3 ROCKY MOUNT; BECAUSE I NEEDED TO MEET UTILITY BILLS,  
4 TELEPHONE BILLS---THE USUAL THINGS YOU HAVE IN  
5 CONNECTION WITH IT.

6 Q DO YOU HAVE ANY RECOLLECTION OF WRITING A CHECK  
7 OUT ON THAT PARTICULAR FUND TO PAY SOUTHEASTERN  
8 ADVERTISING FOR ANY OF THE MATERIAL USED?

9 A I DON'T HAVE A RECOLLECTION OF HAVING DONE SO, BUT  
10 I EASILY COULD HAVE.

11 Q WOULD YOUR RECORDS REFLECT WHETHER OR NOT YOU DID  
12 PAY SOUTHEASTERN ADVERTISING?

13 A I'M SURE THAT IF A CHECK WAS WRITTEN, WE WOULD HAVE  
14 THE CHECK. I DID NOT KEEP LEDGERS ON THIS---ON THAT.  
15 I SIMPLY OPERATED OUT OF THE CHECKBOOK.

16 Q DO YOU HAVE ANY RECOLLECTION OF ANY WAY CHECKS  
17 WOULD BE PAID FOR THE JESSE HELMS CAMPAIGN, IN THE  
18 EARLY STAGES, THAT IS, WHEN IT WAS KIND OF A LOCAL  
19 EFFORT? DID IT EVER COME TO YOUR KNOWLEDGE HOW THAT  
20 TYPE OF DISBURSEMENT WAS BEING MADE?

21 A NOTHING CAME TO MIND RIGHT---COMES TO MIND RIGHT NOW.  
22 I KNOW THAT THERE WAS A---THAT WE HAD DIFFICULTY  
23 IN GETTING THEIR CONTRIBUTION MADE.

24 Q WHO DID YOU GET THE CONTRIBUTION---

25 A WAIT A MINUTE.

MR. TROTTER

DIRECT

PAGE 80

Q I'M SORRY.

A WE HAD DIFFICULTY IN GETTING THEM TO PICK UP THEIR SHARE OF IT. AND THAT DIFFICULTY CAME ABOUT BECAUSE THE---THE HELMS FOR SENATE GROUP REFUSED TO RECOGNIZE THE EFFORT THAT WE WERE MAKING LOCALLY. AND AS I RECALL IT, THE---THE MONEY THAT CAME TO ME WAS---CAME THROUGH MRS. LAUGHERY AND WAS MONEY THAT SHE RAISED LOCALLY. BUT THE HELMS FOR SENATE ORGANIZATION DISCLAIMED ANY CONNECTION WITH US AT ALL, AND WE HAD NO INTERCOURSE WHATSOEVER WITH THEM.

Q WHEN THEY OPENED UP ACROSS THE STREET, YOU KNOW, THE REGULAR OFFICE, DID---DO YOU HAVE ANY KNOWLEDGE OF HOW THAT OPERATION RAN?

A NO.

Q NONE WHATSOEVER?

A NO. I WENT OVER THERE ONCE TO HEAR SENATOR HELMS SPEAK; AND ON ANOTHER OCCASION I DROPPED IN AND SAID "HELLO" TO MRS. YARBOROUGH, WHO WAS---YOU KNOW, WAS MANNING THE HEADQUARTERS THERE AND TALKED TO HER FOR FIFTEEN OR TWENTY MINUTES. BUT THAT'S THE ONLY CONNECTION I HAD WITH IT.

Q WAS MR. BAILEY OVER THERE AT ANY TIME WHILE YOU WERE THERE?

A I NEVER SAW HIM THERE. LET ME TAKE THAT BACK. IT'S

PENGAS CO., DAYTON, N.J. 07001-4067

307

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7

1 MR. TROTTER

DIRECT

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2 POSSIBLE THAT HE COULD HAVE BEEN THERE WHEN SENATOR  
3 HELMS SPOKE. I DON'T HAVE A RECOLLECTION THAT HE  
4 WAS THERE, BUT HE EASILY COULD HAVE BEEN. I FEEL  
5 SURE IF HE WAS IN TOWN, HE WOULD HAVE BEEN THERE.

6 Q BUT IT'S YOUR TESTIMONY THAT YOU WERE ONLY OVER THERE  
7 THE ONE TIME THAT THE SENATOR SPOKE. YOU WEREN'T  
8 OVER THERE ON A DAY-TO-DAY BASIS?

9 A NO, NO, I WAS THERE, AS I RECALL, ONE TIME WHEN  
10 SENATOR HELMS SPOKE; AND THEN, ON ANOTHER OCCASION,  
11 I WENT BY AND SAID "HELLO" TO MS. YARBOROUGH. IT'S  
12 POSSIBLE THAT I DROPPED BY A THIRD TIME TO SAY HELLO  
13 TO MRS. YARBOROUGH, BUT I WAS NOT---NO, MY EFFORTS  
14 WERE TRYING TO PRACTICE LAW AND AT THE SAME TIME  
15 RUN THE MARTIN CAMPAIGN.

16 Q THE TWO TIMES YOU WENT OVER TO TALK TO MRS. YARBOROUGH,  
17 WAS MR. BAILEY THERE?

18 A NOT THAT I RECALL---NO, I'M SURE HE WASN'T. IT WAS  
19 JUST MRS. YARBOROUGH AND I, JUST THE TWO OF US.

20 Q (BY MR. MIMS) DID YOU EVER HAVE OCCASION TO SPEAK  
21 WITH ANYONE FROM THE HELMS CAMPAIGN ABOUT THE  
22 BILLBOARD ADVERTISEMENTS?

23 A APART FROM THE---THAT INITIAL MEETING, I DO NOT  
24 THINK THAT I DID.

25 Q THAT'S THAT ONE WE REFERRED TO BACK IN APRIL?

MR. TROTTER

DIRECT

PAGE 82

A THAT'S RIGHT, WHERE I RECALL TOM ELLIS BEING THERE.

Q WITH RESPECT TO THE BILLBOARDS, WAS IT YOUR UNDER-  
STANDING THAT THE BILL THAT YOU WOULD RECEIVE FROM  
SOUTHEASTERN ADVERTISING WAS A BILL FOR THE COSTS  
THAT SOUTHEASTERN ADVERTISING INCURRED IN MAKING  
THE PAYMENTS TO THE SIGN OWNERS?

A THAT IS MY UNDERSTANDING. NOW, I THINK THAT---THAT  
THEY WERE MAKING A MARKUP---THAT SOUTHEASTERN  
ADVERTISING WAS MARKING THE INVOICE UP. I DON'T  
KNOW THAT THEY WERE DOING THAT, BUT IT WAS MY  
UNDERSTANDING THAT THEY WERE CHARGING AN AGENCY FEE.  
NOW, WHETHER IN FACT, THAT'S SO, I DON'T KNOW. I  
DON'T THINK THE INVOICE---THE INVOICES WERE LIKE  
THIS, WHERE IT WOULD JUST SAY "BILLBOARD FUND," AND  
THEN IT WOULD CITE A MONTH. BUT IT WAS MY UNDER-  
STANDING THAT THEY MADE MONEY OUT OF IT.

MR. WHITEHEAD: LET'S GO OFF THE RECORD  
FOR A FEW MINUTES.

(THEREUPON, THERE WAS AN OFF-THE-  
RECORD DISCUSSION WHICH WAS NOT  
REPORTED BY THE COURT REPORTER.)

MR. MIMS: MR. TROTTER, I THINK WE ARE  
AT THE END OF THE QUESTIONS FOR TODAY. WE  
WOULD LIKE TO STILL HOLD THIS DEPOSITION OPEN

1 MR. TROTTER

DIRECT

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2 IN THE EVENT THAT WE DO NEED TO GET IN TOUCH  
3 WITH YOU AGAIN. WHEN WE DECIDE THAT IT'S  
4 CLOSED OR WE NEED TO TALK TO YOU AGAIN, THEN  
5 WE WILL SUBMIT FOR YOUR SIGNATURE, IF YOU WISH,  
6 A COPY OF THE TRANSCRIPT.

7 WITNESS: ALL RIGHT. LET ME MAKE A COUPLE  
8 OF STATEMENTS IN THAT CONNECTION. ONE IS, IN  
9 REOPENING THE DEPOSITION, IF, IN FACT, YOU DECIDE  
10 TO REOPEN IT, I HOPE THAT YOU WILL GIVE ME  
11 PLENTY OF ADVANCE NOTICE BECAUSE OF MY RESPONSI-  
12 BILITIES. IT IS---I NEED TO PLAN AHEAD IN  
13 ORDER TO NOT DISRUPT THE OPERATION OF THE  
14 GOVERNOR'S OFFICE. THE SECOND THING IS: IF  
15 THERE ARE ANY MATTERS THAT I HAVE NOT TESTIFIED  
16 TO FULLY IN TERMS OF QUESTIONS YOU'VE ASKED ME  
17 TODAY, I WISH YOU'D GO AHEAD AND LET'S---GO  
18 AHEAD AND ASK ME FURTHER QUESTIONS ABOUT THOSE  
19 NOW, BECAUSE I'D LIKE TO, YOU KNOW, MAKE AS  
20 FULL AND FAIR STATEMENTS ON THESE AS I CAN.  
21 SO, I'M WILLING TO MAKE MYSELF AVAILABLE TO YOU  
22 FOR ANOTHER---YOU KNOW, WHATEVER LENGTH OF  
23 TIME YOU WANT. IF THERE ARE ANY ADDITIONAL  
24 QUESTIONS YOU FEEL WOULD---WOULD HELP CLEAR UP  
25 MATTERS, OR MAYBE MY ANSWERS WERE INCONCLUSIVE

1 MR. TROTTER

DIRECT

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2 IN YOUR MINDS---

3 MR. WHITEHEAD: LET ME SAY THIS, MR.

4 TROTTER: CERTAINLY, WE WILL GIVE YOU  
5 ENOUGH ADVANCE NOTICE SO THAT IT'S A MUTUALLY  
6 AGREEABLE DATE. THERE'S NO PROBLEM ON THAT  
7 SCORE. I DON'T THINK--I SPEAK FOR MYSELF

8 AND NOT FOR MR. MIMS. BUT UNTIL I'M ABLE TO  
9 SEE THE RECORD, I DON'T THINK THAT I COULD  
10 SIT BACK HERE RIGHT NOW AND SAY, WELL, THIS  
11 IS SOMETHING I WOULD LIKE TO DELVE INTO A  
12 LITTLE FURTHER. ONCE WE HAVE THE DEPOSITION  
13 AND WE'RE ABLE TO STUDY IT--THAT'S WHY I PREFER  
14 NOT TO CLOSE IT AT THE PRESENT TIME.

15 WITNESS: I WILL CONSIDER MYSELF STILL  
16 SUBJECT TO YOUR SUBPOENA UNTIL YOU RELEASE  
17 ME FROM IT.

18 MR. WHITEHEAD: RIGHT. VERY GOOD. I  
19 APPRECIATE YOUR COMING DOWN.

20 (THEREUPON, THE DEPOSITION WAS RECESSED.)  
21  
22  
23  
24  
25

88040673311

STATE OF NORTH CAROLINA

COUNTY OF WAKE

C E R T I F I C A T E

I, FAYE BUNN STEVENS, NOTARY PUBLIC/REPORTER, DO  
HEREBY CERTIFY THAT JAMES R. TROTTER WAS DULY SWORN  
BY ME PRIOR TO THE TAKING OF THE FOREGOING DEPOSITION;  
AND THAT SAID DEPOSITION WAS TAKEN AND TRANSCRIBED UNDER  
MY SUPERVISION; AND THAT THE FOREGOING 84 PAGES  
CONSTITUTE A TRUE AND ACCURATE TRANSCRIPT OF THE TESTIMONY  
OF THE WITNESS.

I DO FURTHER CERTIFY THAT THE PERSONS WERE PRESENT  
AS STATED IN THE CAPTION.

I DO FURTHER CERTIFY THAT I AM NOT OF COUNSEL FOR  
OR IN THE EMPLOYMENT OF EITHER OF THE PARTIES TO THIS  
ACTION, NOR AM I INTERESTED IN THE RESULTS OF THIS ACTION.

IN WITNESS WHEREOF, I HAVE HEREUNTO SUBSCRIBED MY  
NAME THIS 4<sup>th</sup> DAY OF March, 198\_\_.

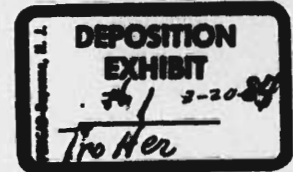
Faye B. Stevens  
FAYE STEVENS, CVR/NOTARY PUBLIC  
2806 OVERBROOK DRIVE  
RALEIGH, NORTH CAROLINA 27608

MY COMMISSION EXPIRES:

AUGUST 18, 1986.

J. C. D. Bailey  
Post Office Box 1828  
Rocky Mount, North Carolina 27801  
Telephone 919/977-0950

March 22, 1983



Dear Fellow Conservative:

You are invited to meet with a small group of other dedicated conservatives for dinner and cocktails at 6:30 P.M. on Wednesday, April 6, in the Assembly and Training Rooms of Franchise Enterprises, Inc., 1313 North Church Street in Rocky Mount.

The purpose of this meeting is to discuss the most important 1984 campaign in the nation - that of Jesse Helms for re-election to the United States Senate. Both Tom Ellis and Carter Wren of the National Congressional Club in Raleigh will be here in order to answer any questions this key group might have.

Labor union leaders are already busy organizing a campaign to defeat Jesse in 1984. Even though I don't believe this will happen, I don't have to tell you how the liberal media would interpret such a loss and that it would be considered a mandate for more social welfare programs. The end result would be devastating for our State and our Nation and I believe we need to start early to insure Jesse's victory.

I would appreciate your keeping this invitation confidential as there are only 50 people being invited and I do not want to run the risk of offending someone not invited. Also, I assure you that no pressure will be applied for contributions at this time, although the opportunity for investment is always available at any political meeting, as you well know.

Dinner and drinks will be on me and I would appreciate hearing from you as soon as possible as to whether or not you can attend.

Sincerely,

  
Jack Bailey

JCDB:gh

8804067312

HELMS CAMPAIGN - PLANNING MEETING

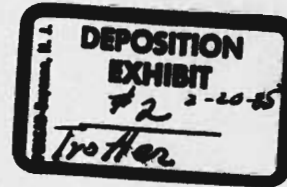
April 6, 1983

1. WELCOME
2. PURPOSE OF STARTING OUR CAMPAIGN EARLY - IDENTIFY OUR PEOPLE.
  - a. Read out names of those who could not attend.
  - b. Review Long Poll.
3. INTRODUCE CARTER WRENN
  - a. To tell us what happened last November.
4. INTRODUCE TOM ELLIS
  - a. Analysis of our situation
5. PRESENT PLANS FOR OUR CAMPAIGN
  - a. Helen Laughery - Campaign Manager
  - b. Billboard Campaign
  - c. Flood Newspapers with letters to Editors.
  - d. Company Publications
  - e. Put message on Company Letterheads
  - f. Bumper Signs with "Jesse is Right."
  - g. Carry message to the Fundamentalist Churches
    - (1) Get them to get their people registered to offset the large black vote.
  - h. Telephone bank to identify our people.
6. GENE LEWIS - Comments.
7. JIM TROTTER - Comments
8. QUESTIONS & ANSWERS
  - Tom Ellis - Carter Wren - Gene Lewis -
  - Jim Trotter - Jack Bailey

38040673313

July 24, 1984

MEMO TO : File  
FROM : JRT  
RE : Billboards



1. This morning I personally inspected the following billboards and read the attributions legends they display.

While the presence of "something" at the bottom of each billboard was noticeable from a moving automobile, none of the legends were readable from an automobile in motion.

The legends on the billboards on Highway 64 West and Highway 301 South were read using binoculars from an automobile parked on the shoulder of the highway. I could not have read them without the binoculars.

The legend on the billboard on Highway 97 was read from an automobile parked on the shoulder of the highway without the use of binoculars. However, the shoulder at that point is very narrow and my automobile was in an unsafe position while I was reading the legend.

U.S. Highway 64 West

Legend:

"This Billboard Is Political Advertising Paid For By Nash County Jesse Helms For Senate Committee, J. C. D. Bailey, Chairman. Contributions To Keep This In Place Will Be Appreciated. Call Southeastern Advertising, Inc., (977-3149) P.O. Box 312, Rocky Mount, N.C."

Copy:

"Jesse	/	Is
Helms		Right

He Protects The Taxpayer And Helps The Farmer."

8804067314

Highway 301

Legend:

"This Billboard Is Political Advertising Paid For By Nash County Jesse Helms For Senate Committee, Helen Laughery Chairperson. Contributions To Keep This In Place Will Be Appreciated. Call Southeastern Advertising (977-3149) P.O. Box 312, Rocky Mount, N.C."

Copy:

"Jesse                      Is  
                                 Helms                      Right

He Has Reduced Your Taxes."

Highway 97

Legend:

"This Billboard Is Political Advertising Paid For By Nash County Jesse Helms For Senate Committee Helen Laughery Chairperson. Contributions To Keep This In Place Will Be Appreciated. Call Southeastern Advertising, Inc. (977-3149) P.O. Box 312, Rocky Mount."

Copy:

"Jesse                      Is  
                                 Helms                      Right

He Protects The Farmers."

2. I did not view the billboard on Tarboro Street this morning. However I read its legend from Exhibit D of the Complaint filed with the FEC by David E. Price, Executive Director of the North Carolina Democratic Party.

Tarboro Street

Legend:

"This Billboard Is Political Advertising Paid For By J. C. D. Bailey. Contributions to keep This In Place Will Be Appreciated. Call Southeastern Advertising, Inc. (977-3149) P.O. Box 312, Rocky Mount, N.C."

98040673315

Copy:

"Jesse

Helms

Is

Right

He Protects The Free Enterprise System"

88040673316

MEMO TO : File  
FROM : JRT  
RE : Billboards

This will supplement my memo dated July 24, 1984.

1. The U.S. 64 West and U.S. 301 South billboards are on my beaten path and have been seen by me from my automobile regularly (at least once a week since they were put up) as I was driving by them. I was aware that each bore a legend at the bottom because I had seen the legends as I was driving by. However, I could not read the legends from my automobile and did not read them until yesterday when I did so, using binoculars, from my automobile parked on the shoulder of the highway.

2. The N.C. 97 East billboard is off my beaten path. I did not see it until yesterday.

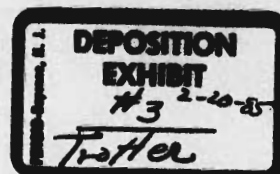
3. The Tarboro Street billboard is off my beaten path but I had seen it with some degree of regularity from the time it was put up by JCDB (before Nash/Edgecombe Billboard Fund was formed). I passed it from time to time on my trips to Greenville in connection with Buck v. Dansey. I was aware that it had a legend because I had seen the legend from my automobile as I passed the billboard. However, I do not recall having read the legend until I read the photocopy of it attached to the Price Complaint.<sup>1</sup> I saw a photograph of the Tarboro Street billboard at the meeting at Franchise Enterprises that resulted in the Nash/Edgecombe Billboard Fund but do not recall reading the legends then.

---

<sup>1</sup>I drove by the Tarboro Street billboard three times today to see what I could see of it as I was driving by. I drove by twice in the right lane and once in the middle lane. Each time my view of the billboard was blocked by my rear view mirror until I was almost beside it. I could see the billboard then and, had I stopped, I could have read the legend. Had I been looking in the direction of the traffic, I would only have seen the billboard peripherally and would not have been able to read the legend.

July 25, 1984

88040673318



DUPLICATE STATEMENT

# Southeastern Advertising, Inc.

Box 228 Rocky Mount, N.C.  
 Dia G-12-31-49

DESIGNERS OF IDEAS



James R. Trotter, Treasurer Jesse Helms Campaign  
 P.O. Box 228  
 Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged  $\frac{1}{2}\%$  of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
5-19-83		BALANCE FORWARD →		

Billboard for May	\$225.00
Hwy 97 art charges	70.00
Hwy 301 art charges	70.00
sales tax on \$140.00	5.60
	<u>\$370.60</u>

## Customer's Statement - Salesman's Copy

The amount specified on the statement of your customer's account - is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.

WE APPRECIATE YOUR BUSINESS

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
 PAY LAST  
 BALANCE

*Franklin D. Roosevelt Library  
(Joe Helms Billboard Campaign)*

*pg*

38040673313

		1	2	3	4	5	6
		June 1983	July 1983	Aug. 1983	Sept. 1983	Oct. 1983	Nov. 1983
1	Alan Bailey	5000	5000	5000	5000	5000	5000
2	J. C. D. Bailey	5000	5000	5000	5000	5000	5000
3	Clifford B. Perry	5000	5000	5000	5000	5000	5000
4	B. Elwood Nixon	-	-	-	-	-	-
5	John W. Leavelle	5000	5000	5000	5000	5000	5000
6	W. B. Lee, Jr.	20000	TOTAL CONTRIBUTION				
7	Jack A. Raughter	90000	PAID IN FULL				
8	S. F. Harris, M.D.	5000	5000	5000	5000	5000	5000
9	James L. Dickson	5000	5000	5000	5000	5000	5000
10	Thomas H. Betty Jr.	5000	5000	5000	5000	5000	5000
11	Mike Barnhill	5000	5000	5000	5000	5000	5000
12	Frank W. Lindy, M.D.	7500	5000	5000	5000	5000	5000
13	Brig. Gen. Andrew H. Hais	2500	2500	2500	2500	2500	2500
14	J. Dewey Weaver	5000	5000	5000	5000	5000	5000
15	James R. Mathis	5000	5000	5000	5000	5000	5000
16	Don Wilkoff	2000	-	-	-	-	-
17	J. C. Bishop	20000	TOTAL CONTRIBUTION				
18	James C. Gardner	-	-	-	15000	-	-
19	Thomas B. Hunter	-	5000	5000	5000	5000	5000
20	R. D. Mullen	-	-	-	-	-	5000
21		62000	62500	62500	77500	62500	67500

DEPOSITION  
EXHIBIT  
#4  
Trotter

OF  
DUPLICATE ORIGINAL

*Wash. College Billboard Fund*  
*(Don Helms Billboard Campaign)*

*pg 1*

COLUMN

88040673320

		1	2	3	4	5	6
		Dec 1983	Jan 1984	Feb 1984	Mar 1984	Apr 1984	May 1984
1	Anne Bailey	50.00	50.00	50.00	50.00	50.00	50.00
2	J.C.D. Bailey	50.00	50.00	50.00	50.00	50.00	50.00
3	Clifford B. Perry	50.00	50.00	50.00	50.00	50.00	50.00
4	John W. Lewis	50.00	50.00	50.00	50.00	50.00	50.00
5	S.F. Horne, M.D.	50.00	50.00	50.00	50.00	50.00	50.00
6	James R. Dickson	50.00	50.00	50.00	50.00	50.00	50.00
7	Thomas A. Betta, Jr.	50.00	50.00	50.00	50.00	50.00	50.00
8	Mike Baranick	50.00	50.00	50.00	50.00	50.00	50.00
9	Lloyd N. Bailey, M.D.	50.00	50.00	50.00	50.00	50.00	50.00
10	Eric S. Anderson	25.00	25.00	25.00	25.00	25.00	25.00
11	J. Dennis Weaver	50.00	50.00	50.00	50.00	50.00	50.00
12	James R. Thetler	50.00	50.00	50.00	50.00	50.00	50.00
13	Thomas B. Suter	50.00	50.00	50.00	50.00	50.00	50.00
14	R.O. Mullen	50.00	50.00	50.00	50.00	50.00	50.00
15	Richard Sherman	100.00	100.00	100.00	100.00	100.00	100.00
16		775.00	775.00	775.00	775.00	775.00	775.00
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*2/24* OF  
 DUPLICATE/ORIGINAL

*Nash/Edgcombe Bellboard Fund*  
*(John Helms Bellboard Campaign)*

*pg. 3*

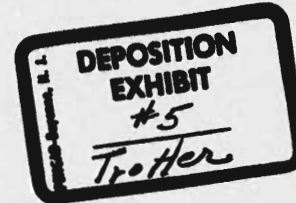
COLUMN WRITE

38040673321

	1	2	3	4	5	6
	June 1984	July 1984	Aug 1984	Sept 1984	Oct 1984	Nov 1984
1	Oran Bailey	50.00	50.00			
2	J. C. D. Bailey	50.00	50.00			
3	Clifford B. Perry	50.00	50.00			
4	John W. Lewis	50.00	50.00			
5	L. F. Horne, M.D.	50.00	50.00			
6	James R. Dickson	50.00	50.00			
7	Thomas A. Betts, Jr.					
8	Mike Barnhill	50.00	50.00	50.00		
9	Lloyd W. Bailey, M.D.	50.00	50.00			
10	Big Ben Anderson, Estacia	25.00	25.00			
11	F. Dewey Thomas	50.00	50.00			
12	James R. Shetter	50.00				
13	Thomas B. Suter	50.00	50.00			
14	R. O. Mullen	50.00	50.00			
15	Richard Sherman	100.00	100.00			
16						
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*APR 5* OF  
 DUPLICATE/ORIGINAL

June 1, 1983



Mr. Jack Bailey  
President  
Franchise Enterprises, Inc.  
1313 North Church Street  
Rocky Mount, NC 27801

Dear Mr. Bailey:

Enclosed is a check for \$900 to be used to purchase billboard space for Senator Helms prior to the 1984 fall campaign. It is Mr. Laughery's understanding that in a recent conversation you had with Tom Ellis, he assured you this amount would qualify Mr. and Mrs. Laughery to receive two tickets for the Salute to Jesse Helms dinner on June 16, 1983.

Mr. and Mrs. Laughery wish to receive two tickets @ \$500 each for the dinner. The extra \$100 check will be sent to Senator Helms' Raleigh office and be applied toward the Salute to Jesse Helms dinner.

Should you have any questions, please contact me at 977-8500 or Helen Laughery at 443-6778.

Sincerely,

HARDEE'S FOOD SYSTEMS, INC.

Mary Anne Avery  
Assistant to the President

MAA/lsc

Enclosure

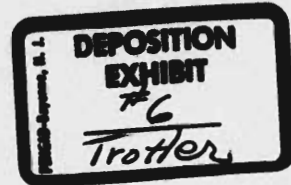
cc: Helen Laughery  
Tom Ellis

103/MAA/601

32

J. C. D. Bailey  
Post Office Box 1828  
Rocky Mount, North Carolina 27801

July 26, 1983



Mr. James R. Trotter  
Attorney at Law  
Post Office Box 228  
Rocky Mount, North Carolina 27801

Dear Jim:

We have received a contract for the billboard on U. S. Highway 64 west of Nashville, about which we have previously communicated.

This contract is for 14 months, beginning September 1, 1983, at the rate of \$175.00 per month.

Please advise what copy you think we should include on the bottom of this additional board in the Jesse Helms program.

Sincerely,

*J. C. D. Bailey*  
J. C. D. Bailey

JCDB:gh

P.S. "HE SAVED THE TOBACCO PROGRAM"

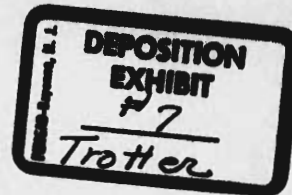
7/26/83

Mr. Trotter -

Have been unable to reach you by phone yesterday or today. Mr. Bailey will be in meetings until Thursday afternoon and I badly need to talk with you concerning Monday's press conference/luncheon in Raleigh and the billboard program.

Geri

88040673323



July 24, 1984

Southeastern Advertising, Inc.  
P.O. Box 312  
Rocky Mount, North Carolina 27801

Gentlemen:

Since May 1983, Nash/Edgecombe Billboard Fund has been receiving and paying invoices submitted by you. It is my understanding that the invoices were for the costs of installing and maintaining "Jesse Helms Is Right" billboards on Tarboro Street, U.S. Highway 64 West, U.S. 301 South and N.C. 97 East.

This morning I inspected each of these billboards to determine the appropriateness of the attribution legends displayed. I did so in response to a complaint made to the Federal Election Commission by David E. Price, Jr., Executive Director of North Carolina Democratic Party, a copy of which was sent to me with a letter advising that Nash/Edgecombe Billboard Fund and I, as its Treasurer, may have violated the Federal Elections Campaign Act because of the attribution legends on the billboards.

My inspection revealed that none of the attribution legends on the billboards attributed payment for the billboards to Nash/Edgecombe Billboard Fund. If the payments that have been made to you by Nash/Edgecombe Billboard Fund were for these billboards, as I believe, the legends are inappropriate and must be changed, at once.

The attribution legend that should be displayed on each billboard that is being paid for by Nash/Edgecombe Billboard Fund is as follows:

"Paid For By Nash/Edgecombe Billboard Fund, James R. Trotter, Treasurer. Not Authorized By Senator Helms Or Any Authorized Committee Of Senator Helms"

Please have the attribution legends that are now displayed on all billboards being paid for by Nash/Edgecombe Billboard Fund removed or covered and the above legend displayed in their places, at once. If this is not to be done at once please so advise me.

38040673324

Southeastern Advertising, Inc.  
July 24, 1984  
Page 4

Nash/Edgecombe Billboard Fund will not honor invoices from you for the billboards until the foregoing changes are made and I have inspected the changes and found them to be satisfactory.

Yours very truly,

JRT/sta

88040673325

**SOUTHEASTERN ADVERTISING, INC.**

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

July 26, 1984

Mr. Miles Glasgow  
Glasgow Signs  
114 Alston Street  
Nashville, NC 27856

Dear Miles:

In reference to the one (1) "Jesse Helms Is Right!" billboard, located on U.S.Hwy.64 East, the copy of the attribution legend on this billboard must be changed immediately.

This action is being taken in response to advisements made by the Federal Election Commission. The new attribution copy should read as follows:

"Paid for by Nash/Edgecombe Billboard Fund, James R. Trotter, Treasurer. Not authorized by Senator Helms or any authorized committee of Senator Helms."

Please see that this attribution legend is changed at once.

Thank you for your timely response to this matter.

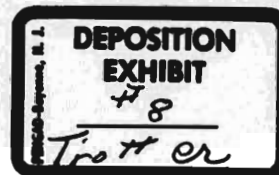
Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*J. C. D. Bailey*  
J. C. D. Bailey  
President

JCDB/vr

cc: James R. Trotter ✓



88040673326

**SOUTHEASTERN ADVERTISING, INC.**

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

July 26, 1984

Mr. Henry Bradley  
Whiteco Metrocom  
Post Office Box 6093  
Rocky Mount, NC 27801

Dear Henry:

In reference to the three (3) "Jesse Helms Is Right!" billboards, located on Tarboro Street, U.S.Hwy.301 South and N.C.97 East, the copy of the attribution legends on each billboard must be changed immediately.

This action is being taken in response to advisements made by the Federal Election Commission. The new attribution copy should read as follows:

"Paid for by Nash/Edgecombe Billboard Fund, James R. Trotter, Treasurer. Not authorized by Senator Helms or any authorized committee of Senator Helms."

Please see that these attribution legends are changed at once.

Thank you for your timely response to this matter.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*J. C. D. Bailey*  
J. C. D. Bailey  
President

JCDB/vr

cc: James R. Trotter ✓



88040673328

XXXXXXXXXXXX INVOICE  
**Southeastern Advertising, Inc.**

Box 312, Rocky Mount, N. C. 27802  
Dial 442-3149

DESIGNERS OF IDEAS



J..R. Trotter  
P.O. Box 208  
Rocky Mount, N.C. 27801

TERMS: NET CASH. All accounts over 30 days old will be charged 1/2% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
9-10-84		BALANCE FORWARD →		
		September rent for Helms sign	175.00	
		Reproduced new copy for part of billboard	125.00	
			<u>300.00</u>	
		paid to Glasgow Sign Service		

3  
2  
1

**Customer's Statement - Salesman's Copy**  
The amount specified on the statement of your customer's account - is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.

**WE APPRECIATE YOUR BUSINESS**  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE



end 32

6753  
RECEIVED AT HELED

85 FEB 25 09:09

JEFF. D. BATTS

ATTORNEY AT LAW  
P. O. DRAWER 4847

JEFF. D. BATTS

ROCKY MOUNT, NORTH CAROLINA 27803-4847

505 SUNSET AVENUE  
919/977-8450

February 21, 1985

Mr. Stephen Mims, Attorney  
Federal Election Commission  
1325 K Street, Northwest  
Washington, DC 20463

Re: MUR 1736  
Jack C. D. Bailey  
Southeastern Advertising, Inc.

Dear Mr. Mims:

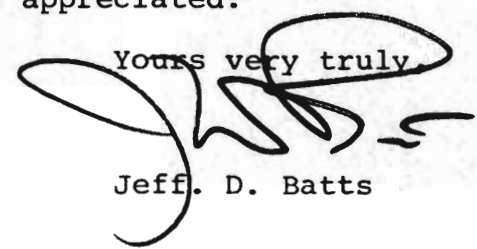
We regret that it was necessary to call off the scheduled deposition for 10:00 Thursday, February 21, 1985, because of the onset of flu by Mr. J. C. D. Bailey. We appreciate your alternative suggestion this morning about holding it Friday, February 22, 1985. However, Mr. Bailey continues to be bedridden and immediate relief is not expected. He plans to stay in for the balance of this week and over the weekend at least.

It is my intent to contact him or his office some time Monday, February 25, 1985, with the hope that specific alternative dates can be discussed with you on Tuesday, February 26, 1985, when you call.

We want to proceed with this matter as quickly as it can be rescheduled.

Your cooperation is appreciated.

Yours very truly,



Jeff. D. Batts

JDB/db

cc: Mr. J. C. D. Bailey

98040673329

HCC# 6937

THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF:

JACK C. D. BAILEY )  
SOUTHEASTERN ADVERTISING, INC.)

MUR 1736

A P P E A R A N C E S

For the FEC:

Mr. Thomas J. Whitehead  
Assistant General Counsel  
Office of General Counsel  
Federal Election Commission  
1325 K Street, N. W.  
Washington, D. C. 20463

For Mr. Bailey:

Mr. Jeff D. Batts  
Attorney at Law  
P. O. Box 4847  
Rocky Mount, North Carolina 27801

Mr. Cleveland P. Cherry  
Attorney at Law  
P. O. Box 1828  
Rocky Mount, North Carolina 27802

\* \* \* \* \*

DEPOSITION

OF

J. C. D. BAILEY

\* \* \* \* \*

At Raleigh, North Carolina  
March 7, 1985  
1:00 p.m.

Reported by: Edie Chiavatti

Associated Reporting & Transcription 2805 OVERBROOK DRIVE • RALEIGH, NORTH CAROLINA 27608 • TELEPHONE: 919/782-5526

88040623330

T A B L E   O F   C O N T E N T S  
E X H I B I T S

<u>Exhibit No.</u>		<u>Page No.</u>
FEC #1	Letter, 3/22/83 with 4/6/83 Meeting Agenda	14
FEC #2	Letter, 7/30/84; Letter, 9/13/83 and Post Gram, 8/10/83	36
FEC #3	Letter, 5/24/83 with attached Display Agreements	43
FEC #4	Contract with Glasgow Sign Serv.	45
FEC #5	Lewis Advertising Invoice Nos. 19220, 19341 and 19388 along with Southeastern Checks	50
FEC #6	Southeastern Advertising Invoice, 5/12/83	52
FEC #7	Whiteco Metrocom Invoices (2); Southeastern Invoices (2) along with Southeastern Checks	53
FEC #8	Glasgow Sign Service Invoice with Southeastern Check and Invoice	54
FEC #9	Ledger Sheets re James Trotter, Treasurer J. Helms Campaign	58
FEC #10	Ledger Sheet re Helen Laughery	61
FEC #11	J.C.D. Bailey Check Stubs, 1/23/85 for \$10,319.02 and \$1,592.12	64
FEC #12	Ledger Sheets re James Trotter, Treasurer J. Helms Campaign	64
FEC #13	Letters, 7/21/83 and 7/24/84	65
FEC #14	Ledger Sheet/Donations Rec'd	68

88040673331

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FEC #15	Bumper Sticker	72
FEC #16	Letters, 2/11/83 to Godwin Oil Co., Holt Oil Co. and Stallings Oil Co.	75
FEC #17	Letters, 2/11/83 and 2/24/83	76
FEC #18	Letter, 2/16/83, to T. Fetzer	78
FEC #19	Memo, 1/3/84; Letter, 1/4/84	80
FEC #20	Letter, 7/17/84	84
FEC #21	Memo Billing	85
FEC #22	Letter, 3/28/84	88
FEC #23	Newspaper Ad	89
FEC #24	Checks to <u>News &amp; Observer</u>	90
FEC #25	Checks to <u>The Evening Telegram</u> and <u>The Nashville Graphic</u>	91
FEC #26	Memo, 6/1/84 (Newnam)	93
FEC #27	Southeastern Check, 5/12/83 for \$45.00	95

38040673332

I, Edith B. Chiavatti, being a Notary Public in and for the State of North Carolina, was appointed Commissioner by consent to take the deposition of J. C. D. BAILEY on the 7th day of March, 1985 beginning at 1:00 p.m. in the offices of the Federal Building, Raleigh, North Carolina.

Whereupon,

J. C. D. BAILEY,

having first been duly sworn,

was examined and testified

as follows:

DIRECT EXAMINATION BY MR. WHITEHEAD:

Q Please state and spell your name for the record.

A The initial J, period---it does not stand for anything---Chalmers, C-h-a-l-m-e-r-s, DaCosta, capital D, little a, capital C-o-s-t-a, Bailey.

Q Would you give us both your home address and telephone number and your business address and telephone number?

A My home address is 501 Shady Circle Drive; my home telephone number is area code 919 442-5548. My business address is Box 1828, 1313 North Church Street; telephone number, area code 919 977-0950.

98040673333

38040673334

1 Mr. Bailey Direct Page 3  
2 Q Are both of these addresses in Raleigh or Rocky Mount  
3 or where?  
4 A In Rocky Mount, North Carolina.  
5 Q Would you give me the zip code, if you will, for that,  
6 please?  
7 A 27801.  
8 Q Mr. Bailey, have you ever been deposed before?  
9 A Yes.  
10 Q So you've had some familiarity?  
11 A Yes.  
12 Q I'm going to ask you a series of questions. If at any  
13 time you do not understand a question that I ask, tell  
14 me that you don't understand it and I will either  
15 repeat it or try to rephrase it so that you do  
16 understand it.  
17 If you fail to tell me that you do not understand  
18 the question, I'll assume that you do understand it  
19 and I will assume that your answer responds to that  
20 question. Is that clear?  
21 A All right, sir.  
22 Q And you are represented by counsel here today?  
23 A Yes.  
24 MR. WHITEHEAD: Counsel will state his  
25 name for the record.

Mr. Bailey

Direct

Page 4

MR. BATTS: My name is Jeff, J-e-f-f, D.  
Batts, B-a-t-t-s.

MR. WHITEHEAD: And we have another  
counsel who is present also. Would he state his  
name for the record?

MR. CHERRY: Cherry, C-h-e-r-r-y.

MR. WHITEHEAD: First name?

MR. CHERRY: Cleveland.

MR. WHITEHEAD: Are you connected with the  
same firm as Mr. Batts?

MR. CHERRY: No, sir, I'm corporate  
counsel for Mr. Bailey's companies, one of which  
is Southeastern Advertising.

MR. WHITEHEAD: Is that a full-time  
position with---

MR. CHERRY: Yes.

Q (By Mr. Whitehead) Mr. Bailey, what is your education?

A I graduated from Wake Forest University, BBA degree.

Q What year was that?

A 1954.

Q The secondary education with schools around Rocky  
Mount, I take it?

A Georgia Military Academy, Atlanta, Georgia.

Q Okay, thank you. Are you presently employed?

9804063336

1 Mr. Bailey Direct Page 5  
2 A Yes.  
3 Q Where is that?  
4 A With Franchise Enterprises as president and  
5 Southeastern Advertising as president.  
6 Q You mentioned Southeastern Advertising, Inc. You are  
7 the president. Are there any other officers?  
8 A Yes.  
9 Q Who are they?  
10 A My wife is vice president. I have a daughter who is  
11 vice president, Susan Morgan, and the secretary-  
12 treasurer is Charlene Schindehette.  
13 Q Are you the principal shareholder in Southeastern  
14 Advertising?  
15 A Yes.  
16 Q By that you mean that you own more than a majority of  
17 the stock or a majority of the stock?  
18 A Yes.  
19 Q How about Franchise Enterprises, Inc., what is that?  
20 A Franchise Enterprises is a company that operates  
21 sixty-eight Hardee hamburger restaurants throughout  
22 North Carolina, South Carolina and Georgia, Virginia  
23 and Louisiana.  
24 Q You're the president of that---  
25 A I'm the president of that company.

Mr. Bailey

Direct

Page 6

Q Who are the other officers in that company?

A There are a number.

Q Could you give the officers, please, if you will?

A Mr. Jim Dunn is senior vice president of Finance; Fred Forsyth, senior vice president of Planning; Fred Tharrington, senior vice president of Development; Wayne Newnam, vice president of Marketing; Cleve Cherry, vice president, Legal; Bob Baker, vice president, Operations; and Jim Dunn is secretary-treasurer.

Q Thank you. Are you the principal shareholder in Franchise Enterprises, Inc.?

A Yes.

Q And by that you hold the majority of the stock in that?

A No, I own less than a majority.

Q Could you tell us how much you own in the company?

A Approximately thirty-five percent.

Q Is this a franchise operation under the Hardee label?

A Yes.

Q Is Hardee's, Inc. the franchisor of the label and you are---that is, Franchise Enterprises, Inc. is the franchisee? Is that correct?

A Yes, that's correct.

Q Are both of these corporations, by the way, North

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1 Mr. Bailey Direct Page 7  
2 Carolina corporations?  
3 A Yes.  
4 Q When was Southeastern Advertising formed?  
5 A April of 1955.  
6 Q And its principal activity is what? Could you  
7 describe it for me?  
8 A Advertising specialties and business gifts and  
9 premiums.  
10 Q Does it do any public relations work?  
11 A No.  
12 Q So it's in the advertising field?  
13 A Right.  
14 Q Does it do all forms of advertising, that is,  
15 newspaper---you tell me what type of advertising.  
16 A Advertising specialties consist of all types of  
17 printed forms of advertising like bumper signs,  
18 cigarette lighters, ballpoint pens, pencils, calendars,  
19 anything that you've ever seen---key tags, anything  
20 you've ever seen with an advertising imprint on it,  
21 emblematic jewelry, employee service pins, all kinds  
22 of political materials.  
23 Q So you have both political and non-political  
24 advertising?  
25 A Lapel buttons. Anything that you've ever seen

political, we handle that type of thing.

Q Just as an approximation, how much of your business would you consider to be political and how much of your business would you consider to be non-political, if you will?

A The political part would probably be---I'm sure would be less than five percent.

Q So approximately ninety-five percent is done in the non-political field. Is that right?

A Right.

Q Who are some of your political clients---let's set it in time perhaps. From 1975 to the present who have been some of your political clients?

A Ed Johnston from Lumberton, who was a candidate for Congress; Bill Colby, who was a candidate for Congress; a number of local county and city campaigns for local candidates and probably more in that area than you would say national area.

Going back before 1975 we handled the majority of the things in 1960 for the Lake for Governor campaign.

Q Layton?

A Lake, L-a-k-e, I. Beverly Lake. In 1960 and 1964 in his campaign for governor of North Carolina we handled

88040673339

8804063340

1 Mr. Bailey Direct Page 9  
2 probably all of the printed materials in those two  
3 campaigns.  
4 Q How about Senator Jesse Helms, has he been a political  
5 customer of yours---client of yours, if you will?  
6 A I don't believe that we've ever sold anything to the  
7 Helms for Senate Committee.  
8 Q By that you mean you've never sold anything directly  
9 to them?  
10 A Right.  
11 Q Have you undertaken any activity on behalf of the  
12 Senator Jesse Helms campaigns? And I'll get into that  
13 in more detail later.  
14 A We have promoted some of our own ideas with people who  
15 were favorable to the Senator as far as trying to sell  
16 our ideas, but it would be independent of anything  
17 connected with his campaign.  
18 Q Was that in 1978---his campaign in 1978?  
19 A I'm sure so.  
20 Q And again in his campaign in 1984?  
21 A Yes.  
22 Q Is Franchise Enterprises in any way connected with the  
23 advertising business?  
24 A No.  
25 Q Is it safe to say that they are strictly the Hardee

8804063341

1 Mr. Bailey Direct Page 10  
2 franchise?  
3 A Right.  
4 Q No other interests of any kind?  
5 A You mean as far as Franchise Enterprises?  
6 Q Yes.  
7 A No, that's strictly Hardee's.  
8 Q Okay, fine, thanks very much.  
9 A The two businesses are in separate buildings, not even  
10 at the same address.  
11 Q Are you familiar with Helen Laughery?  
12 A Yes.  
13 Q Can you tell us the basis for that familiarity, please?  
14 A Helen Laughery is a close personal friend. She and  
15 her husband are good friends of my wife and mine. Mr.  
16 Laughery is the chairman of the board of Hardee's Food  
17 System.  
18 Q What is his first name, please?  
19 A Jack Laughery.  
20 And I guess if I had to say we've had---ever  
21 since he's been in Rocky Mount, which is about ten to  
22 twelve years, we've had a good, close personal  
23 relationship.  
24 Q And a business relationship in the sense of  
25 franchisor/franchisee?

38040673342

Mr. Bailey

Direct

Page 11

A Yes.

His wife ran for the county commissioners campaign in Nash County. I worked in her campaign. I guess that was two years or three years ago.

Q To your knowledge was she ever connected with the Nash County Helms for Senate Committee?

A At one point early in the campaign she was going to be the chairman of the Nash County Helms for Senate Committee.

Q You're talking about the 1984 campaign?

A Yes.

And because of disagreements that she had with the Helms for Senate Committee, she resigned. The best I recall, she resigned from any official capacity with the Helms for Senate Committee.

Q You mentioned "Helms for Senate Committee." Was she connected with the Helms for Senate Committee, not the Nash County Helms for Senate Committee but the Helms for Senate Committee?

A You're making a distinction between the Nash County Helms for Senate Committee and the statewide Helms for Senate Committee?

Q I make that distinction because that's the way you testified and that's why I asked the question.

A She---the best of my knowledge she was---it was discussed with her by someone from the Helms for Senate Committee in Raleigh as to whether or not she would consider taking that position, and at one time---

Q What position is that now? That's what I'm trying to identify.

A The chairmanship of Helms for Senate Committee for Nash County.

Q For Nash County?

A For Nash County.

And to the best of my knowledge she was going to do it, and they had differences of opinion and she resigned from doing so. And I don't know that officially she had ever accepted or did not officially accept. I'm not real certain on that.

Q What, to your knowledge, is the Nash County Helms for Senate Committee?

A Well, initially, a group of us were going to organize a Helms for Senate Committee in Nash County; and I guess I was the principal one to try to get the group together to start the Helms for Senate Committee well before the campaign ever got going, before he had ever announced---

Q Excuse me, what time---

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1 Mr. Bailey Direct Page 13

2 A Eighteen months before the election---before he had  
3 announced that he was going to run.

4 And that would be the beginning of any effort.  
5 Now, as far as a Helms for Senate Committee officially  
6 functioning in connection with the Raleigh Helms for  
7 Senate Committee, I don't think we ever in fact had  
8 one in Nash County.

9 Q You're drawing a distinction again with the statewide  
10 Helms for Senate Committee---

11 A Right.

12 Q ---as opposed to the---or distinguished from the Nash  
13 County Helms for Senate Committee?

14 A Right.

15 Q Eighteen months before the election, I take it we're  
16 talking around January or February of 1983. Is that  
17 correct?

18 A Probably in that area.

19 Q Who is, to your knowledge, James Trotter?

20 A Jim Trotter was an attorney in Rocky Mount who was a  
21 Helms supporter, a friend of mine, who was involved in  
22 the initial meetings that we held to try to get  
23 support started about eighteen months ahead.

24 MR. WHITEHEAD: I'll ask the reporter to  
25 mark this first exhibit as FEC Exhibit No. 1,

1 Mr. Bailey

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2 consisting of two pages. One purports to be a  
3 letter dated March 22, 1983 addressed to "Dear  
4 Fellow Conservative" and signed at the bottom by  
5 a signature which is said to be that of Jack  
6 Bailey. The second page is entitled, "Helms  
7 Campaign - Planning Meeting, April 6, 1983."

8 [THEREUPON, FEC DEPOSITION EXHIBIT

9 NO. 1 WAS MARKED FOR IDENTIFICATION.]

10 Q Mr. Bailey, are you familiar with these documents?

11 A Yes.

12 Q Is that your signature at the bottom of the first page  
13 of FEC Exhibit 1?

14 A Yes.

15 Q The first document is addressed to "Dear Fellow  
16 Conservative." Mr. Bailey, can you tell me  
17 approximately how many of these letters were mailed?

18 A Approximately fifty.

19 Q And where did you obtain the mailing list for the  
20 mailing of this letter?

21 A A mailing list that's not actually a mailing list.

22 Q Well, you explain to me where you got the names and  
23 addresses, if you will.

24 A The names of people who have worked with me and I with  
25 them over twenty years of conservative political

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1 Mr. Bailey Direct Page 15  
2 activity in Nash County.  
3 Q In Nash County. Would that include---forgive me for  
4 not being familiar with the area, but would that  
5 include Raleigh and Rocky Mount or---  
6 A No, it would just be the Rocky Mount area.  
7 Q Rocky Mount is the principal city, if you will, of  
8 Nash County?  
9 A Right.  
10 Q The first paragraph of the letter speaks for itself,  
11 of course, but it talks in terms of a meeting set for  
12 six-thirty on Wednesday, April 6---I assume 1983 since  
13 the letter is dated March 22, 1983---"in the Assembly  
14 and Training Rooms of Franchise Enterprises, Inc.,  
15 1313 North Church Street, Rocky Mount." Did that  
16 meeting ever take place?  
17 A Yes.  
18 Q And how many people were in attendance at that meeting  
19 to your knowledge?  
20 A About thirty.  
21 Q So you got a response of some thirty out of the fifty?  
22 A Approximately that.  
23 Q The second paragraph of that letter speaks for itself,  
24 of course, but it talks in terms of the purpose is to  
25 discuss the 1984 campaign of Jesse Helms for

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1 Mr. Bailey Direct Page 16  
2 re-election to the U. S. Senate and that both Tom  
3 Ellis and Carter Wrenn would appear, both of these  
4 being connected with the National Congressional Club  
5 in Raleigh, and they would appear to answer questions.  
6 Did indeed Mr. Ellis and Mr. Wrenn appear at that  
7 meeting?  
8 A Yes.  
9 Q And did they address the group in any way or answer  
10 questions? What was their role at that particular  
11 meeting?  
12 A To answer questions. At that time it was not known  
13 for certain whether Jesse was going to run. He had  
14 not announced, and there were a number of people who  
15 wanted to know was he in fact going to run. And as I  
16 recall, Mr. Ellis tried to dance around with that  
17 question to keep the support or the interest up without  
18 giving an actual answer.  
19 Q I'm going to read some names and I'm going to ask you  
20 if each of these people were in attendance at that  
21 particular meeting. Lloyd Bailey of Rocky Mount?  
22 A I believe he was in attendance.  
23 Q Tom Ellis you said was there?  
24 A Yes.  
25 Q Carter Wrenn was there?

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1	Mr. Bailey	Direct	Page 17
2	A	Yes.	
3	Q	Geri Harrell? She's your secretary, is she not?	
4	A	I don't remember whether she was there or not.	
5	Q	She is your secretary?	
6	A	Yes.	
7	Q	Helen Laughery?	
8	A	She was there.	
9	Q	Jack Laughery?	
10	A	He was there.	
11	Q	Gene Lewis?	
12	A	He was there.	
13	Q	Shirley Morgan?	
14	A	He was there.	
15	Q	That's S-h-i-r-l-e-y. Is that a man?	
16	A	Right.	
17	Q	Wayne Newnam?	
18	A	He was there.	
19	Q	Vicky Raper?	
20	A	She was there.	
21	Q	Charlene Schindehette?	
22	A	I don't recall her being there.	
23	Q	Jim Trotter?	
24	A	He was there.	
25	Q	Don Wilhalf?	

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1 Mr. Bailey Direct Page 18

2 A No.

3 Q Carter Wrenn was mentioned, all right. Page

4 two---excuse me, just one minute before we go to page

5 two.

6 The fourth paragraph of the letter which is page

7 one of FEC Exhibit 1 talks in terms of no pressure

8 being applied for contributions; however, "opportunity

9 for investment," as it says, "is always available at

10 any political meeting." To your knowledge were any

11 contributions raised at that meeting?

12 A No contributions were raised at that meeting. Some

13 indications were given or pledges were made to---I

14 can't remember whether they came then or came later,

15 but eventually this was the group that I solicited

16 contributions for the billboards that we were putting

17 up. But I don't recall that we actually got

18 commitments that night.

19 Q Were the billboards discussed that evening at that

20 meeting?

21 A Yes.

22 Q Turning to page two of FEC Exhibit 1, the agenda has

23 eight items on it; the first item is a welcome. Who

24 gave the welcome?

25 A I did.

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1 Mr. Bailey Direct Page 19  
2 Q And the second item is "Purpose of Starting Our  
3 Campaign Early." Who handled that aspect of the  
4 agenda?  
5 A I did.  
6 Q And did you read out names of those that could not  
7 attend?  
8 A Yes.  
9 Q "B" of two says, "Review Long Poll." What is the Long  
10 Poll?  
11 A Long Marketing Poll out of Greensboro, North Carolina.  
12 Q What did that poll indicate?  
13 A It indicated that Jesse Helms would be running strong  
14 against Jim Hunt if an election took place between the  
15 two.  
16 Q I see, they were kind of projecting the race. Is that  
17 in effect---  
18 A Right.  
19 Q And do you have any idea what the date of the Long  
20 Poll was?  
21 A No, I don't. I subscribe to it. It comes out every  
22 month, and I'm sure that it would have been the most  
23 current one at that time.  
24 Q In and around April of 1983?  
25 A In and around March or April, probably the March

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report.

Q The next item on the agenda says, "Introduce Carter Wrenn." I take it that you introduced Mr. Wrenn?

A Yes.

Q Could you tell us---item "a" says, "To tell us what happened last November." Did Mr. Wrenn indeed talk at the meeting?

A Yes.

Q What did he say, to your recollection?

A I can't remember what is referred to here as "what happened last November"---oh, I know what---he brought us up to date on what had happened in the elections of 1982 and sort of reported on why certain conservatives had not done as well in the 1982 election and what they attributed it to, and that was the general nature of that discussion.

Q The fourth item on the agenda says, "Introduce Tom Ellis." And did you introduce Tom Ellis?

A Yes.

Q I take it he spoke, did he?

A Yes.

Q Item "a" says, "Analysis of our situation." Can you recall what Mr. Ellis said in connection with the situation in his analysis?

A It was basically a discussion or report on how he felt Jesse Helms' chances would be against Jim Hunt, that he was assuming that Jesse would run. He didn't have any commitment from Jesse that he would run but that if he did, he felt that it was going to be a tough campaign, a long campaign, an expensive campaign and basically just reported on what he felt the facts were at that time.

Q Do you have any recollection as to how long Carter Wrenn talked and how long Tom Ellis talked?

A Both of them, five to ten minutes.

Q Item five talks in terms of "Present Plans for our Campaign." The first item is "Helen Laughery - Campaign Manager." You've explained to some extent her involvement. Was she introduced that night?

A Yes.

Q Did she speak?

A I don't recall her speaking.

Q How was she introduced as campaign manager, campaign manager to what?

A For the Nash County effort to organize a Helms for Senate Committee in Nash County.

Q It didn't have a formal name at that time, I take it?

A Not really a formal name.

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Q Item "b" is "Billboard Campaign." What was discussed about the billboard campaign at that meeting, to your recollection?

A I presented an idea that I had on putting billboards up, selling the message that "Jesse Helms is Right." The "is right" connotation was my way of projecting Jesse in a more positive way. I was trying to sell that idea to Tom Ellis and Carter Wrenn and the Congressional Club that night. I had already produced bumper signs saying "Jesse Helms is Right."

And I was trying to get across the message and the idea that billboard advertising, number one, based on my experience in Hardee's and we---and I presented a lot of actual facts and statistics on billboard advertising and the cost per customer impression versus TV, radio, newspaper and that you got more for your money on billboards than you did on any of the electronic media, and that I wanted to be a part of a campaign projecting this positive image and wanted to get people to agree in our area to contribute to a billboard fund that would put up approximately ten billboards.

I showed slides of certain billboards that were available in the area, not billboards we had committed

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Mr. Bailey

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for but they were available to us from the sign company.

And I tried to sell the idea of a billboard campaign with "Jesse Helms is Right." That was the gist of that billboard campaign report.

Q So you used a figure of ten billboards as your---

A I think that's correct.

Q Ultimately you only used how many?

A I believe it was five.

Q Did you give the attendees an indication of what it would cost for this campaign and how much money would have to be raised for this campaign?

A Yes.

Q What do you recall were your projected figures for costs and for fund raising?

A I think I used the figure of twenty-five thousand dollars---

Q Cost?

A ---as what it would cost to take care of this, and I was trying to get---I don't remember whether I used the figure of all fifty of the people that I had on the list of---fifty to a hundred dollars a month investment in that program was what I was trying to do.

Q So is it your testimony that you indicated to them that

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1 Mr. Bailey Direct Page 24  
2 each would have to come up with about fifty dollars a  
3 month in order to sustain this campaign?  
4 A Right.  
5 Q Was there any other method or means discussed of  
6 raising contributions for this particular fund?  
7 A Not to my knowledge. I mean I can't---I don't recall.  
8 Q Item "c" under five is "Flood Newspapers with letters  
9 to Editors." Did you have a discussion of that  
10 particular---  
11 A This was an idea of mine that I presented to the  
12 group, that this was one method that we could use to  
13 keep Jesse Helms' name in front of the public in a  
14 positive way by each of us writing letters to editors  
15 and they would publish it and it would help offset the  
16 liberal influence on the editorial page and wouldn't  
17 cost anything to do this.  
18 Q To your knowledge was that activity carried out?  
19 A To some extent it was, not enough to make any major  
20 impact.  
21 Q I see. The letters to the editor, to your knowledge,  
22 did they come from the group that met that night or  
23 the fifty names or from where did they come?  
24 A They were each done on their own. There was no---  
25 Q How about item "d" under five, "Company Publications,"

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1 Mr. Bailey Direct Page 25

2 what was the discussion in connection with that?

3 A It was suggested that anyone who had any company  
4 publications that they could---where they possibly had  
5 any editorial comments or messages in their publica-  
6 tions to employees, that they could start suggesting  
7 through those publications the need for protecting the  
8 free enterprise system and support for conservative  
9 candidates.

10 Q Was Jesse Helms mentioned by name?

11 A No.

12 Q To your knowledge were any of the company publications  
13 of those in attendance utilized in this way?

14 A Not to my knowledge.

15 Q Item "e" under five, "Put message on Company  
16 Letterheads," could you tell us what the discussion  
17 was about that?

18 A That was a suggestion that I had, and it was pointed  
19 out by someone present that night that you would not  
20 be able to do that. I was suggesting that you could  
21 put a message right on a company letterhead to "vote  
22 for Jesse Helms" or "support Jesse Helms" and was told  
23 that night that that was---

24 Q It's against the law?

25 A ---dangerous and you couldn't do it.

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1 Mr. Bailey Direct Page 26  
2 Q At least treading on---  
3 A Treading.  
4 Q Item "f, Bumper signs with 'Jesse is Right'" is listed  
5 under five. Could you tell us what message was put  
6 forth on that item?  
7 A They were shown samples of bumper signs that night  
8 that Southeastern Advertising had produced and had in  
9 inventory and that this message was going to be sold  
10 across the state as best we could to promote that  
11 bumper sign and that they were on hand.  
12 Q At that time had you produced these bumper signs in  
13 volume?  
14 A Not in volume. I think the first order, I believe,  
15 was twenty-five hundred.  
16 Q And when was that order placed?  
17 A I'd have to go back and check the record.  
18 Q Well, to your recollection was that order placed  
19 before the meeting or after the meeting?  
20 A I think it was before. As I recall, I think I had a  
21 sample of the bumper sign with me that night.  
22 Q And the first order was for twenty-five hundred bumper  
23 signs?  
24 A I believe that's right.  
25 Q Overall, how many bumper signs were printed and put

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together or whatever you do with bumper signs?

A Without checking the record I couldn't tell you. I'm going to guess it was less than twenty thousand.

Q "G" under item five is "Carry message to the Fundamentalist"---let me go back to bumper signs.

Did you discuss with the group or tell the group that Southeastern Advertising would be the company that would produce these bumper signs?

A I don't recall saying that Southeastern Advertising was the company producing them; probably stated Southeastern Advertising had these in inventory and they were for sale and the price was a dollar apiece or seven for five dollars. That's probably what I told them.

Q "Carry message to the Fundamentalist Churches," that's item "g" under five; and under that is paragraph (1), "Get them to get their people registered to offset the large black vote." Could you tell me about the discussion with that particular item on the agenda?

A That discussion was simply an opinion that I had, that it was my private opinion that the liberals were trying to get blacks registered. We already knew this way up front, and that the only chance we had to offset that would be to go fundamentalist churches and get

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1 Mr. Bailey Direct Page 28  
2 them to get the rural whites that were not registered,  
3 registered to offset that large black registration.  
4 Q Was that effort ever undertaken to your knowledge?  
5 A Yes, it was.  
6 Q By members of the people that were in attendance that  
7 night?  
8 A No, not---not by any of the names that have been  
9 mentioned in this group so far.  
10 Q Well, tell me some of the names that did actually do  
11 it.  
12 A Mike Barnhill.  
13 Q Who is he?  
14 A He was a person who was in attendance that night.  
15 Q What is his particular position? What does he do?  
16 A He's in the contracting business.  
17 Q Here in Raleigh or Rocky Mount?  
18 A In Rocky Mount.  
19 Q Any other names?  
20 A That's the only name that I can recall.  
21 Q Did he report to you on his activities in this regard?  
22 A No. I just---I am aware that he was working in that  
23 area, but I never had any report from him.  
24 Q Item "h" under five is "Telephone bank to identify our  
25 people." Could you tell me what was said about that?

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1 Mr. Bailey Direct Page 29

2 A We talked in terms of setting up a headquarters for

3 the Republican campaign and to start a telephone bank

4 calling registered voters to find out where they stood

5 and trying to get this identification process done

6 early in the campaign so we could find out who would

7 be willing to work in the campaign.

8 Q Was this telephone bank ever put into operation?

9 A Yes, it was done much later.

10 Q How much later?

11 A More than a year later.

12 Q Where was the telephone bank located when it did---are

13 we talking now about April of 1984 when it actually

14 was set up?

15 A I think it was probably June or July of 1984.

16 Q And where was it located?

17 A In a building on Sunset Avenue in Rocky Mount that was

18 used as the headquarters for the Republican candidates,

19 which included the Martin for Governor campaign,

20 Reagan for President and Helms for Senate.

21 Q Was it a professional operation? By that I mean did

22 you hire people to make the phone calls or was it

23 volunteer?

24 A No, volunteers.

25 Q And were the volunteers any of those people that were

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1 Mr. Bailey Direct Page 30  
2 in attendance at the meeting of April 6, 1983 to your  
3 knowledge?  
4 A I can only make an assumption that there were. I  
5 never went in the building.  
6 Q How long did the telephone bank run, if it began in  
7 June of 1984?  
8 A I think that it ran until the week of the election.  
9 Q Who paid for the telephone bank?  
10 A I don't know the answer to that.  
11 Q Did you have any involvement in the payment for the  
12 telephone bank?  
13 A Not that I recall. The---  
14 Q Is it at all possible that you did have some  
15 involvement in the telephone bank operation?  
16 A I made a contribution to Morris Thompson, who was, I  
17 believe, heading up that operation at that headquarters  
18 for Reagan and Martin. I believe I made a contribution  
19 to him, and I don't know whether the money was used  
20 for the telephone bank or what it was used for, for  
21 that particular headquarters operation.  
22 Q How much was the contribution and to whom was it  
23 payable?  
24 A I don't recall.  
25 Q You don't recall either fact?

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1 Mr. Bailey Direct Page 31

2 A I don't recall who it was made payable to. I think

3 that I contributed a thousand dollars. I believe

4 that's the number.

5 Q Was it to a political committee?

6 A I don't remember.

7 Q Just to clear up the record or at least get it on the

8 record, was it for the Reagan for President Committee?

9 A I believe it was. I believe it was designated as

10 "Reagan for President."

11 Q Then it was not for Helms for Senate Committee or Jim

12 Martin for Governor Committee?

13 A No.

14 Q Did you actively participate in the telephone bank? I

15 think you said you hadn't.

16 A No, I did not.

17 Q So your only involvement with the telephone bank is a

18 thousand-dollar contribution probably to the Reagan

19 for President Committee to finance the bank?

20 A That's probably---I think that's correct.

21 Q Whose idea was it to discuss a telephone bank at the

22 planning meeting of April 6, 1983?

23 A Well, I made up this whole agenda. There was no one

24 else that participated, to my knowledge, on that

25 agenda.

Q Did you get any volunteers as a result of this agenda to do particular things listed on the agenda such as billboard campaign, telephone bank?

A I don't recall getting any that night. As I recall, this whole night was simply to get people alerted to the fact that we needed to start some activity and that these were just some ideas that I had. And the main thing I was trying to do was get Tom Ellis and Carter Wrenn to buy the idea of billboards and "Jesse Helms is Right" as a positive campaign rather than what I had considered negative campaigning in the past.

Q The next item on the agenda is "Gene Lewis - Comments." Who is Gene Lewis?

A Gene Lewis is the president of Lewis Advertising Agency in Rocky Mount.

Q What was his role in the meeting and what comments did he make?

A I asked him to stand up as a professional and give his opinion on billboard advertising versus the electronic media. He supported my case for billboard advertising.

Q Do you recall any specific comments by Mr. Lewis?

A No specific comments. He did support the case that I was presenting.

Q All right, thank you. Item seven is Jim Trotter, whom

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you've already identified, and it says, "Comments."

What comments did Jim Trotter make?

A Jim---as best I recall, Jim's main contribution that night was one sort of motivation, simply to say that in spite of the liberal papers that were against Jesse and all the favorable reports on Hunt that "we could win, we can win, we will win, we just got to get out and go to work and do it and we can do it." And that was his part in the program.

Q Eventually, Mr. Trotter became a member of the Jim Martin campaign and ultimately went to work for the governor's office. To your knowledge was he connected with the Jim Hunt campaign at that time---forgive me, Governor Martin's campaign at that time?

A No, Martin had not announced at that time. We didn't know---as best I recall, we didn't know until the following January that Martin was going to be a candidate. The best I recall that's the first I knew of Martin being a candidate was that January or February of 1984.

Q Now, the last item on the agenda is item eight and it talks in terms of questions and answers and mentions Tom Ellis, Carter Wrenn, Gene Lewis, Jim Trotter and Jack Bailey. Generally, what took place during that

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1 Mr. Bailey Direct Page 34  
2 item on the agenda?  
3 A I opened the floor for questions, that if anybody had  
4 any specific questions of any of the five of us,  
5 "please feel free to ask them and we'll try to give  
6 you an answer."  
7 Q How long did the meeting last, approximately?  
8 A About an hour.  
9 Q About an hour, okay.  
10 Mr. Bailey, are you familiar with the North  
11 Carolina Finance Steering Committee?  
12 A The North Carolina Finance Steering Committee?  
13 Q Uh-huh (yes).  
14 A No, sir, not by that name I'm not.  
15 Q Well, newspapers items or newspaper articles back  
16 around August of 1983 indicated that you were a member  
17 of that committee.  
18 A What date was this?  
19 Q I'm talking about August of 1983, thereabouts.  
20 MR. BATTS: May I inquire, do you have a  
21 copy of the newspaper article?  
22 MR. WHITEHEAD: I don't have a copy of the  
23 newspaper article. It appeared in the Raleigh  
24 News and Observer in and around August of 1983  
25 and mentioned that Mr. Bailey was a member of the

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1 Mr. Bailey Direct Page 35  
2 steering committee. I think the formal name of  
3 it was the North Carolina Finance Steering  
4 Committee.  
5 A I'm aware that something appeared in the paper that  
6 said that I was a member of a committee since this  
7 hearing came up and after the Democratic Party filed  
8 those charges against me, but I have no recollection  
9 of ever being asked nor ever agreeing to serve or not  
10 serve. I have no recollection of anything pertaining  
11 to it as far as being on any committee. I never  
12 attended any meetings.  
13 Q (By Mr. Whitehead) I apologize for not having the News  
14 and Observer article with me, but it's my understanding  
15 that the article notes that Mr. Bailey was a member of  
16 the steering committee but not an officer. Is that a  
17 correct statement?  
18 A I really couldn't tell you.  
19 Q Your testimony is that you had no knowledge of the  
20 steering committee prior to the newspaper article?  
21 A Right.  
22 Q Were any meetings held in connection with the steering  
23 committee, to your knowledge?  
24 A Not to my knowledge.  
25 Q Did you ever attend any meetings?

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1 Mr. Bailey Direct Page 36

2 A No, sir.

3 MR. WHITEHEAD: I ask the reporter to mark  
4 FEC Exhibit 2, which consists of three pages.  
5 The first page purports to be a letter dated  
6 July 30, 1984 from J.C.D. Bailey signed "Jack"  
7 to Mr. Jeff Batts. The second purports to be a  
8 September 13, 1983 copy of a letter signed by  
9 Jack Bailey addressed to Mr. Carter Wrenn,  
10 executive director, National Congressional Club,  
11 Post Office Box 18848, Raleigh, North Carolina.  
12 And the third purports to be a post gram dated  
13 August 10, 1983 from Carter Wrenn, executive  
14 director, Congressional Club Foundation, to Mr.  
15 J. C. Bailey, P. O. Box 1828.

16 [THEREUPON, FEC DEPOSITION EXHIBIT

17 NO. 2 WAS MARKED FOR IDENTIFICATION.]

18 Q I ask you, Mr. Bailey, are you familiar with these  
19 particular items?

20 A Yes, I'm familiar with this first one.

21 Q How about the second page? Is that your signature  
22 down at the bottom, "Jack Bailey"?

23 A Yes.

24 Q Is that a copy of something you sent to Mr. Wrenn?

25 A That is my letter to Mr. Wrenn.

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1 Mr. Bailey Direct Page 37

2 Q And the third page, are you familiar with that?

3 A Yes.

4 Q Did you indeed receive that particular post gram to  
5 your knowledge?

6 A Yes.

7 Q The second paragraph of the first page, your letter to  
8 Mr. Batts, talks in terms of, "It was around this same  
9 time"---i.e., September 13, 1983---"that I told Mark  
10 Stevens, of the Helms for Senate Committee, that I was  
11 working independently and would not serve on any  
12 committees." Prior to September 13, 1983 did you  
13 serve on any particular committees?

14 A Not to my knowledge.

15 Q The last sentence of that particular paragraph in the  
16 letter says, "I told him"---does that mean Mr. Stevens?

17 A Yes.

18 Q ---"that I did not like the restrictions the  
19 committees put on an individual, and, therefore, I  
20 would not serve." Did you have a telephone  
21 conversation with Mr. Stevens in connection with this  
22 letter or in connection with the September 13 letter?

23 A I can't specifically recall a conversation with Mr.  
24 Stevens or whether it was someone else in his office  
25 or someone that came by my office. I do recall that

1 Mr. Bailey Direct Page 38  
2 I---that they were not willing to buy my idea of  
3 "Jesse Helms is Right" from the April meeting that I'd  
4 had in my office, and I'm satisfied there were a  
5 number of conversations on the telephone in between  
6 then with different people. I never knew who was in a  
7 Helms for Senate Committee office or who was with the  
8 Congressional Club or exactly where or who these  
9 people all were as far as official capacities, but  
10 they had not agreed to buy my idea of the "Jesse Helms  
11 is Right" bumper sign and the billboard program.

12 And I was taking the position that I was  
13 operating as an independent, and I didn't like the  
14 things they were sending out this way on the direct  
15 mail campaign and I didn't want any part of it.

16 Q Referring to page three of FEC Exhibit 2?

17 A This was sort of the straw that broke the camel's back.  
18 I had received numerous things in the mail similar to  
19 this and had either written something across and  
20 mailed them back, put it in the trash can or do  
21 something else with it or had called. I don't  
22 remember. I just remember that every time I got some-  
23 thing I was upset over it, and I kept thinking how much  
24 better my idea was for a positive campaign, that "Jesse  
25 is Right" without this type of thing.

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And I think the letter here indicates that I had told them I didn't like all the restrictions that were put on the committees and an individual and, therefore, I wasn't serving with them in that connection.

Q What, to your knowledge, were the restrictions that they were putting on individuals?

A I don't remember specifically. I do recall that somewhere during all this period of time and probably going back to that April meeting that you were told what you could and couldn't do and restrictions here and restrictions there. And I said, "Well, I'm operating independently."

Q Did anybody tell you not to engage in a billboard campaign from either the Congressional Club or the Helms for Senate Committee?

A No.

Q Who is Mr. Stevens? Do you know offhand?

A He was connected with the Helms for Senate Committee, I think. I never knew him before. I haven't seen him since.

Q Did you have personal meetings with Mr. Stevens or were these telephone conversations?

A I know I had one personal meeting with him.

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1 Mr. Bailey Direct Page 40  
2 Q When was that?  
3 A I don't remember when or where. I just remember I did  
4 meet him. I believe he came by my office one day.  
5 Q Approximately when?  
6 A It would have been about the---somewhere around the  
7 time of April, 1983---April or May, somewhere after  
8 that first meeting.  
9 Q Was he in attendance at the April meeting?  
10 A I don't recall---wait a minute, I believe he might  
11 have been. He might have been. They had two young  
12 boys with them when they came that night and I don't  
13 remember who they were, but I believe one of them  
14 might have been Mark Stevens.  
15 Q You say "they." Who are "they"?  
16 A Carter Wrenn and Tom Ellis.  
17 Q Your meeting with Mr. Stevens, what was discussed?  
18 A Well, I didn't mean to imply that I had a meeting with  
19 him. I recall I met him, and I think I must have met  
20 him that night if he was one of those two.  
21 Q Do you have any memory of having any additional---  
22 A I have no memory of ever having any discussion with  
23 Mr. Stevens. I'm---back to your question on the  
24 restrictions.  
25 Q Yes.

1 Mr. Bailey Direct Page 41  
2 A I recall Jack Laughery telling me that somebody had  
3 called Helen; and I believe it was Mark Stevens had  
4 called Helen and told Helen that she couldn't have any  
5 conversations with me because I was operating an  
6 independent committee, that my billboard activity was  
7 independent, and that Helen was told that she---if she  
8 was going to be campaign chairman in Nash County she  
9 couldn't have any communication with me.

10 And I remember this part of the restrictions and  
11 so on that I got upset over, that how in the world  
12 could any committee or any group involved tell someone  
13 who was close personal friends they couldn't have any  
14 involvement with me because I'm running something  
15 independent of this group. And I remember that Mark  
16 Stevens was the one that Jack Laughery quoted as  
17 having told Helen that she could not communicate with  
18 me.

19 And this was all happening about the same time,  
20 and this was why---I notice I sent a blind copy of my  
21 letter to Jack Laughery and Dewey Weaver and Jim  
22 Trotter. I think I called them on the phone and asked  
23 them if they would send something back to Carter or  
24 Tom telling them the same thing, that they didn't like  
25 this, and we needed to put some pressure on them to cut

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1 Mr. Bailey Direct Page 42  
2 down on this type of direct mail.  
3 Q Did you have any discussions in and around that time  
4 or later with anyone connected with the Helms for  
5 Senate Committee as to their plans for the campaign?  
6 A No. The only thing I knew about their plans was that  
7 they were not willing to accept my plan.  
8 Q So, in effect, you discussed your plan with them and  
9 they did not accept what you were planning to do?  
10 A That's correct.  
11 Q But they didn't in turn discuss their plans with you?  
12 Is that your testimony?  
13 A That's correct. I assumed that was their plan when I  
14 kept receiving this stuff in the mail.  
15 Q Referring to page three of FEC Exhibit 2?  
16 A Right.  
17 MR. WHITEHEAD: I'm going to ask the  
18 reporter to mark for identification FEC Exhibit  
19 No. 3, consisting of some seven pages, the first  
20 page of which purports to be a May 24, 1983  
21 letter addressed to Mr. J. W. Bailey, Nash  
22 County Jesse Helms for Senate Committee in care  
23 of Southeastern Advertising, Rocky Mount, North  
24 Carolina, from Whiteco Metrocom, Robert Sykes,  
25 general manager. And the additional six pages

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purport to be bulletin display agreements having separate particular identification as Agreement W10-756-4, W10-757-3, W10-758-2.

[THEREUPON, FEC DEPOSITION EXHIBIT

NO. 3 WAS MARKED FOR IDENTIFICATION.]

Q I ask you, Mr. Bailey, if you are familiar with these?

A All right, sir.

Q Are you familiar with these items?

A No.

Q Are they what they purport to be, that is---first of all, on page two of FEC Exhibit 3 there is a signature line by J. Bailey. Is that your signature?

A Yes.

Q And it is under "Advertiser: Nash County Jesse Helms for Senate Committee, care of Southeastern Advertising, Inc., P. O. Box 312, Rocky Mount." This purports to be an agreement between Whiteco Metrocom and Nash County Jesse Helms for Senate Committee for the display of a billboard on U. S. 64 Tarboro Street at intersection of Washington Street. Did you enter into such a contract?

A Yes.

Q Is this the contract that you entered into?

A I think so.

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1 Mr. Bailey Direct Page 44

2 Q So, in effect, these are the contracts that you  
3 entered into for some of the billboards?

4 A Yes.

5 Q This does not appear to be all of the billboard  
6 contracts?

7 A I think that's correct.

8 You asked the question if I was familiar with  
9 them, and I answered no because things of this type  
10 come across my desk that someone else has seen that  
11 I---my signature goes on an awful lot of things that I  
12 don't actually specifically read and see how it's made  
13 out.

14 Q But after reading it---

15 A But I don't ever recall seeing the front letter. I'm  
16 sure that I had to sign the bottom of these, and I was  
17 looking---I'm satisfied at the price---to verify the  
18 price. That would have been the thing I would have  
19 looked at.

20 Q So, in effect, these are copies of the contracts that  
21 were entered into?

22 A I think so, yes, sir.

23 MR. WHITEHEAD: I'll ask the reporter to  
24 identify for the record FEC Exhibit 4, consisting  
25 of three pages, which purports to be a contract

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Mr. Bailey

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entered into between Glasgow Sign Service and the Nash County Jesse Helms for Senate Committee in care of Southeastern Advertising. There's a very vague and hardly legible signature line on the second page.

[THEREUPON, FEC DEPOSITION EXHIBIT NO. 4 WAS MARKED FOR IDENTIFICATION.]

A Okay.

Q Are you familiar with this exhibit?

A I can't say I'm familiar with it. It appears to be my signature.

Q And it appears to be a contract between Nash County Jesse Helms for Senate Committee and Glasgow Sign Service. Did you enter into contracts with Glasgow?

A Yes, sir.

Q And is this indeed the contract between---

A I think so.

Q Were there any other---

MR. BATTS: Mr. Whitehead, may I inquire, would it be proper at this time to clarify the capacity in which Mr. Bailey is signing these originals?

MR. WHITEHEAD: Fine, that's a good question.

34

1 Mr. Bailey

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2 Q (By Mr. Whitehead) Could you tell me, Mr. Bailey, in  
3 what capacity did you sign these particular  
4 agreements, that is, the agreement between Glasgow  
5 Sign Service and also the agreement with Whiteco  
6 Metrocom?

7 MR. BATTS: May I inquire specifically  
8 whether you were signing on behalf of South-  
9 eastern Advertising, Inc. or you were signing as  
10 an official or representative of the county  
11 committee to which he's referring to here?

12 A I was signing as a representative of Southeastern  
13 Advertising to simply book the space upon which we  
14 were going out and getting contributions to pay for.

15 Q So, in effect, this is a---is it your testimony that  
16 this is a contract between Southeastern Advertising  
17 and the two companies mentioned?

18 A Yes.

19 Q Do you have any idea as to why it was necessary to  
20 include Nash County Jesse Helms for Senate Campaign on  
21 both of these contracts?

22 A I can only guess that as a result of so much  
23 conversation going on around at that time as to what  
24 we were doing that they had to be identified---that  
25 the sign company had to identify what the contract was

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1 Mr. Bailey

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2 for, that it was for Helms' campaign, and there not  
3 being any official name for it I guess they used the  
4 Jesse Helms for Senate Campaign to identify the  
5 contract.

6 Q Did you have the business dealings with Whiteco  
7 Metrocom?

8 A No.

9 Q Who did?

10 A I don't remember.

11 Q Was it someone connected with your company, South-  
12 eastern Advertising?

13 A No, it was probably---I think Wayne Newnam, who is  
14 vice president of Franchise Enterprises Marketing  
15 Department---I think he got the prices for me from the  
16 billboard representative that normally called on him  
17 for other billboards that we use with Hardee's. And I  
18 think he got the information for me and forwarded it  
19 down to me, and I simply signed them when they came in.  
20 That's the best I recall how that came about. I never  
21 had any discussions with any of the sign people.

22 Q Referring to the first page of FEC Exhibit 3, which is  
23 the letter from Mr. Sykes addressed to Mr. J. W.  
24 Bailey, the first sentence reads, "Dear Mr. Bailey:  
25 May we take this opportunity to welcome you as one of

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1 Mr. Bailey Direct Page 48  
2 our customers." Second sentence, "When a new account  
3 is opened, our entire organization puts forth every  
4 effort to do an efficient job, as we all realize that  
5 by pleasing you, we are taking another step forward."  
6 Had Southeastern Advertising been one---had it  
7 been a customer of Whiteco Metrocom prior to this  
8 time? Do you know?  
9 A No.  
10 Q So you had not utilized Whiteco Metrocom in any  
11 capacity before, that is, Southeastern Advertising had  
12 not used them?  
13 A Right, right.  
14 Q Had Franchise Enterprises, Inc. ever used Whiteco?  
15 A Yes.  
16 Q Did you have any business dealing with Whiteco as  
17 Franchise Enterprises, Inc.?  
18 A No, sir.  
19 Q Someone in your company had dealings with them?  
20 A Yes.  
21 Q Is that Mr. Newnam?  
22 A Right.  
23 Q And he's connected with Franchise Enterprises?  
24 A Right.  
25 Q Fine, thank you. Are you familiar with the name Lewis

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1 Mr. Bailey Direct Page 49  
2 Advertising, Inc.?  
3 A Yes.  
4 Q Tell me what your familiarity with that company is.  
5 A I've known Gene Lewis since he started the company  
6 about twenty years ago. He has represented Hardee's  
7 Food System and Franchise Enterprises. He's done work  
8 for Southeastern Advertising, and we have an ongoing  
9 business relationship every week.  
10 Q Is this the same Gene Lewis that spoke at the  
11 meeting---  
12 A Yes.  
13 Q ---in April of 1983?  
14 A Yes.  
15 Q Is Lewis Advertising, Inc. in the business of  
16 billboards, billboard rentals?  
17 A Yes.  
18 MR. WHITEHEAD: I'm going to ask the  
19 reporter to identify FEC Exhibit 5, consisting  
20 of four (sic) pages that purport to be invoices  
21 from Lewis Advertising, Inc. and checks from  
22 Southeastern Advertising Company payable to  
23 Lewis Advertising, Inc. The invoices from Lewis  
24 Advertising, Inc. are 19220, 19341 and 19388.  
25 So, in effect, FEC Exhibit 5 has only three pages

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1 Mr. Bailey Direct Page 50

2 and not four.

3 [THEREUPON, FEC DEPOSITION EXHIBIT

4 NO. 5 WAS MARKED FOR IDENTIFICATION.]

5 Q I'll ask you, Mr. Bailey, if you're familiar with  
6 these?

7 A I'm not familiar with these specific documents in  
8 front of me, but I think I can tell you what they are.

9 Q Well, tell me, first of all, what---the check 1728  
10 from Southeastern Advertising Co., Inc. is signed by  
11 Charlene Schindehette and it's payable to Lewis  
12 Advertising, Inc. in the amount of four hundred and  
13 fifty dollars. Is Ms. Schindehette an authorized  
14 signatory of Southeastern Advertising for check  
15 purposes?

16 A Yes.

17 Q Is that her signature?

18 A Yes.

19 Q Is this a copy of your check number 1728?

20 A It appears to be.

21 Q These records were obtained through your attorney, Mr.  
22 Batts, from your files. Are these the type of records  
23 kept in the ordinary course of business by Southeastern  
24 Advertising, Inc.?

25 A Yes.

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1 Mr. Bailey Direct Page 51

2 Q Now, could you tell us what these items are?

3 A I think that these were the original bills for the

4 billboards, the first one or two that were put up.

5 I'm not sure how many. Initially, these were going to

6 be handled by Lewis Advertising; and then a decision

7 was made that they would be handled by Southeastern

8 Advertising with Whiteco rather than through Lewis

9 Advertising. And that was the reason that

10 Southeastern became the account for Whiteco rather

11 than Lewis Advertising.

12 Q So it's your testimony that Whiteco became the

13 successor to Lewis Advertising in the business of the

14 billboards?

15 A Right---excuse me, it would be more that Southeastern

16 became the successor to Lewis Advertising in dealings

17 with Whiteco.

18 Q Oh, I'm sorry, I thought that Lewis was billing you

19 for the billboards. They were dealing directly with

20 Whiteco, is that it?

21 A They were dealing with Whiteco. Whiteco was the sign

22 company that put up the billboards and Lewis was the

23 advertising agency involved, and Southeastern simply

24 stepped in and took Lewis' place and Lewis got out of

25 the account.

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Q Thank you.

[THEREUPON, FEC DEPOSITION EXHIBIT

NO. 6 WAS MARKED FOR IDENTIFICATION.]

Q Let me show you what's marked as FEC Exhibit 6, which purports to be a copy of an invoice from Southeastern Advertising, Inc. dated 5/12/83 to James Trotter, Treasurer Jesse Helms Campaign, P. O. Box 228, Rocky Mount, North Carolina. I ask you if you're familiar with that?

A It appears to be one of our invoices.

Q Would that invoice be for the bills from Lewis as evidenced by FEC Exhibit 5?

A Yes.

MR. WHITEHEAD: I ask the reporter to identify for the record FEC Exhibit 7, which consists of three pages---four pages, I'm sorry, the first page being an invoice from Whiteco Metrocom to Nash County Jesse Helms for Senate Committee, care of Southeastern Advertising, Rocky Mount; the second page purporting to be an invoice from Southeastern Advertising to James Trotter, Treasurer Jesse Helms Campaign, P. O. Box 228, Rocky Mount; the third being an invoice again from Whiteco Metrocom to Nash County Jesse

Helms, care of Southeastern Advertising; and the fourth being an invoice from Southeastern Advertising, Inc. to James R. Trotter. The first page has also a check from Southeastern Advertising payable to Whiteco Metrocom.

[THEREUPON, FEC DEPOSITION EXHIBIT

NO. 7 WAS MARKED FOR IDENTIFICATION.]

Q I ask you if you are familiar with those and are they what they purport to be?

A I'm not familiar with them, but they appear to be copies of Whiteco's bill and Southeastern's bill back to Mr. Trotter.

Q That happens to be two invoices; that's invoices from Whiteco Metrocom in two instances to Southeastern and in the same two instances back to Mr. Trotter?

A Right.

Q Is that typical of the pattern of doing business that transpired during that billboard period?

A Yes.

MR. WHITEHEAD: I'll ask the reporter to mark the next exhibit as FEC Exhibit No. 8, consisting of two pages. The first purports to be an invoice from Glasgow Sign Service dated 10/6/83, and there's also a check on here from

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Southeastern Advertising Co., Inc. The invoice from Glasgow is in the amount of one seventy-five; the check is in the amount of one seventy-five payable to Glasgow Sign, and the second page is an invoice from Southeastern---or purports to be an invoice from Southeastern Advertising, Inc. to James R. Trotter for a hundred and seventy-five dollars for the Glasgow October sign.

[THEREUPON, FEC DEPOSITION EXHIBIT

NO. 8 WAS MARKED FOR IDENTIFICATION.]

Q I'll ask you if you're familiar with those?

A Again, I'm not familiar with them but I---it appears to be what it is.

Q And those are invoice from Glasgow, payment by Southeastern and invoicing by Southeastern Advertising to the Committee?

A Right.

Q Rather than introducing a series of transactions by and between Whiteco Metrocom, Southeastern Advertising and the Committee, would it be your testimony that during the period running through 1983 through---almost up until the election in 1984 that this was the common way of doing business, that Southeastern was billed by

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1 Mr. Bailey

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2 Glasgow Sign or by Whiteco Metrocom and, in turn, it  
3 billed---it paid the bill to the advertiser or the  
4 billboard owner and it, in turn, billed the Committee?

5 A Right.

6 Q So it will not be necessary for us to introduce these  
7 particular exhibits. The business pattern has been  
8 established, and it's consistent, is it not?

9 MR. BATTS: I'd like one clarification,  
10 and that is did Mr. Bailey know in his own mind  
11 the sequence is as you asked, which was bill to  
12 Southeastern by the sign company; the second  
13 event was payment to the sign company by  
14 Southeastern; and the third event was a billing  
15 to James Trotter, which I assume the fourth  
16 event would have been James Trotter would have  
17 paid Southeastern? Do you know of your own  
18 knowledge that it happened in that sequence?

19 WITNESS: No, I do not.

20 MR. WHITEHEAD: Well, I'll get to the  
21 payment by Mr. Trotter.

22 MR. BATTS: Okay.

23 Q (By Mr. Whitehead) Let me point out, in each one of  
24 these transactions the identical amount of the invoice  
25 from the billboard---from Whiteco Metrocom or from

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Glasgow is billed to the Committee. Did Southeastern Advertising ever obtain a profit in its dealings with the Committee, to your knowledge?

A Not at this point there hasn't been any profit made. It was intended that it would make a profit in the end, but the end hasn't come because of this charge that was brought. And Mr. Trotter stopped collecting the funds from the people that had pledged to pay because he didn't know what his situation was going to be, and we haven't finished it.

Q Was there any written agreement between Southeastern Advertising, Inc. and the Committee as to the terms of---conditions of the arrangement?

A No.

Q Was it an oral agreement?

A No.

Q When indeed then was the agreement made that Southeastern would obtain a profit in these transactions?

A There was no agreement with anyone; it was simply my intent that it would make a profit in the end of it, as we do on other things that we do.

Q It was your intent to make a profit. Was this intent communicated in any way to Mr. Trotter?

A I do not recall any communication one way or the other.

1 Mr. Bailey

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2 We were making a profit on the bumper signs.

3 Q No, I want to stay with the billboards. We'll get to  
4 the bumper signs.

5 But except for the fact that right now the  
6 transactions or the business accounts by and between  
7 the Committee and Southeastern Advertising are not  
8 finalized, during the course of business there was no  
9 profit made by Southeastern Advertising in connection  
10 with the billboards. Is that correct?

11 A That's correct.

12 Q What profit did you intend to make from these  
13 transactions, percentage?

14 A Fifteen percent.

15 Q Fifteen percent. Is that common in the business?

16 A That's common.

17 Q Do you make fifteen percent off all your non-political  
18 customers?

19 A Normally make more than that on non-political.

20 Q Only in the billboards---I'm specifically referring to  
21 billboards.

22 A That's normally fifteen.

23 Q Did you make a fifteen percent profit in connection  
24 with your political activities on behalf of other  
25 candidates that you have mentioned previously in your

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1 Mr. Bailey Direct Page 58

2 testimony?

3 A We've made from five to fifteen.

4 Q On billboards?

5 A I can't recall any specific billboards with other  
6 political candidates.

7 Q So where would the five to fifteen percent profit come  
8 in, in connection with these prior political campaigns?

9 A In the items that were sold and the selling price.

10 MR. WHITEHEAD: I'm going to ask the  
11 reporter to mark this next exhibit, FEC Exhibit  
12 No. 9, for identification. It purports to be a  
13 ledger sheet of the Jesse Helms campaign  
14 inasmuch as up at the top it reads, "James R.  
15 Trotter, Treasurer Jesse Helms Campaign, P. O.  
16 Box 228." And in handwriting it reads, "Accounts  
17 Receivable Sheets - Balance Outstanding Shown,"  
18 and consists of three pages with a series of  
19 entries on each of these pages, both debits and  
20 credits.

21 [THEREUPON, FEC DEPOSITION EXHIBIT

22 NO. 9 WAS MARKED FOR IDENTIFICATION.]

23 Q These documents were obtained through your counsel from  
24 your records, and I ask you if you're familiar with  
25 these in any way---first of all, I ask you, if you are

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1 Mr. Bailey Direct Page 59  
2 familiar, what they are?  
3 A Again, I'm not familiar with these specific documents,  
4 but they appear to be copies of our ledger sheets.  
5 Q These are ledger sheets belonging to Southeastern  
6 Advertising, Inc. Is that your testimony?  
7 A Yes.  
8 Q Do you recall how these were obtained? I mean did you  
9 turn these over to your counsel in response to a  
10 subpoena?  
11 A No, I didn't. I think he went down to Southeastern's  
12 office and Charlene Schindehette gave him copies of  
13 everything pertaining to it. I never looked at them.  
14 I instructed her to give him a copy of everything that  
15 she had in her files.  
16 Q These dates---but it is your testimony that these did  
17 come from Southeastern Advertising files?  
18 A Yes.  
19 Q These are records kept in the normal course of  
20 business by your company?  
21 A I would assume so, yes.  
22 Q The dates are---5/12/83 is the initial entry, and the  
23 last entry is 10/29/84, and at that time there is a  
24 balance showing of ten thousand three hundred and  
25 nineteen dollars and two cents?

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1 Mr. Bailey Direct Page 60  
2 A Yes.  
3 Q Can you tell me what that pertains to?  
4 MR. BATTIS: Do you understand the question?  
5 A What does the ten thousand three nineteen pertain to?  
6 Q Right.  
7 A It appears to be the balance that's owed on the  
8 account.  
9 Q Owed by the Jesse Helms Campaign to Southeastern  
10 Advertising. Is that it?  
11 A Yes.  
12 Q It seems apparent from these documents, these three  
13 pages, that payments for the various items listed  
14 thereon ceased in and around July of 1983. Is that  
15 correct?  
16 A Yes.  
17 Q Yet we have some considerable amount of activity done  
18 on behalf of the Committee between July 18---I'm  
19 sorry, that's 1984. I'm sorry, that's not 1983---and  
20 10/29/84, so I'm talking considerable activity between  
21 July 18, 1984 and October 29, 1984. Were you aware  
22 that there were no payments being made on this account  
23 during that period of time?  
24 A I was not aware during the entire time. I can't  
25 remember specifically when I did become aware that Mr.

8 8 0 4 0 6 7 3 3 9 2

Mr. Bailey

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Trotter was no longer collecting the funds or sending them in. I did become aware of it at some point, I'm guessing, midway in there.

Q Yet you continued to authorize the work for the Committee?

A Well, there was no conscious decision made one way or the other.

Q But you made no decision to stop?

A The billboards were committed. The commitment was made on the billboards through November, and no attempt was made to cancel the billboards with the sign company.

Q So, in effect, you were carrying out your part of the Southeastern Advertising Company's responsibility to the billboards even though you were not being paid by the Committee?

A Yes.

MR. WHITEHEAD: I'll ask the reporter to mark for identification FEC Exhibit 10, which again is an accounts receivable sheet.

[THEREUPON, FEC DEPOSITION EXHIBIT

NO. 10 WAS MARKED FOR IDENTIFICATION.]

Q The balance outstanding shown, obtained from your records, to Helen Laughery, 150 Hunter Hill Road---two

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1 Mr. Bailey Direct Page 62  
2 items thereon, "6/29, J.H. campaign materials, two  
3 thousand four hundred seventy-four dollars and forty-  
4 six cents, debit; 7/17, a credit for pick up at  
5 headquarters, eight hundred and eighty-two dollars and  
6 thirty-four cents." And I ask you if you have any  
7 familiarity with that?  
8 A No.  
9 Q Did you have any business dealings with Mrs. Laughery  
10 in connection with these campaign materials yourself?  
11 A I don't recall what the campaign materials were; but  
12 when Mrs. Laughery was---initially was going to be the  
13 campaign chairman, this evidently represents some  
14 materials that were sent to be used and she was simply  
15 the billing address at that point. And then when she  
16 did not take the job as campaign chairman, no change  
17 was ever made on how that was going to be handled. It  
18 did not come to my attention until this deposition  
19 business came up.  
20 Q To your knowledge has the balance of fifteen hundred  
21 and ninety-two dollars and twelve cents ever been paid?  
22 A I think that I paid it.  
23 Q You, J. C. D. Bailey, paid it?  
24 A Yes, I think that I personally paid all of the  
25 outstanding balances on this account.

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Q To?

A To Southeastern Advertising. I'm assuming that this was included in the group that I paid. That was the intent.

MR. WHITEHEAD: Let me ask the reporter to mark for identification FEC Exhibit 11, consisting of two pages, both purporting to be invoices of some type, each having at the top the printed legend, "J.C.D. Bailey." The first one is, "1/23/85, In full payment of account due from James R. Trotter, Treasurer Helms for Senate Campaign, until such time as funds are collected from above; repayment made to J.C.D. Bailey thereafter" in the amount of ten thousand three hundred and nineteen zero two, which is the figure we mentioned earlier. The second page being the same date, 1/23/85; again J.C.D. Bailey invoice it appears, "In full payment of account due from Helen Laughery for Helms campaign materials until such time as funds are collected from the above; repayment made to J.C.D. Bailey thereafter," and that's in the amount of one five nine two twelve, which is equivalent to the figure that we mentioned in

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the earlier exhibits.

[THEREUPON, FEC DEPOSITION EXHIBIT

NO. 11 WAS MARKED FOR IDENTIFICATION.]

Q Can you explain---first of all, are you familiar with these? What are they and can you explain them to me?

A Yes, this is the stub from my personal check in each case that was paid to Southeastern Advertising.

Q What does the reference in both of these particular things mean when it states "until such time as funds are collected from above"? What does "above" refer to in that case?

A From Helen Laughery in that case and Jim Trotter and the billboard committee in that case.

MR. WHITEHEAD: And just to complete the record, I'll ask the reporter to mark as FEC Exhibit 12, consisting of three pages. And these are duplicates, except for the third page, of the ledger sheets which had been previously marked for identification as FEC Exhibit 10, I believe. I'm not sure; we can check on that.

[THEREUPON, FEC DEPOSITION EXHIBIT

NO. 12 WAS MARKED FOR IDENTIFICATION.]

Q You are familiar with the ledger sheets? You have so testified?

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A Yes.

Q Let me make that four pages.

Are you familiar with these items?

A Yes.

Q And what are they?

A They appear to be the ledger sheets showing the addition of the payment.

Q In effect, closing out the account?

A Closing out the account.

MR. WHITEHEAD: I'll ask the reporter to mark the next exhibit as FEC Exhibit 13, consisting of three pages. The first page purports to be a letter from Charlene Schindehette to James R. Trotter, P. O. Box 228, Rocky Mount, North Carolina on the letterhead of Southeastern Advertising, Inc.; and the next two pages purport to be a letter in return from Mr. James R. Trotter, Attorney at Law, to Southeastern Advertising, Inc. The first letter is dated July 21, 1983 and the second is dated July 24, 1984.

[THEREUPON, FEC DEPOSITION EXHIBIT

NO. 13 WAS MARKED FOR IDENTIFICATION.]

Q I ask you if you are familiar with those letters?

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Mr. Bailey

Direct

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A (No Response)

Q Are you familiar with them?

A Yes.

Q Did you authorize the sending of the first letter?

A I don't recall.

Q Would that be the correct date on there, July 21, 1983, to your knowledge?

A I do not know. I'm sure that the correct---yes, I'd have to say I'm satisfied that's the correct date she sent the letter, but I have no knowledge of knowing whether that was the date she sent the letter.

Q The second letter from Mr. Trotter speaks for itself, of course, but it apparently indicates that until some attribution legends are changed that there would be no more payment made by the Nash/Edgecombe Billboard Fund. Are you familiar with that situation?

A Yes, I'm familiar with the fact that he sent this letter and that it brought this to our attention; and I'm now familiar with the fact that no additional payments were made.

Q Did you ever change the attribution legend on any of the billboards?

A The very next day---excuse me, within the next week all of those were changed, as fast as we could get the

sign people out to make the change.

Q Have you had any discussions with Mr. Trotter since that time as to the changes made?

A Yes.

Q What was the nature of these discussions?

A I brought to his attention the fact that the account was not being paid and that we had to make some disposition of this and needed to go back to billing the people that had committed to the Nash/Edgecombe Billboard Fund.

And Jim told me that he had been out to look at the signs and had not seen where the change had been made, and I told him that the change had been made and that I had personally inspected every sign and had seen that the change was made but that you had to go up close to the sign to see what was written on the bottom of it, and you could not read it from the highway. He was not aware of that and said he would go out and check on it and see whether or not he could read them.

This, I'm going to guess, was about September that we probably had that discussion. And due to the heavy travel schedule that I'm normally under and--- during the campaign I didn't see Trotter again, didn't

1 know from Charlene that the account continued not to be  
2 paid until about the end of the campaign. And Jim and  
3 I sat down at some point towards the end of the  
4 campaign and discussed it, that as soon as it was over  
5 we'd get together with all of the people who had  
6 agreed to pay the fifty dollars or a hundred dollars a  
7 month and bring to their attention what had happened  
8 in reference to this federal election charge from the  
9 Democratic Party against me and against Trotter, and  
10 that as soon as we had it resolved we'd go back and  
11 try to get our friends that had initially made the  
12 pledges to come across and pay the bill.

13  
14 Q So it's your testimony that until the completion of  
15 the Election Commission's investigation the matter  
16 will stay in the status quo? Is that it?

17 A That's right.

18 MR. WHITEHEAD: I'm going to ask the  
19 reporter to mark the next exhibit as FEC Exhibit  
20 No. 14.

21 [THEREUPON, FEC DEPOSITION EXHIBIT

22 NO. 14 WAS MARKED FOR IDENTIFICATION.]

23 Q And this, indeed, was obtained from your business  
24 files and, pursuant to subpoena, produced by your  
25 attorney. It's a general ledger sheet, heading:

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Mr. Bailey

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"Donations Received, Jesse Helms Billboard Account, J.R. Trotter, Treasurer." The earliest entry is a credit in March of 1983; the latest entry appears to be in October of 1984. I'll ask you to take a look at that and see if you're familiar with it and then if it is what it purports to be.

A I'm not sure what this is. I assume it's another ledger sheet, but I don't know how it ties in with the other ledger sheets you've already shown me.

Q I don't either. I'm just wondering if you can tell me what it's all about. I'm not that understanding of it either---let me ask you this: Were you personally involved in any one of these transactions that---

A No, and I can't tell you to save my life what this is.

Q Would you have an account executive that might have been in charge of this particular item?

A No.

Q Who would be the person most familiar with this particular item?

A Charlene.

Q Whose handwriting is that, by the way?

A I think it's hers. She's the only employee of Southeastern Advertising that would be in a position to put anything in the ledger, so it would have to be her.

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Mr. Bailey

Direct

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Q Did you direct Charlene to set up an account called "Donations Received"?

A I must have directed her to do that. I recall that we received a check, if I'm not mistaken, from Don Wilhalf. It seems to me that I recall that we received a check in the mail from Don Wilhalf to---

Q Who is he?

A He's a businessman in Rocky Mount that saw the first billboard go up and wanted to contribute towards paying for it.

Q Did you have any other contributions of the same nature as Mr. Wilhalf?

A I don't believe we did. I think that's the only one. There might have been one more; I'm not sure, but I don't think it was more than two, if there were that.

Q But the financing of the billboards pretty much was to be undertaken by the people who signed to---

A The billboard committee.

Q ---the billboard committee to come across with the fifty dollars per month? All right.

A Jim Trotter was handling the billboard committee and reporting all of that, filing the report and---for all of those contributions. I had---

Q When was---I'm sorry, go ahead.

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1 Mr. Bailey Direct Page 71

2 A I had nothing to do with that part.

3 Q Specifically, when was the Nash/Edgecombe Billboard  
4 Fund started?

5 A I think it was started shortly after the April, 1983  
6 meeting that we had in my office with Tom Ellis and  
7 Carter Wrenn and invited them to try to sell the idea  
8 of the billboard; and when they didn't buy it, I think  
9 that the Nash/Edgecombe Billboard Fund---I think that  
10 that was Jim Trotter's idea as to what to call it, as  
11 to what to call our committee that was going to do the  
12 billboard, and that he would handle the collecting and  
13 reporting for FEC purposes as far as reporting that  
14 income or those contributions.

15 Q Is there any reason why the invoices that went out  
16 from Southeastern Advertising that are a matter of  
17 record here always were addressed to James R. Trotter,  
18 Treasurer Jesse Helms Campaign and not Nash/Edgecombe  
19 Billboard Fund?

20 A That was simply an oversight on Charlene Schindehette's  
21 part or, I should say, just simply lack of knowledge.  
22 Trotter, I think, considered himself as treasurer of  
23 the billboard campaign---Nash/Edgecombe Billboard  
24 Campaign. Charlene considered it working on the Jesse  
25 Helms Campaign; and, not knowing the difference in one

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Mr. Bailey

Direct

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committee or another committee, I think that was just the way she set it up.

I never had that much communication with her on it. I think it's a matter of record I probably have less than ten minutes conversation a week with her in running this business for us.

Q So you never---did you ever specifically direct Charlene to bill the Nash/Edgecombe Billboard Fund?

A I don't recall ever making that---giving her those directions specifically to do it that way.

MR. WHITEHEAD: I'll ask the reporter to mark the next exhibit FEC Exhibit 15 for identification, which is actually two pages, but it purports to be a reproduction of the bumper stickers in large form.

[THEREUPON, FEC DEPOSITION EXHIBIT

NO. 15 WAS MARKED FOR IDENTIFICATION.]

Q Could you tell us what this actually is?

A It's a copy of the Jesse Helms bumper sign that---I think that I had taken a Jesse Helms bumper sign that was used in the 1978 campaign and I added the dash and "is Right" and the stars and so on. And I believe this is the way I sent the artwork to the factory to prepare the new bumper sign with "Jesse Helms is Right," and

that was---that's my handwriting or my copy in my own handwriting, and this is. And this appears to be what I sent the factory to make the artwork from.

Q To your knowledge did Jesse Helms at that time have 1984 bumper stickers in circulation?

A To my knowledge they did not.

Q Is that the reason you used the 1978 bumper sticker?

A Yes. I liked the looks of this, and I wanted to put that addition on it and was trying to sell them that idea.

Q "Sell them," meaning---

A The Helms Committee.

Q Did you pass this particular item, this artwork, on to the committee?

A Not until it was completed.

Q You sent it up to them after it was completed?

A I feel certain I must have. I must have sent it to a number of people. I think I did.

Q I was wondering if you sent it prior to the completion?

A No, no.

Q Where did you intend to---what outlets did you plan to use to sell these bumper stickers?

A Conservative contacts across the state that I've worked with through twenty-five years in politics.

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Q How about truck stops?

A I planned to sell at truck stops. This idea---at the time that I came up with this you may recall that Helms had filibustered on the floor of the Senate 'til late one night on the gas tax, and it had come out in our local paper that in traveling home for the Christmas holidays he had stopped in a Hardee's restaurant in Virginia and---at two o'clock in the morning, and all the truck drivers in there stood up and gave him a round of applause. This made headlines in the paper, and I went to two or three people that ran truck stops and suggested they put them in the little gift shops in these truck stops because the truck drivers would buy them and put them on the back of their trucks.

Q And did that in fact happen?

A I don't---I don't believe it did but I'm not sure.

MR. WHITEHEAD: Well, let me introduce 16, which---three letters dated February 11, 1983, in each case signed by Charlene Schindehette and addressed to Godwin Oil Company, Holt Oil Company and Don Stallings of Stallings Oil Company, all in the North Carolina---in Wilmington, Fayetteville and Rocky Mount, respectively.

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1 Mr. Bailey Direct Page 75

2 [THEREUPON, FEC DEPOSITION EXHIBIT  
3 NO. 16 WAS MARKED FOR IDENTIFICATION.]

4 Q I'll ask you if you are familiar with those?

5 A I'm not familiar with the specific documents. I do  
6 recall telling Charlene to send these people the  
7 bumper sign and try to make the sale. They were all  
8 accounts of Southeastern and all acquaintances of mine.

9 Q Was this typical of the type of letter sent?

10 A Yes.

11 Q Did you read the letter before these letters went out?

12 A I don't recall. I don't believe I did.

13 Q Did you give full authority to Charlene to put this  
14 letter out?

15 A My normal course of business is I'd call on the  
16 telephone and very quickly say, "Do so and so and so  
17 and so," and she'd take it down and go do it.

18 Q The prices mentioned in these letters are apparently  
19 the selling price of a hundred---a selling price of  
20 twenty-five cents each for a hundred and suggested  
21 retail price of fifty cents to a dollar on each. Is  
22 that what you had planned?

23 A Yes.

24 Q What was your margin of profit in the twenty-five  
25 percent cost?

1 Mr. Bailey  
2 A I believe our cost was about nine cents apiece---nine  
3 or ten cents apiece, and it's standard practice in the  
4 industry with bumper signs that you send---you end up  
5 sending out an awful lot of samples and you absorb it  
6 all; and the few that you do sell ought to cover the  
7 cost of the many, many samples that you send out,  
8 particularly in political bumper signs.

9 MR. WHITEHEAD: I'll ask the reporter to  
10 mark this next exhibit, consisting of two pages,  
11 FEC Exhibit 17.

12 [THEREUPON, FEC DEPOSITION EXHIBIT

13 NO. 17 WAS MARKED FOR IDENTIFICATION.]

14 Q The first is a letter from Charlene Schindehette to  
15 Mr. Scott Wilson, Office of Senator Jesse Helms,  
16 Washington, D.C., dated February 11, 1983; the second  
17 is a letter purportedly from Scott A. Wilson, signed  
18 "Scott," to Charlene Schindehette, Office Manager,  
19 Southeastern Advertising, Inc. Let me ask you if  
20 you're familiar with these two items?

21 A I recall telling her to send this letter.

22 Q Do you recall seeing the letter back from Mr. Wilson?

23 A Yes.

24 Q Did you have any personal discussion with Mr. Wilson  
25 at that time or afterward in connection with the fact

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1 Mr. Bailey Direct Page 77  
2 that Senator Helms himself had seen the bumper sticker?  
3 A I think I do recall having a conversation with Scott  
4 Wilson that liked my idea of "Helms is Right," and he  
5 had sent it on to Carter Wrenn. And I think he had  
6 recommended to Carter that they use my idea and that  
7 was not done.  
8 Q And the bumper stickers?  
9 A They did not buy any bumper signs.  
10 Q Did you ever have any discussion with Senator Helms  
11 himself in connection with the bumper stickers?  
12 A No.  
13 Q I'm a little bit uncertain. Did you say that they did  
14 not buy any of the bumper stickers or the billboards  
15 or both?  
16 A They did not buy bumper signs, which is what I was  
17 offering to sell them there, and they never used my  
18 idea on other billboards.  
19 Q Did they ever buy any bumper stickers from you?  
20 A No.  
21 Q Did they ever utilize them---did you send them any  
22 bumper stickers in abundance, in volume, in number  
23 that you recall?  
24 A I don't recall having sent them any.

25 MR. WHITEHEAD: Let's mark this one-page

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1 Mr. Bailey

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2 exhibit as FEC No. 18 for identification, which  
3 is a letter again from Charlene to a Tom Fetzer,  
4 3825 Barrett Drive, Raleigh, North Carolina,  
5 dated February 16, 1983.

6 [THEREUPON, FEC DEPOSITION EXHIBIT  
7 NO. 18 WAS MARKED FOR IDENTIFICATION.]

8 Q I ask you if you're familiar with that particular  
9 letter?

10 A What was your question?

11 Q Are you familiar with that particular letter from  
12 Charlene Schindehette to Tom Fetzer?

13 A Not specifically.

14 Q Do you know Mr. Fetzer?

15 A Yes.

16 Q What is his position?

17 A I'm not sure. He was either an employee of the  
18 Congressional Club or an employee of Senator Helms'  
19 Washington or North Carolina office; I'm not sure  
20 which.

21 Q Was he connected in any way with the campaign  
22 committee---the Jesse Helms Campaign Committee?

23 A Well, at this time he wasn't because there wasn't any  
24 Helms Committee in February of 1983. He had not  
25 announced that he was going to run because we didn't

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1 know in April, when I had my meeting in April of 1983,  
2 whether or not for certain he was going to run for  
3 re-election.  
4

5 I had produced---I had evidently produced these  
6 bumper signs as early as February 16, 1983. Until  
7 seeing this letter I was not really aware that I had  
8 done them that early.

9 Q Charlene states in that letter, the second sentence of  
10 the first paragraph, "I will pass the word to Mr.  
11 Bailey that Jesse Helms approves of the bumper  
12 stickers and thinks they are great." Can you recall  
13 any conversation with her in connection with that  
14 statement?

15 A I recall either from this or some other source---I  
16 don't remember which---that Jesse had seen the bumper  
17 signs and liked them. Again, this went back to my  
18 desire to get everybody involved in his behalf to use  
19 that.

20 Q Did you talk to Mr. Fetzer about that?

21 A I don't remember talking to Tom. I know Tom well  
22 enough. I think I would remember if I had talked with  
23 Tom on it. I don't recall talking with Tom.

24 MR. WHITEHEAD: I'll ask the reporter to  
25 mark for identification FEC Exhibit 19, which

1 consists of two pages. The first is a  
2 memorandum, unsigned, from Jack Bailey to  
3 Charlene Schindehette dated January 3, 1984,  
4 subject: Jesse Helms Bumper Stickers; and the  
5 second is a letter from Charlene Schindehette to  
6 John Scheipers, Field Representative of Helms  
7 for Senate, Raleigh, North Carolina.  
8

9 [THEREUPON, FEC DEPOSITION EXHIBIT

10 NO. 19 WAS MARKED FOR IDENTIFICATION.]

11 Q I ask you if you are familiar with these two items?

12 A I don't recall this note specifically, but it's  
13 obvious that it's a note that I sent to Charlene in  
14 January of 1984 simply trying to get distribution on  
15 the "Jesse Helms is Right" bumper signs and trying to  
16 make sales from the inventory that we had.

17 Q Now, the price quoted in her letter to Mr. Scheipers  
18 is twelve and a half cents per bumper sticker. Would  
19 that be---that's less than the normal twenty-five  
20 percent that you were willing to sell these for.

21 A Well, we were trying to push in larger volume,  
22 quantity.

23 Q Ten thousand?

24 A Yes.

25 Q Did you make the offer of ten thousand to anybody else

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1 Mr. Bailey Direct Page 81  
2 at that particular price?  
3 A No.  
4 Q So the committee itself was the only one that you  
5 offered for---  
6 A Well, let me explain that. I would have sold ten  
7 thousand to anyone at that price. No one else that I  
8 talked to---I didn't assume anyone else would be able  
9 to use that number.  
10 Q Is that what we would refer to as a quantity discount?  
11 A Yes, that would be standard practice in the industry.  
12 Q How much of a profit would be involved in twelve and a  
13 half cents apiece?  
14 A It would be a twenty-five to thirty percent margin.  
15 Q That would be a cost then of about nine cents?  
16 A Somewhere in that area. In ten thousand quantity we  
17 were probably able to get them at seven and a half to  
18 eight and a half cents, somewhere in that neighborhood.  
19 Q To your knowledge did they ever take any of these  
20 bumper stickers in volume?  
21 A No.  
22 Q Did they take them in less than ten thousand?  
23 A I don't believe they ever took any at all.  
24 Q Was there ever an occasion that you sold the bumper  
25 stickers to anybody at all at your cost?

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1 Mr. Bailey Direct Page 82

2 A At my cost?

3 Q Uh-huh (yes).

4 A I don't think so. I don't believe we have.

5 Q Can you say for certain that you ever sold any of

6 those at cost?

7 A I can say for certain that I never intended to sell

8 any at cost.

9 Q Did you ever authorize anybody connected with your

10 company to sell at cost?

11 A Not that I recall.

12 Q So you can't recall ever selling at cost or authorizing

13 anybody in the company to sell at cost?

14 A No, I can't. I can't say for certain it hasn't

15 happened because the nature of our business is such

16 that at the end of the campaign, if I was caught with

17 inventory, I might have sold them at less than cost to

18 have gotten rid of them. I don't recall.

19 Q So we're talking about time here?

20 A Right.

21 Q At the end of the campaign you might have sold at cost.

22 Did you ever sell at cost during the height of

23 the campaign, let's say from January of 1984 through

24 August of 1984?

25 A Not to my knowledge.

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1 Mr. Bailey Direct Page 83  
2 Q Did you ever authorize anybody in your organization to  
3 sell at cost during that period of time, January  
4 through August of 1984?  
5 A Not to my knowledge.  
6 Q Would it be unusual for you to authorize sales at cost  
7 other than at the windup of the campaign?  
8 A No, it would not be unusual.  
9 Q It wouldn't be unusual to sell at cost?  
10 A No. I've sold a lot of merchandise in the past at  
11 cost to other organizations, charity organizations  
12 that I've sold at cost.  
13 Q Would you do that in connection with profit-making  
14 organizations?  
15 A That's a hard question to answer. I can't really  
16 answer it.  
17 Q Would it be a usual practice to sell at cost to a  
18 political committee?  
19 A It would not be---it would not be a usual or a normal  
20 procedure.  
21 Q But it could happen?  
22 A But it could happen, yes.  
23 Q Did it happen in the case of the Jesse Helms campaign?  
24 A I don't think it did.

25 MR. WHITEHEAD: I'm going to ask the

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reporter to mark for identification FEC Exhibit No. 20, which purports to be a letter unsigned, July 17, 1984 on Southeastern Advertising, Inc. stationery; J.C.D. Bailey at the bottom to "Dear Republican Supporter."

[THEREUPON, FEC DEPOSITION EXHIBIT

NO. 20 WAS MARKED FOR IDENTIFICATION.]

Q It speaks in terms of cost for Jim Martin yard posters, bumper stickers, lapel buttons and Jesse Helms yard posters, bumper stickers and lapel buttons; and I ask you if you're familiar with that?

A Yes.

Q The letter is addressed to "Dear Republican Supporter." Could you tell me where you got the names and addresses of those to whom you sent this letter?

A It's an accumulation of names that I've gathered over a twenty-five-year period.

Q It's your own personal list?

A My own personal list.

Q You didn't rent or buy any lists from any list broker?

A No.

Q How many people would you say were on that list?

A I would guess that I've probably got three hundred, four hundred names on that list.

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Mr. Bailey

Direct

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Q Is it a commercial list or is it a list of---I say commercial list. Is it a list of business enterprises?

A It's a private list of private names. I've been deeply involved in conservative political activity in the Democratic Party up to 1964, and then I switched to the Republican Party and I've been very much involved in that since then. And this is an accumulation of names and contacts that I've had across the state.

MR. WHITEHEAD: I'll ask the reporter to mark the next exhibit as FEC Exhibit No. 21, which at the top is headed "Memo Billing From Southeastern Advertising, Inc." The first line, "Billed to J.C.D. Bailey," and there are a series of entries dating from 11/30/83 to 8/21/84.

[THEREUPON, FEC DEPOSITION EXHIBIT

NO. 21 WAS MARKED FOR IDENTIFICATION.]

Q I ask you to take a look at that and see if you're familiar with it.

A Your question again, please?

Q Are you familiar with that particular---

A I'm not familiar with the specific document. I think I know what it is.

Q Well, tell me what it is.

8804063417

1 Mr. Bailey Direct Page 86

2 A In a number---in the beginning on a number of things

3 that were being sent out or that I was having produced

4 I told Charlene to bill on what I call a memo billing

5 to my personal account, and that I would either be

6 paying for these things personally or other people

7 would be making contributions towards paying for them

8 in the end of the campaign. That was in connection

9 with the Martin campaign and in connection with the

10 Helms campaign.

11 Q There's one item on 6/19/84, "Items to go on walls at

12 Campaign Headquarters." What does that refer to, to

13 your knowledge?

14 A Red, white and blue bunting and---you've seen these

15 sort of drapery things hanging around, the patriotic

16 look.

17 Q What campaign headquarters were you referring to?

18 A That was the Republican campaign headquarters in Rocky

19 Mount.

20 Q And is that the one that you earlier testified had the

21 Reagan for President Committee, Helms for---

22 A Right. The Reagan, the Martin and Helms were all in

23 the same headquarters.

24 Q The same headquarters?

25 A It's the headquarters that the Helms for Senate

88040673418

1 Mr. Bailey

Direct

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2 Committee would not have anything to do with.

3 Q So, in effect, you paid for these items out of---they  
4 were billed to your personal account---

5 A Billed to my personal account.

6 Q ---by Southeastern Advertising?

7 A Exactly.

8 Q Were you later paid---were you or your personal  
9 account later paid for these items?

10 A Yes.

11 Q In each case?

12 A In each case.

13 Q And who paid you for them?

14 A Who paid me for them?

15 Q Yeah, who paid you for these items in each case?

16 A I can't specifically say, but I believe the bulk of  
17 this is included in the ledger sheets. I think it's  
18 all transferred to those ledger sheets that were going  
19 to be paid by the billboard committee and the people  
20 that we had who had agreed to make these contributions,  
21 which will all be wrapped up when we finish all of  
22 this.

23 MR. WHITEHEAD: I'll ask the reporter to  
24 mark this for identification; it's Exhibit 22,  
25 which is a March 28, 1984 letter addressed to

88040673419

Mr. Bailey

Direct

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"Dear Republican Friend" on the stationery of Southeastern Advertising, Inc. re "Sample Jesse Helms Bumper Sticker Enclosed."

[THEREUPON, FEC DEPOSITION EXHIBIT

NO. 22 WAS MARKED FOR IDENTIFICATION.]

Q I don't have an extra copy of this, so let me pass it on to you and you read it and I'll work from that.

Are you familiar with that particular item?

A This appears to be a copy of a letter that we sent to a number of Republican friends trying to sell the inventory we had left.

Q Did you authorize that particular mailing?

A I'm sure I did.

Q You state here that you will sell them for twelve and a half cents each, or she does, that is, Charlene does. But the authorization probably came from you. Is that right?

A Yes.

Q At twelve and a half cents each, "This is my cost and I will ship it out the day I get the order. Cash must accompany all orders." Can you explain that in connection with your prior testimony? I'd like to clear it up.

A No, I can't. I think our cost again---I've already

8804063420

1 Mr. Bailey Direct Page 89  
2 told you I think our cost was in the eight-and-a-  
3 half-, nine-and-a-half-cent range. They were---  
4 depending on the quantity we ordered, we may have paid  
5 as high as twelve and a half for some if we ordered  
6 fewer than five thousand or ten thousand, which I  
7 don't know what the break was. And that could be the  
8 truth and it also could be misleading in terms of what  
9 our actual cost on the bumper sign is.  
10 We don't say in this---in this letter we don't  
11 say anything about freight, and it may be that we just  
12 were making a blanket offer at twelve and a half cents  
13 each to---including the freight to cover it.  
14 Q Is that all you---I don't have any further questions  
15 about that.  
16 A Right.  
17 MR. WHITEHEAD: Let me hand to the  
18 reporter to mark for identification FEC Exhibit  
19 No. 23, which is in two parts but is purportedly  
20 an advertisement headed, "Governor Hunt, Did  
21 you, or Did you not accept a \$79,000 contribution  
22 from Gay Activists?"  
23 [THEREUPON, FEC DEPOSITION EXHIBIT  
24 NO. 23 WAS MARKED FOR IDENTIFICATION.]  
25 Q I'll ask you if you are familiar with that?

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A Yes.

Q What is the basis of your familiarity?

A This is an ad that I ran in The News and Observer, The Rocky Mount Evening Telegram and The Nashville Graphic. It is a copy of a letter that I sent to Governor Hunt in April of 1984 asking him if the report in The Landmark publication was true and, if so, didn't he think the voters of North Carolina were entitled to know, and he never answered the letter. As a public official of the State of North Carolina I felt that he should answer it, and I went public with it in the form of an ad.

MR. WHITEHEAD: I'll ask the reporter to mark for identification FEC Exhibit 24, consisting of two pages, purporting to be invoices in the amount of five zero eight twenty on J.C.D.---I'm sorry, I take that back.

[THEREUPON, FEC DEPOSITION EXHIBIT

NO. 24 WAS MARKED FOR IDENTIFICATION.]

Q Based on your previous testimony, these appear to be checks from J.C.D. Bailey to The News and Observer in both cases, one in the amount of five zero eight twenty and the other in the amount of one thousand three hundred and eighty-six dollars, both dated---one

38040673422

- 1 Mr. Bailey Direct Page 91
- 2 dated June 1, 1984 and the other dated June 4, 1984.
- 3 I ask you if you're familiar with those?
- 4 A Yes. The first check for thirteen eighty-six is the
- 5 amount that The News and Observer quoted for running
- 6 this ad. The second check is the amount that they
- 7 overcharged when they saw what the ad was, and they
- 8 ran the price up on the ad. They refused to run it
- 9 unless I paid a higher rate.
- 10 MR. WHITEHEAD: I'll ask the reporter to
- 11 mark for identification FEC Exhibit 25,
- 12 consisting of two pages, identical---strike that,
- 13 two pages which purport to be checks from J.C.D.
- 14 Bailey to The Evening Telegram and to The
- 15 Nashville Graphic dated June 1, 1984 in each
- 16 case, one in the amount of three hundred and
- 17 fourteen dollars and the other one in the amount
- 18 of one hundred and fifty-five dollars.
- 19 [THEREUPON, FEC DEPOSITION EXHIBIT
- 20 NO. 25 WAS MARKED FOR IDENTIFICATION.]
- 21 A Yes, they appear to be my checks payable to The Evening
- 22 Telegram and The Nashville Graphic.
- 23 Q And is that for the other publications of the same
- 24 ad---
- 25 A The same ad.

38040673423

1 Mr. Bailey Direct Page 92

2 Q ---referring to FEC Exhibit No. 23?

3 A I'd like to point out one thing in reference to this.

4 This is a copy of the ad the way I submitted it, and---

5 Q Referring to FEC Exhibit 23 at the bottom of the page.

6 A It was, "Paid for by J.C.D. Bailey in Interest of Good

7 Government." That's the way the ad was submitted to

8 The News and Observer.

9 The News and Observer, on their own without my

10 approval, changed that copy to "Paid for by J.C.D.

11 Bailey, Political Advertising," my home address and

12 home telephone number, which they put on the bottom

13 themselves.

14 Q So as the ad appeared in the paper---the newspaper, it

15 did not read "Paid for J.C.D. Bailey in Interest of

16 Good Government." Rather it read, "Paid for by J.C.D.

17 Bailey, Political Advertisement," with your address

18 and---

19 A Right, right. The Nashville Graphic ran it exactly as

20 it was supposed to have run, and The Evening Telegram

21 made some change and I've forgotten what their change

22 was. It was not like The News and Observer's.

23 MR. WHITEHEAD: I'll ask the reporter to

24 mark this for identification as FEC Exhibit 26,

25 which purports to be a copy of a memorandum from

88040673424

Mr. Bailey

Direct

Page 93

Wayne Newnam to Jack Bailey dated June 1, 1984,  
subject: "Jim Hunt Newspaper Ad."

[THEREUPON, FEC DEPOSITION EXHIBIT

NO. 26 WAS MARKED FOR IDENTIFICATION.]

Q I ask you if you're familiar with that particular item?

A Yes.

Q Had you asked Mr. Newnam to obtain the various costs  
and other information contained in that memorandum?

Was it at your direction that he wrote this?

A Yes, yes.

Q Had you set June 6th as the date to have these ads  
appear?

A Yes.

Q You wanted them in the Wednesday, June 6th edition?

A Yes.

Q In order to do that, you had to have the invoices to  
all of the---the checks, that is, rather, and  
completed ads delivered to the papers by ten a.m. on  
Monday, the 4th of June. And I take it your reaction  
to that was to make the checks out dated June 1, which  
are marked as prior exhibits. Is that a fact?

A I'm sorry, I didn't understand your question.

Q It was a rather obtuse question.

A I know why---I mean I don't know why the checks are

88040673425

1 Mr. Bailey Direct Page 94  
2 dated June 1. I know why I wanted the ad in the---  
3 specifically in the June 6th edition.  
4 Q Tell me why.  
5 A That was the day after the Democratic primary, and I  
6 felt that on that day that all of the people running  
7 for governor would be choosing up sides in the Senate  
8 race and that before any of the Faircloth supporters  
9 or the Eddie Knox supporters or any of the other  
10 candidates, Rufus Edmisten---I didn't know how the  
11 primary was going to come out, but I knew that there  
12 had to be some losers. And before those people jumped  
13 on Jim Hunt's bandwagon I wanted them to see this ad.  
14 Q Well, are you familiar with the fact that David  
15 Flaherty, chairman of the Republican Party of North  
16 Carolina and spokesman for Jesse Helms, held a press  
17 conference discussing essentially those issues on or  
18 about June 5th of 1984?  
19 A I was not familiar with it until it happened. I knew  
20 nothing about it when I decided to run this ad.  
21 Q You had absolutely no knowledge that Mr. Flaherty was  
22 going to discuss this particular issue at his press  
23 conference on June the 5th?  
24 A Absolutely none.  
25 Q But you wanted the advertisement in the paper on June

1 Mr. Bailey

Direct

Page 95

2 the 6th for the reasons stated?

3 A I gave you my reasons for wanting---that was the  
4 specific date that I wanted to reserve a specific page  
5 on the back of the first section of The News and  
6 Observer for that day.

7 Q All right, let me ask you the question did you at any  
8 time ever have any contact with Mr. Flaherty about the  
9 subject matter coming up at his press conference?

10 A Never.

11 Q Did you have any discussion with anyone who indicated  
12 to you that Dave Flaherty was going to bring this issue  
13 up at his press conference?

14 A No, sir.

15 MR. WHITEHEAD: I'll ask the reporter to  
16 mark for identification FEC Exhibit 27, which  
17 appears to be a check from Southeastern  
18 Advertising Company, Inc. in the amount of forty-  
19 five dollars payable to James R. Trotter,  
20 Treasurer Jesse Helms Campaign dated 5/12/83 and  
21 marked at the top, "Donation Jesse Helms  
22 Campaign; Don Wilhalf, \$20.00; Lloyd Bailey,  
23 \$25.00."

24 [THEREUPON, FEC DEPOSITION EXHIBIT

25 NO. 27 WAS MARKED FOR IDENTIFICATION.]

88040673427

Mr. Bailey

Direct

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Q Are you familiar with that check?

A This is the Don Wilhalf money, and I said there might have been one other. This would be the money that was sent to Southeastern for that campaign and was turned over to Jim Trotter.

Q That, in effect, explains your previous testimony as to these contributions?

A Yes.

Q Were there any other contributions of that nature that came to you?

A I'm certain this was it.

MR. WHITEHEAD: Let me take about a five-minute break to collect my thoughts. I think I may be about ready to wrap it up.

[THEREUPON, THERE WAS A SHORT RECESS.]

Q I don't think I asked you, but do you know Dave Flaherty?

A Yes.

Q How long have you known him?

A Approximately ten years.

Q When did you first become acquainted with Mr. Flaherty?  
Ten years ago but in what---

A When he served in a cabinet position in Jim Houser's administration as governor of North Carolina.

88040673428

1 Mr. Bailey

Direct

Page 97

2 Q Do you know him socially?

3 A Yes.

4 Q Have you seen him recently?

5 A I saw him during the inaugural weekend when Governor  
6 Martin was inaugurated here in Raleigh. That would  
7 have been January the 10th or 11th, somewhere in that  
8 area.

9 Q During the campaign did you have occasion to meet with  
10 Mr. Flaherty?

11 A I stopped by Dave Flaherty's office here in Raleigh at  
12 Republican headquarters one time during the campaign.

13 Q When was that?

14 A I can't say specifically. I can probably trace the  
15 time down if it's important, but my daughter is in  
16 school at St. Mary's Girls School here, and the  
17 Republican headquarters is about two blocks from the  
18 girls school. I was there, I think, for a parents  
19 weekend; and I had some time to kill and I told Ann  
20 Duncan, I said, "I want to take you down and introduce  
21 you to Dave Flaherty so that if you could volunteer to  
22 do some work down there for him that you can help."

23 And I took her in and introduced her to Dave;  
24 and we just, you know, passed the time of day,  
25 pleasantries, for about fifteen minutes and I left.

3804063429

Mr. Bailey

Direct

Page 98

Q Was that in 1983 or 1984? Do you recall?

A I'm going to say it was February of 1984 because that would have been---father-daughter weekend would have been in February, and I remember that a lot of our conversation had to do with Jim Martin's campaign for governor. So it would have been during that time.

Q Did you discuss the Jesse Helms for Senate Campaign with him at that time?

A Nothing more than the fact that he knew I was, you know, for Jesse Helms and for Jim Martin and that I was working, what we would call, for the cause.

Q Did you discuss any specifics of the campaign for Jesse Helms with Mr. Flaherty?

A No.

Q When I say "specifics," did you discuss any particular newspaper advertisings, any particular television advertisements on behalf of the campaign?

A No.

Q Did you have occasion to talk by telephone with Mr. Flaherty during the campaign?

A I don't recall specifically talking with Dave. I could have talked with him at some time during the campaign. I think that most of the conversation at any time that I had with Dave was over Martin's

38040673430

1 Mr. Bailey Direct Page 99  
2 campaign.  
3 Q No specific discussion about the Helms campaign?  
4 A No, I don't---I don't recall any time having a  
5 conversation with Dave in reference to the Helms  
6 campaign.  
7 Q Was Mr. Flaherty connected in any way with the Martin  
8 campaign?  
9 A Well, as the chairman of the Republican Party he was  
10 connected with all of the candidates.  
11 Q Are you familiar with the National Congressional Club?  
12 A Yes.  
13 Q What is the basis of your familiarity?  
14 A That I was a financial supporter from 1972, when it  
15 started, up until two years ago. I contributed every  
16 year, I believe, up until two years ago.  
17 Q Is there any reason why you stopped contributing to  
18 them?  
19 A Because I disagreed with the direct mail campaign.  
20 Q Are you familiar with the National Congressional Club  
21 Foundation?  
22 A No, not really. I think of it as one---whatever it  
23 is, as one operation.  
24 Q Was the statewide campaign headquarters for Jesse Helms  
25 for Senate in 1984 based in Raleigh?

88040673431

1 Mr. Bailey Direct Page 100

2 A I don't know.

3 Q I don't either.

4 A I know where my headquarters was. That's all I know.

5 Q Well, you had headquarters in Rocky Mount which was

6 for Jesse Helms, Ronald Reagan and Martin---Governor

7 Martin; and at some point in your testimony you talked

8 in terms of the other Jesse Helms campaign

9 headquarters.

10 A Uh-huh (yes).

11 Q Where was that other Jesse Helms campaign headquarters

12 located?

13 A It was in a house trailer across the street from the

14 headquarters that we had set up for the Republican

15 candidates, and that was set up by the Helms for Senate

16 Committee.

17 Q In a trailer?

18 A In a trailer.

19 Q Yours was in a building, right?

20 A Ours was in a building. Theirs was in a trailer, and

21 the two did not have any connection or relationship

22 with each other. Word had come---I think you'll be

23 interested in this; I'm going to volunteer this for

24 you.

25 Q Please do.

1 Mr. Bailey Direct Page 101  
2 A It got so bad in terms of communication that was  
3 coming to me from friends that my daughter had a group  
4 of girls for a social event for the weekend to come  
5 and stay at our home. And one of the boys that was  
6 dating one of the girls worked for the Helms for  
7 Senate Committee.

8 And when---he was told that he---when they found  
9 out he was coming to Rocky Mount and was going to be  
10 staying at Jack Bailey's house, that he couldn't go.  
11 And then finally it was resolved that he could go but  
12 his date would have to tell me that he could not  
13 communicate with me; he couldn't even say hello when  
14 he got there because of their concern for my  
15 independent campaign and their Helms for Senate  
16 Campaign.

17 So that's how---that was in June or July before  
18 the election. So there was no communication between  
19 me and anybody connected with that campaign.

20 MR. WHITEHEAD: I have no further  
21 questions at this time. As I said, I'd like to  
22 keep this deposition open for the time being and  
23 close it up later if that's all right with you.  
24 I'm willing to end it here for today.  
25 [THEREUPON, THE WITNESS WAS DISMISSED.]

---

STATE OF NORTH CAROLINA

COUNTY OF WAKE

C E R T I F I C A T E

I, Edith B. Chiavatti, notary public/reporter,  
do hereby certify that J.C.D. BAILEY was duly sworn by me  
prior to the taking of the foregoing deposition; and that  
said deposition was taken and transcribed by me; and that  
the foregoing one hundred one (101) pages, inclusive,  
constitute a true and accurate transcript of the testimony  
of the witness.

I do further certify that the persons were  
present as stated in the caption.

I do further certify that I am not of counsel  
for, or in the employment of either of the parties to this  
action, nor am I interested in the results of this action.

IN WITNESS WHEREOF, I have hereunto subscribed  
my name this 15th day of March, 1985.

  
Notary Public

My commission expires:

July 15, 1989

J. C. D. Bailey  
Post Office Box 1828  
Rocky Mount, North Carolina 27801  
Telephone 919/977-0950

March 22, 1983

Dear Fellow Conservative:

You are invited to meet with a small group of other dedicated conservatives for dinner and cocktails at 6:30 P.M. on Wednesday, April 6, in the Assembly and Training Rooms of Franchise Enterprises, Inc., 1313 North Church Street in Rocky Mount.

The purpose of this meeting is to discuss the most important 1984 campaign in the nation - that of Jesse Helms for re-election to the United States Senate. Both Tom Ellis and Carter Wren of the National Congressional Club in Raleigh will be here in order to answer any questions this key group might have.

Labor union leaders are already busy organizing a campaign to defeat Jesse in 1984. Even though I don't believe this will happen, I don't have to tell you how the liberal media would interpret such a loss and that it would be considered a mandate for more social welfare programs. The end result would be devastating for our State and our Nation and I believe we need to start early to insure Jesse's victory.

I would appreciate your keeping this invitation confidential as there are only 50 people being invited and I do not want to run the risk of offending someone not invited. Also, I assure you that no pressure will be applied for contributions at this time, although the opportunity for investment is always available at any political meeting, as you well know.

Dinner and drinks will be on me and I would appreciate hearing from you as soon as possible as to whether or not you can attend.

Sincerely,

*Jack Bailey*  
Jack Bailey



JCDB:gh

88040673434

HELMS CAMPAIGN - PLANNING MEETING

April 6, 1983

1. WELCOME
2. PURPOSE OF STARTING OUR CAMPAIGN EARLY - IDENTIFY OUR PEOPLE.
  - a. Read out names of those who could not attend.
  - b. Review Long Poll.
3. INTRODUCE CARTER WRENN
  - a. To tell us what happened last November.
4. INTRODUCE TOM ELLIS
  - a. Analysis of our situation
5. PRESENT PLANS FOR OUR CAMPAIGN
  - a. Helen Laughery - Campaign Manager
  - b. Billboard Campaign
  - c. Flood Newspapers with letters to Editors.
  - d. Company Publications
  - e. Put message on Company Letterheads
  - f. Bumper Signs with "Jesse is Right."
  - g. Carry message to the Fundamentalistic Churches
    - (1) Get them to get their people registered to offset the large black vote.
  - h. Telephone bank to identify our people.
6. GENE LEWIS - Comments.
7. JIM TROTTER - Comments
8. QUESTIONS & ANSWERS
  - Tom Ellis - Carter Wren - Gene Lewis -
  - Jim Trotter - Jack Bailey

88040673435

J. C. D. Bailey  
Post Office Box 1828  
Rocky Mount, North Carolina 27801

July 30, 1984



Mr. Jeff Batts  
Post Office Box 4847  
Rocky Mount, NC 27801

Dear Jeff:

I thought you might be interested in having a copy of this letter of September 13th that I sent to Carter Wrenn.

It was around this same time that I told Mark Stevens, of the Helms for Senate Committee, that I was working independently and would not serve on any committees. I told him that I did not like the restrictions the committees put on an individual, and, therefore, I would not serve.

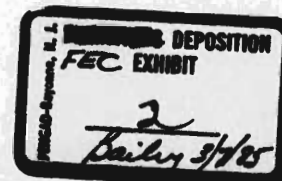
Sincerely,

J. C. D. Bailey

JCDB/aas

Enclosure

cc: Jim Trotter



38040673436

J. C. D. Bailey  
Post Office Box 1828  
Rocky Mount, North Carolina 27801

September 13, 1983

Mr. Carter Wren  
Executive Director  
National Congressional Club  
Post Office Box 18848  
Raleigh, North Carolina 27609

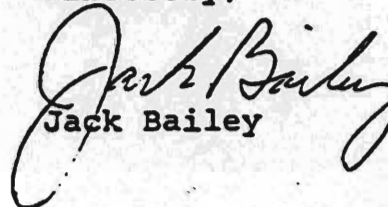
Dear Carter:

Your Post Gram, copy attached for convenient reference, was received by me. While I do not know its reaction on others, this type of solicitation very definitely has an adverse effect on me. I don't appreciate being on a mailing list to receive such "crap" and I am sure many other major contributors feel the same.

It is my belief that mailings of this kind to Congressional Club members who have already contributed more than \$100.00, cause more harm than good. I might be able to understand its being sent to new people who have not previously donated.

Please remove my name from this "junk" mail listing.

Sincerely,

  
Jack Bailey

JCDB:gh

cc: Mr. Tom Ellis, Chairman  
National Congressional Club

bcc: Mr. Jack Laughery  
Mr. Dewey Weaver  
Mr. Jim Trotter

Note: I wish each of you would send  
and similar letter to Carter  
and Tom.

JCDB

88040673437

CONGRESSIONAL CLUB FOUNDATION  
P.O. BOX 27205  
RALEIGH, NC 27611



POST GRAM

8330910/09:22AMEOT/XX0X112343/RS/MECS  
AUGUST 10, 1983

MR J C BAILEY  
PO BOX 1828  
ROCKY MOUNT, NC 27801

VERY URGENT. LIFE OR DEATH SITUATION. MUST PAY BILLS  
IMMEDIATELY OR SHUT CONGRESSIONAL CLUB FOUNDATION  
DOORS.

RESPONSE TO MY JUNE 21 OVERNIGHT LETTER THAT I SENT YOU  
FELL SHORT. STILL FACE DEBT OF \$42,450.

TED KENNEDY, TIP O'NEILL AND OTHER LIBERALS GLAD  
FOUNDATION IS IN BIG DEBT. THEY HOPE CONGRESSIONAL  
CLUB FOUNDATION WILL CLOSE DOORS FOREVER.

MR. BAILEY, YOU AND I HAVE FOUGHT THE GOOD BATTLE FOR  
THESE BELIEFS WE SHARE.

SENATORS JESSE HELMS AND JOHN EAST, CO-FOUNDERS OF THE  
CONGRESSIONAL CLUB FOUNDATION HAVE TURNED TO YOU IN THE  
PAST FOR HELP. YOU'VE ALWAYS BEEN THERE. THEY ARE  
COUNTING ON YOU AGAIN.

I AM VERY GRATEFUL FOR YOUR PAST HELP, BUT MUST ONCE  
AGAIN TURN TO YOU FOR FINANCIAL ASSISTANCE.

YOUR EARLIER CONTRIBUTION OF \$250 WAS A GODSEND FOR  
THE FOUNDATION. WITHOUT IT WE WOULD NOT HAVE BEEN  
ABLE TO PROVIDE MOST VALUABLE SUPPORT FOR PRESIDENT  
REAGAN'S PROGRAMS.

CRC - 2208

88040673438

CONGRESSIONAL CLUB FOUNDATION  
P.O. BOX 27209  
RALEIGH, NC 27611



POST GRAM

8330910/09:22AM EDT/XX0X112343/RS/MECS  
AUGUST 10, 1983

MR J C BAILEY  
PO BOX 1828  
ROCKY MOUNT, NC 27801

VERY URGENT. LIFE OR DEATH SITUATION. MUST PAY BILLS  
IMMEDIATELY OR SHUT CONGRESSIONAL CLUB FOUNDATION  
DOORS.

RESPONSE TO MY JUNE 21 OVERNIGHT LETTER THAT I SENT YOU  
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TED KENNEDY, TIP O'NEILL AND OTHER LIBERALS GLAD  
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THESE BELIEFS WE SHARE.

SENATORS JESSE HELMS AND JOHN EAST, CO-FOUNDERS OF THE  
CONGRESSIONAL CLUB FOUNDATION HAVE TURNED TO YOU IN THE  
PAST FOR HELP. YOU'VE ALWAYS BEEN THERE. THEY ARE  
COUNTING ON YOU AGAIN.

I AM VERY GRATEFUL FOR YOUR PAST HELP, BUT MUST ONCE  
AGAIN TURN TO YOU FOR FINANCIAL ASSISTANCE.

YOUR EARLIER CONTRIBUTION OF \$250 WAS A GODSEND FOR  
THE FOUNDATION. WITHOUT IT WE WOULD NOT HAVE BEEN  
ABLE TO PROVIDE MOST VALUABLE SUPPORT FOR PRESIDENT  
REAGAN'S PROGRAMS.

NOW THE CONGRESSIONAL CLUB FOUNDATION FACES FINANCIAL  
RUIN. MUST PAY AT LEAST \$24,201.31 WITHIN NEXT TEN  
DAYS TO SATISFY CREDITORS. CAN YOU SEND ME ANOTHER  
\$250 TO HELP MEET OUR EMERGENCY NEEDS?

IF YOU COULD SEND \$500 OR \$750 MY LIFE OR DEATH CRISIS  
WOULD BE OVER. BUT AM COUNTING ON YOUR SENDING AT LEAST  
ANOTHER \$250. NEED YOUR REPLY TODAY.

PLEASE DON'T FAIL ME NOW WHEN I NEED YOU MOST.

SIGNED: CARTER WRENN, EXECUTIVE DIRECTOR  
CONGRESSIONAL CLUB FOUNDATION



POST GRAM REPLY

TO: CARTER WRENN, EXECUTIVE DIRECTOR  
CONGRESSIONAL CLUB FOUNDATION

6527

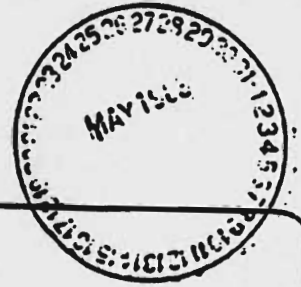
4001

FROM: MR J C BAILEY  
PO BOX 1828  
ROCKY MOUNT, NC 27801

DEAR CARTER:

I DON'T WANT THE CONGRESSIONAL CLUB FOUNDATION TO  
CLOSE ITS DOORS FOREVER. TO HELP WIPE OUT YOUR DEBT  
I AM ENCLOSING A CHECK FOR:

8040673440



3874067344

FEDERAL DEPOSITION  
 REC EXHIBIT  
 3  
 3/7/85 Bailey

P.O. BOX 183, ROCKY MOUNT, NORTH CAR

OLINA 27501 PHONE 918-443-0521

Box 6583  
Rocky Mount, NC 27801



# BULLETIN DISPLAY AGREEMENT

Shipping Address:  
403 Farm Road  
Rocky Mount, NC 27801  
Telephone: (818) 443-0521

WHITECO  
CUSTOMER NO. 245

DATE 5-11-83

AGREEMENT NO. N10-756-4 ☒ NEW ☐ RENEWAL

ADVERTISER Nash County Jesse Helms  
ADDRESS For Senate Committee  
c/o Southeastern Advertising, Inc.  
P. O. Box 312  
Rocky Mount, NC 27801  
PRODUCT/SERVICE \_\_\_\_\_  
CUSTOMER ORDER NO. \_\_\_\_\_

We, the undersigned (hereinafter referred to as "Advertiser") agree with Whiteco Metrocom, Inc., (hereinafter referred to as "Whiteco") to place in service and maintain an outdoor advertising display subject to the conditions and instructions on the reverse side of this display agreement for such prices per month for each location as are indicated on this display agreement and to maintain said display from the day the copy is completed on the display and the remainder of that month (the "proration period") plus  
A PERIOD OF: 20 months

Effective 5/1/83 - 4/1/84 12/1/84

## SECTION 1 DESCRIPTION OF ORDER

☐ PAINTED DISPLAY - REGULAR ☒ PAINTED DISPLAY - ILLUMINATED (FROM DUSK TO 10:00 P.M.) ☐ PAINTED DISPLAY WITH REFLECTIVE TREATMENT

LOCATION	SIZE	PRICE PER MONTH				
		Proration Period and First 12 mos.	13th through 24th month	25th through 36th month	37th through 48th month	49th through 60th month
US 64 Farboro St. at intersection of Washington St. E/SE	10' x 10'	\$215.00	\$225.00			
Customer may charge copy for \$350.00 one time charge This contract covers existing sign for "Jesse Helms" originally contracted through Lewis Ad						

☐ In addition to the foregoing monthly payments, Advertiser shall pay Whiteco for any pictorial, cut out, embellishment or any other special treatment for the display on the basis of the square footage of such special treatment within thirty (30) days of its receipt of notice from Whiteco of the cost thereof. Said cost shall be calculated at a rate of \$ \_\_\_\_\_ per square foot.

ACCEPTANCE: This display agreement shall not obligate Whiteco in any way until it is accepted and signed by an executive officer of Whiteco or by the General Manager of the office of Whiteco indicated herein.

WHITECO METROCOM  
A DIVISION OF WHITECO INDUSTRIES, INC.

THERE ARE ADDITIONAL TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS DISPLAY AGREEMENT. THE PARTIES ARE BOUND BY SAME.

ADVERTISER  
Nash County Jesse Helms for Senate Committee

FIRM NAME: SE Southeastern Advertising, Inc.  
Post Office Box 312  
ADDRESS: Rocky Mount, NC 27801

BY \_\_\_\_\_  
EXEC. OFFICER OR GEN. MANAGER  
TITLE \_\_\_\_\_  
DATE \_\_\_\_\_

Henry Bradley  
SALES REPRESENTATIVE

BY [Signature]  
PRINT NAME & TITLE \_\_\_\_\_  
DATE May 13, 1983

Advertiser agrees to notify Whiteco in writing not less than thirty (30) days prior to the expiration date of this display agreement if it desires to terminate this display agreement. The expiration of the above specified term. Unless advertiser notifies Whiteco or Whiteco notifies the Advertiser of its desire to terminate, the parties agree that this display agreement shall remain in force at the rate applicable at said expiration until the Advertiser thereafter gives Whiteco ninety (90) days or Whiteco thereafter gives the Advertiser written notice of its intention to terminate and then shall expire upon the expiration of said notice.

**SECTION 3. PROVISION OF COPY:**  
Advertiser shall furnish the copy and any special treatment specifications within thirty (30) days after the acceptance of this display agreement. In the event the Advertiser does not furnish said copy and any special treatment specifications within the time provided, the term of this display agreement and billing therefor shall begin on the date the copy is furnished.

**SECTION 4. PAYMENTS:**  
Advertiser shall pay in advance to Whiteco within five (5) days after the display has been placed in service, an amount based on the monthly rate for the first twelve (12) months provided for the period from the date on which the display is placed in service to the end of the calendar month. Advertiser shall thereafter pay in advance the appropriate monthly rate on the first business day of each month during the term of this display agreement and any extensions thereof.

**SECTION 5. LATE CHARGE:**  
Advertiser agrees that with respect to any amount owed hereunder which is due for seven (7) days, in addition to the amount owed, Advertiser shall pay a late charge equal to 1 1/2% of such unpaid amount for each month this payment remains unpaid (18% per year) or the maximum amount permitted by law, whichever is less, on such amount calculated from the date the amount first became due.

**SECTION 6. ENTIRE AGREEMENT, MODIFICATION AND SUCCESSION'S INTEREST:**  
It is understood that this agreement constitutes the entire display agreement and understanding between the parties hereto and supersedes all prior representations, understandings and agreements. It is further understood that the terms of this display agreement cannot be waived, amended or modified in any way except by written agreement by Advertiser and by an executive officer of Whiteco or the General Manager of the office of Whiteco indicated herein. Upon such acceptance this display agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, successors, assigns, administrators and assigns (accepted assigns in the case of the Advertiser, see Section 16).

**SECTION 7. COMMISSION PAYMENTS AND USE OF ADVERTISING AGENCY:**  
The monthly billing to be paid Whiteco is not subject to any reduction or limitation for any other similar charges from any agent of Advertiser's present or past. In this event, such commission shall serve to reduce the monthly billing only if payment of the monthly invoice is made when due. If the display agreement is signed by an advertising agency, broker, agent, either on behalf of the actual advertiser or in addition to the actual advertiser, the advertiser as used herein shall include both the actual advertiser and the advertising agency, broker, agent, and all obligations of the advertiser hereunder shall be the joint and several obligations of both. In the event the advertiser reserves for itself the right to modify or amend the display agreement, the advertiser shall be deemed to have authorized the advertising agency, broker or agent to make such modifications in the manner provided herein. Said advertising agency, broker or agent represents that it is authorized by the actual advertiser to execute this display agreement.

**SECTION 8. PAYMENT ADJUSTMENTS DUE TO CHANGES IN GROUND LEASE:**  
If at any time the annual cost to Whiteco of the site location ground lease for the display contemplated by this agreement exceeds Advertiser's net monthly payment for the display, Advertiser is to pay Whiteco such excess within thirty (30) days of the date of payment of the display.

**SECTION 9. BREACH:**  
Any failure by Advertiser to pay when due any amount due hereunder shall constitute a breach of this display agreement. Advertiser acknowledges that the display is a special use of the premises, is a limited liability, and is a limited liability. Advertiser agrees that it will pay directly all expenses incurred and that the display has very limited value to Whiteco unless used for the Advertiser. Advertiser further acknowledges that it is imperative and extremely difficult to maintain the best use of the premises in the event Advertiser were to breach this display agreement. Advertiser, in the event it agrees that Advertiser first or has first agreed to a subsequent agreement with Whiteco, shall be deemed to have agreed to the terms of this display agreement and shall be deemed to have agreed to the terms of this display agreement and shall be deemed to have agreed to the terms of this display agreement.

**SECTION 10. LOCATION, RELOCATION, CONDEMNATION AND CANCELLATION:**  
Whiteco may, exercising its sole reasonable judgment, choose the location for the display. If for any reason the display's location described herein cannot be obtained, Whiteco may, exercising its sole reasonable judgment, choose the best available alternative location for the display. Any relocation of the display necessitated by a threatened or actual loss of location or inability to maintain the display, due to state laws, local ordinances, resulting of highway or other similar causes, including but not limited to condemnation, shall be at Whiteco's expense. At Whiteco's option, billing for the display for the period during which such relocation is being accomplished and/or the display is not in place shall be at Advertiser's to be waived a credit after such period in the amount of one hundred percent (100%) of the estimated monthly rate paid during such period. Any relocation of a display requested by Advertiser shall be subject to Whiteco's approval and shall be at Advertiser's expense and there shall be no statement or credit of the monthly rate during such period.

**SECTION 11. MAINTENANCE:**  
Whiteco agrees to maintain the display in good condition through the term of this display agreement, including replacing and repairing any damaged parts of the display subject to the provisions herein. Whiteco retains exclusive control and supervision of the installation, maintenance and removal of displays and over the structure(s) on which they are displayed. It is expressly agreed that Whiteco shall not be held liable for loss or damage on account of delays in installation or inability to maintain said displays due to strikes, fires, governmental laws, rules or regulations, inability to secure specified material, acts of God, loss of location or other similar causes. If the display is damaged to an extent which prevents the displaying of Advertiser's message thereon, which damage is not caused by the Advertiser, at Whiteco's option, billing for the display shall abate for the period of prevention or Advertiser is to be issued a credit after cessation of such prevention. In the instance of either the abatement of the billing or the credit after cessation, the amount of said abatement or credit to the monthly rate during the period of prevention, will equal the prorata portion of the Advertiser's message display of which has been processed as determined solely by Whiteco.

**SECTION 12. HOLD HARMLESS:**  
Whiteco agrees to save the Advertiser harmless from any and all claims or demands on account of bodily injury or physical property damage, used by or resulting from the display covered by this display agreement due to the placement or manner of the installation and maintenance of the display, and agrees to carry, at its own cost and expense, adequate public liability insurance covering such contingencies as long as this display agreement shall remain in effect. The Advertiser agrees to indemnify and save Whiteco harmless, including any legal fees and costs from any and all claims or demands based upon the use of any name, picture or other material in the display covered by this display agreement. Further Whiteco reserves the right to remove, temporarily or permanently, in its opinion, before or after placing the display in service as objectionable or any way might adversely affect the integrity of the outdoor advertising industry or the professional reputation and goodwill of Whiteco regardless of any compensation herein or otherwise.

**SECTION 13. ASSIGNMENT OF DISPLAY AGREEMENT:**  
In the event of the sale, transfer, assignment, trade or termination of the Advertiser's business, Advertiser agrees to pay no more than one hundred percent (100%) of the balance due to Whiteco at the time of termination of Advertiser's business in the last six (6) months of the original or any renewal terms of this display agreement of all monthly charges remaining unpaid under this display agreement within thirty (30) days after said sale, transfer, assignment, trade or termination, unless (a) said display agreement has been assigned to and accepted in writing by any person, or (b) the assignment is accepted in writing by an executive officer of Whiteco or the general manager of the office of Whiteco indicated herein. However, even if Whiteco accepts such assignment, such acceptance shall not release Advertiser from liability for any and all amounts then due and owing Whiteco as well as the balance due over the unexpired term of the display agreement. Should any assignee of the Advertiser breach any term of this display agreement, upon such breach, Whiteco shall be entitled to invoke any of the remedies provided in this agreement or otherwise without further notice to the advertiser, against the Advertiser or the Assignee or both as Whiteco may choose. Except as provided in this Section 13 this Agreement may not be assigned by the Advertiser.

**SECTION 14. CHOICE OF LAW AND ASSIGNABILITY OF COPIES CONTRACT:**  
The parties to this agreement hereby agree to resolve all disputes arising out of and related to this display agreement pursuant to the laws of the State of Indiana. This agreement is intended to be a contract and shall be enforceable under the laws of the State of Indiana. The parties agree that any of the four signed copies of this agreement may be admitted into evidence in any litigation relating to the enforcement of this agreement. However, if the language on any copy differs from the other copies the language contained in the yellow copy of this agreement, if available, shall be deemed to be the controlling language.

**SECTION 15. GENERAL PROVISIONS:**  
a. The paragraph headings in this display agreement are used for convenience only. They are not intended to alter or affect this agreement's meaning.  
b. The invalidity, in whole or in part, of any provision of this display agreement shall not affect the validity or enforceability of any other of its provisions.  
c. Whiteco's failure to issue in one or more instances such the enforcement of any term or terms of this display agreement shall not be construed as a waiver or relinquishment of Whiteco's right to such performance or the future performances of such term or terms, and Advertiser's obligation with respect thereto shall continue in full force and effect.  
d. It is understood by the parties that any use of the word "display" may include more than one display face in such display and accordingly the rights and remedies of the parties will be appropriately prorated if less than all of the display faces in any such display are affected under any of the sections of this display agreement.

**SECTION 16. ASSIGNMENT OF DISPLAY AGREEMENT:**  
In the event any legal action is taken or threatened to be taken by any governmental authority pursuant to law, to condemn the ground location for the display or otherwise cause such display to be an alternative to erecting the display, Whiteco shall also have the right, at its option, either to cancel this display agreement or to reduce its rate. This provision shall not apply

when the needs to relocate is at the Advertiser's request, and to make a voluntary or involuntary sale of said display to any such governmental authority. In the event of such a sale to a governmental authority, Advertiser shall not be entitled to any proceeds of the property sold.

In the event of the display on Whiteco of any taxes or license fees which increase Whiteco's costs to perform its obligations under this display agreement or the cancellation of the underlying ground lease, Whiteco shall have the right, at its option, either to cancel this display agreement or to reduce its term.

In any instance of cancellation of this display agreement or reduction on its term, Whiteco will not be liable to the Advertiser in any way except to return any amounts paid by Advertiser for the unexpired term of this display agreement.

**SECTION 17. CLAIMS FOR CREDIT/LIMITATION OF REMEDIES:**  
Any claim of Advertiser alleging Whiteco's failure to properly perform this display agreement is limited to the credits or other remedies set forth in Sections 10 and 11 and shall not be cause for cancellation or termination of this display agreement without Whiteco's written consent. Any such claim for credit shall not be said unless made in writing to Whiteco within thirty (30) days of the date that the Advertiser alleges that Whiteco first failed to properly perform.

**SECTION 18. DISPLAY REMAINS WHITECO'S PROPERTY:**  
Advertiser agrees that the display covered by this display agreement is, and shall remain, the exclusive property of Whiteco and, as such, cannot be subcontracted for sublease or re-rented to any other party.

**SECTION 19. REPAIR OR COPY CHARGES:**  
Unless otherwise agreed in writing, Advertiser shall pay Whiteco in advance for any reworking or changes in copy on the display made during the term of the display agreement at Advertiser's request. Advertiser is obligated to continue making the monthly payment during any period upon the display is being repaired or the copy is changed. Advertiser shall furnish to Whiteco repair or copy change entry (50) days prior to the respective scheduled receipt or delivery change.

**SECTION 20. HOLD HARMLESS:**  
Whiteco agrees to save the Advertiser harmless from any and all claims or demands on account of bodily injury or physical property damage, used by or resulting from the display covered by this display agreement due to the placement or manner of the installation and maintenance of the display, and agrees to carry, at its own cost and expense, adequate public liability insurance covering such contingencies as long as this display agreement shall remain in effect. The Advertiser agrees to indemnify and save Whiteco harmless, including any legal fees and costs from any and all claims or demands based upon the use of any name, picture or other material in the display covered by this display agreement. Further Whiteco reserves the right to remove, temporarily or permanently, in its opinion, before or after placing the display in service as objectionable or any way might adversely affect the integrity of the outdoor advertising industry or the professional reputation and goodwill of Whiteco regardless of any compensation herein or otherwise.

**SECTION 21. ASSIGNMENT OF DISPLAY AGREEMENT:**  
In the event of the sale, transfer, assignment, trade or termination of the Advertiser's business, Advertiser agrees to pay no more than one hundred percent (100%) of the balance due to Whiteco at the time of termination of Advertiser's business in the last six (6) months of the original or any renewal terms of this display agreement of all monthly charges remaining unpaid under this display agreement within thirty (30) days after said sale, transfer, assignment, trade or termination, unless (a) said display agreement has been assigned to and accepted in writing by any person, or (b) the assignment is accepted in writing by an executive officer of Whiteco or the general manager of the office of Whiteco indicated herein. However, even if Whiteco accepts such assignment, such acceptance shall not release Advertiser from liability for any and all amounts then due and owing Whiteco as well as the balance due over the unexpired term of the display agreement. Should any assignee of the Advertiser breach any term of this display agreement, upon such breach, Whiteco shall be entitled to invoke any of the remedies provided in this agreement or otherwise without further notice to the advertiser, against the Advertiser or the Assignee or both as Whiteco may choose. Except as provided in this Section 21 this Agreement may not be assigned by the Advertiser.

**SECTION 22. CHOICE OF LAW AND ASSIGNABILITY OF COPIES CONTRACT:**  
The parties to this agreement hereby agree to resolve all disputes arising out of and related to this display agreement pursuant to the laws of the State of Indiana. This agreement is intended to be a contract and shall be enforceable under the laws of the State of Indiana. The parties agree that any of the four signed copies of this agreement may be admitted into evidence in any litigation relating to the enforcement of this agreement. However, if the language on any copy differs from the other copies the language contained in the yellow copy of this agreement, if available, shall be deemed to be the controlling language.

**SECTION 23. GENERAL PROVISIONS:**  
a. The paragraph headings in this display agreement are used for convenience only. They are not intended to alter or affect this agreement's meaning.  
b. The invalidity, in whole or in part, of any provision of this display agreement shall not affect the validity or enforceability of any other of its provisions.  
c. Whiteco's failure to issue in one or more instances such the enforcement of any term or terms of this display agreement shall not be construed as a waiver or relinquishment of Whiteco's right to such performance or the future performances of such term or terms, and Advertiser's obligation with respect thereto shall continue in full force and effect.  
d. It is understood by the parties that any use of the word "display" may include more than one display face in such display and accordingly the rights and remedies of the parties will be appropriately prorated if less than all of the display faces in any such display are affected under any of the sections of this display agreement.

**SECTION 24. ASSIGNMENT OF DISPLAY AGREEMENT:**  
In the event any legal action is taken or threatened to be taken by any governmental authority pursuant to law, to condemn the ground location for the display or otherwise cause such display to be an alternative to erecting the display, Whiteco shall also have the right, at its option, either to cancel this display agreement or to reduce its rate. This provision shall not apply

when the needs to relocate is at the Advertiser's request, and to make a voluntary or involuntary sale of said display to any such governmental authority. In the event of such a sale to a governmental authority, Advertiser shall not be entitled to any proceeds of the property sold.

In the event of the display on Whiteco of any taxes or license fees which increase Whiteco's costs to perform its obligations under this display agreement or the cancellation of the underlying ground lease, Whiteco shall have the right, at its option, either to cancel this display agreement or to reduce its term.

In any instance of cancellation of this display agreement or reduction on its term, Whiteco will not be liable to the Advertiser in any way except to return any amounts paid by Advertiser for the unexpired term of this display agreement.

**SECTION 25. CLAIMS FOR CREDIT/LIMITATION OF REMEDIES:**  
Any claim of Advertiser alleging Whiteco's failure to properly perform this display agreement is limited to the credits or other remedies set forth in Sections 10 and 11 and shall not be cause for cancellation or termination of this display agreement without Whiteco's written consent. Any such claim for credit shall not be said unless made in writing to Whiteco within thirty (30) days of the date that the Advertiser alleges that Whiteco first failed to properly perform.

**SECTION 26. DISPLAY REMAINS WHITECO'S PROPERTY:**  
Advertiser agrees that the display covered by this display agreement is, and shall remain, the exclusive property of Whiteco and, as such, cannot be subcontracted for sublease or re-rented to any other party.

**SECTION 27. REPAIR OR COPY CHARGES:**  
Unless otherwise agreed in writing, Advertiser shall pay Whiteco in advance for any reworking or changes in copy on the display made during the term of the display agreement at Advertiser's request. Advertiser is obligated to continue making the monthly payment during any period upon the display is being repaired or the copy is changed. Advertiser shall furnish to Whiteco repair or copy change entry (50) days prior to the respective scheduled receipt or delivery change.

Rocky Mount, NC 27801

Shipping Address:  
403 Farm Road  
Rocky Mount, NC 27801  
Telephone: (919) 443-0621

DATE 5-11-83



# BULLETIN DISPLAY AGREEMENT

WHITECO  
CUSTOMER NO. 15

AGREEMENT NO. W10-757-3 ☒ NEW ☐ RENEWAL

ADVERTISER Nash County Jesse Helms

ADDRESS For Senate Committee

c/o Southeastern Advertising, Inc.

P. O. Box 312

Rocky Mount, NC 27801  
PRODUCT/SERVICE

CUSTOMER ORDER NO. \_\_\_\_\_

We, the undersigned (hereinafter referred to as "Advertiser") agree with Whiteco Metrocom, Inc., (hereinafter referred to as "Whiteco") to place in service and maintain an outdoor advertising display subject to the conditions and instructions on the reverse side of this display agreement for such prices per month for each location as are indicated on this display agreement and to maintain said display from the day the copy is completed on the display and the remainder of that month (the "proration period") plus

A PERIOD OF: 18 Months

Effective 6/1/83 - 1/1/84

## SECTION 1 DESCRIPTION OF ORDER

☐ PAINTED DISPLAY — REGULAR ☒ PAINTED DISPLAY — ILLUMINATED (FROM DUSK TO 10:00 P.M.) ☐ PAINTED DISPLAY WITH REFLECTIVE TREATMENT

LOCATION	SIZE	PRICE PER MONTH				
		Proration Period and First 12 mos.	13th through 24th month	25th through 36th month	37th through 48th month	49th through 60th month
<u>US 301 1/10 mi. S/O Forest</u>	<u>10 x 30</u>	<u>\$250.00</u>	<u>\$250.00</u>			
<u>Customer may change copy for \$250.00 one time charge</u>						

In addition to the foregoing monthly payments, Advertiser shall pay Whiteco for any pictorial, cut out, embellishment or any other special treatment for the display on the basis of the square footage of such special treatment within thirty (30) days of its receipt of notice from Whiteco of the cost thereof. Said cost shall be calculated at a rate of \$\_\_\_\_\_ per square foot.

ACCEPTANCE: This display agreement shall not obligate Whiteco in any way until it is accepted and signed by an executive officer of Whiteco or by the General Manager of the office of Whiteco indicated herein.

WHITECO METROCOM  
A DIVISION OF WHITECO INDUSTRIES, INC.

THERE ARE ADDITIONAL TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS DISPLAY AGREEMENT. THE PARTIES ARE BOUND BY SAME.

ADVERTISER

Nash County Jesse Helms for Senate Committee

FIRM NAME SE Southeastern Advertising, Inc.

Post Office Box 312

ADDRESS Rocky Mount, NC 27801

BY [Signature]

PRINT NAME & TITLE

DATE May 13, 1983

BY [Signature]  
EXEC. OFFICER OR GEN. MANAGER

TITLE [Signature]

DATE 5/25/83

Henry Bradley

SALES REPRESENTATIVE

DISTRIBUTION: WHITE COPY-Regional Office  
YELLOW COPY-Home Office  
PINK COPY-Customer  
GOLD COPY-Salesman

## SECTION 2. COMMENCEMENT AND HOLD OVER:

Installation of any display is to be made by the Advertiser when or when billed the portion of the monthly payment due to Whiteco. The Advertiser agrees that the display shall have been placed in service on the day immediately following the expiration date of the previous display agreement.

Advertiser agrees to notify Whiteco in writing not less than ninety (90) days prior to the expiration date of this display agreement if it desires to terminate this display agreement at the expiration of the above specified term. Unless otherwise specified Whiteco or Whiteco notifies the Advertiser of its desire to terminate, the parties agree that this display agreement shall remain in force at the rate applicable at said expiration until the Advertiser thereafter gives Whiteco ninety (90) days or Whiteco thereafter gives the Advertiser written notice of its intention to terminate and then shall expire upon the expiration of said notice.

## SECTION 3. PROVISION OF COPY:

Advertiser shall furnish the copy and any special treatment specifications within thirty (30) days after the acceptance of this display agreement. In the event the Advertiser does not furnish said copy and any special treatment specifications within the time provided, the term of this display agreement and billing therefore shall begin.

## SECTION 4. PAYMENT:

Advertiser shall pay in advance to Whiteco within ten (10) days after the display has been placed in service, an amount based on the monthly rate for the first twelve (12) months provided for the period from the day on which the display is placed in service to the end of the calendar month. Advertiser shall thereafter pay monthly advance payments equal to the monthly business day of each month during the term of this display agreement and any extensions thereof.

## SECTION 5. LATE CHARGE:

Advertiser agrees that with respect to any amount owed hereunder which is not paid within ten (10) days, in addition to the amount owed, Advertiser shall pay a late charge equal to 1 1/2% of such unpaid amount for each month this payment remains unpaid (180 days per year) or the maximum amount permitted by law, whichever is less, on such amount calculated from the date the amount first became due.

## SECTION 6. ENTIRE AGREEMENT, MODIFICATION AND SUCCESSOR'S INTEREST:

It is understood that this agreement constitutes the entire display agreement and understanding between the parties hereto and supersedes all prior representations, understandings and agreements. It is further understood that the terms of this display agreement cannot be waived, amended or modified in any way except by written agreement of Advertiser and an executive officer of Whiteco or the General Manager of the office of Whiteco indicated herein. Upon such acceptance this display agreement shall be binding upon the parties and their assigns (accepted assigns in the case of the Advertiser, see Section 10).

## SECTION 7. COMMISSION PAYMENTS AND USE OF ADVERTISING AGENCY:

The monthly billing to be paid Whiteco is not subject to any reduction for commissions or any other similar charges from any agent of Advertiser, unless such agent in this event, such Commission shall serve to reduce the monthly billing only if such agent is a bona fide salesperson is made when due.

If this display agreement is signed by an advertising agency, broker or agent, either on behalf of the actual advertiser or in addition to the actual advertiser, the term "Advertiser" is used herein shall include both the actual advertiser and the advertising agency, broker or agent, and the obligations of the Advertiser hereunder shall be the joint and several obligations of both the actual advertiser and the advertising agency, broker or agent, except that, in the event, that Whiteco receives from the actual advertiser that the advertising agency, broker or agent is not the authorized agent of the actual advertiser, Whiteco may reserve the advertising agency, broker or agent of said obligation by written notice to the advertiser in the manner provided herein. Said advertising agency, broker or agent represents that it is authorized by the actual advertiser to execute this display agreement.

## SECTION 8. PAYMENT ADJUSTMENTS DUE TO CHANGES IN GROUND LEASE:

If at any time the annual cost of Whiteco of the sign location ground lease for the display contemplated by this agreement exceeds Advertiser's net monthly payment for the display, Advertiser is to pay Whiteco such excess within thirty (30) days of the date of invoice.

## SECTION 9. BREACH:

Any failure by Advertiser to pay when due any amounts owed hereunder is to be considered a breach of this display agreement.

Advertiser acknowledges that the display it has agreed upon is to be designed, fabricated, painted and installed expressly for the Advertiser, that Whiteco's major expense in fulfilling this display agreement is incurred in providing the display, that such major expense is incurred on the Advertiser's representative that it will pay Whiteco the balance due hereunder and that the display has very limited value to Whiteco unless used for the advertised Advertiser. Further, advertiser agrees that it is not to be considered a breach of this display agreement if Whiteco is the present Advertiser to breach this display agreement. Accordingly, the parties agree that if Advertiser does or has filed against it a bankruptcy petition, it is deemed to be a breach of this display agreement for the benefit of creditors or failure to pay when due any amounts owed hereunder and that such breach shall be deemed to be a breach of this display agreement and shall be deemed to be a breach of this display agreement. In addition to any other rights Whiteco has or may have at law or equity, Whiteco shall be entitled, without notice, to payment immediately from Advertiser of not only all amounts then due but also eighty percent (80%) of the balance owed for the unexpired term of this display agreement in liquidated damages and not as penalty. The parties agree that the liquidated damages are reasonable in light of the anticipated or actual damages caused by such breach and are not intended nor are they a penalty. Should Advertiser breach this display agreement, in addition to any other rights Whiteco has or may have at law or equity, Whiteco may, at its option, without prior notice, at any time remove the Advertiser's message until the default is cured and the cost of removal and replacement is paid by the Advertiser and/or permanently remove the advertising message from the display and replace it with that of another advertiser without incurring any liability for profit, penalty or replacement.

Should Whiteco elect to collect any delinquent payments due from Advertiser or bring suit for default of any other item, covenant or condition of this Agreement, Advertiser agrees to pay all reasonable attorney's fees and expenses, including but not limited to, professional collection service charges and court costs. Any judgment rendered in favor of Whiteco shall be without relief from retention and enforcement laws and fees the minimum interest allowed by law.

## SECTION 10. LOCATION, RELOCATION, CONSTRUCTION AND CANCELLATION:

Whiteco, in exercising its sole reasonable judgment, chooses the location for the display. If for any reason the display's location described herein cannot be obtained, Whiteco may, exercising its reasonable judgment, choose the best suitable alternative location for the display.

Any relocation of the display necessitated by a change in the actual location or inability to maintain the display, due to state laws, local ordinances, reporting of highways or other similar causes, including but not limited to construction, shall be at Whiteco's expense.

At Whiteco's option, billing for the display for the period during which such relocation is being accomplished and/or the display is not in place shall state to Advertiser is to be issued a credit after such period terminates. Whiteco shall pay (100%) of the grossed monthly rate paid during such period. Any obligation of Advertiser to pay shall be subject to Whiteco's approval and shall be of Advertiser's expense and there shall be no abatement or credit of the monthly rate during such period.

In the event any local action taken or threatened is taken by any governmental authority causing it to be deemed to be a ground violation for the display or otherwise take such display as an annoyance to the community, Whiteco shall have the right, at its option,

when the need to relocate is at the discretion of Whiteco and to make a voluntary or involuntary sale of said display to any governmental authority in the event it is taken to a governmental authority. Advertiser shall be entitled to any proceeds of the property sold.

In the event of the imposition of Whiteco of any taxes or license fees which increase Whiteco's costs to perform its obligations under this display agreement or the cancellation of the underlying ground lease, Whiteco shall have the right, at its option, either to cancel this display agreement or to reduce its term.

In any instance of cancellation of this display agreement or reduction on its term, Whiteco will not be liable to the Advertiser in any way except to return any amounts paid by Advertiser for the unexpired term of this display agreement.

## SECTION 11. MAINTENANCE:

Whiteco agrees to maintain the display in good condition through the term of this display agreement including replacing and repairing any damaged parts of the display subject to the provisions below.

Whiteco retains exclusive control and supervision of the installation, maintenance and removal of displays and over the structure(s) on which they are displayed. It is expressly agreed that Whiteco shall not be held liable for loss or damage on account of delays in installation or inability to maintain said displays due to strikes, fire, governmental laws, rules or regulations, inability to secure specified material, acts of God, loss of location or other similar causes.

If the display is damaged to an extent which prevents the displaying of Advertiser's message thereon, such damage is not caused by the Advertiser or Whiteco's action, billing for the display shall stand for the period of prevention or Advertiser is to be issued a credit after cessation of such prevention. In the instance of either the abatement of the billing or the credit after cessation, the amount of said abatement or credit to the monthly rate during the period of prevention, will equal the prorated portion of the Advertiser's message display of which has been prevented as determined solely by Whiteco.

If there is a loss of illumination on a Type II display initially or during the term of this agreement, which is not caused by Advertiser, Advertiser is to be issued a credit after cessation of the loss of illumination in the amount of twenty percent (20%) of the applicable monthly rate provided for the period of such loss except that if any governmental authority or utility restricts or eliminates illumination at a location, the following lamp that governs the amount, if any, of the credit:

a. In the case of governmental or utility actions resulting in reduction of hours of illumination, no credit shall be allowed to the Advertiser.

b. In the case of governmental or utility actions resulting in total elimination of illumination, Advertiser shall be entitled to a credit of ten percent (10%) of the applicable monthly rate provided for the period of such loss.

## SECTION 12. CLAIMS FOR CREDIT/REIMBURSEMENT OF REMEDY:

Any claim of Advertiser alleging Whiteco's failure to properly perform this display agreement is limited to the credits or other remedies set forth in Sections 10 and 11 and shall not be cause for cancellation or termination of this display agreement without Whiteco's written consent. Any such claim for credit shall not be valid unless made in writing to Whiteco within thirty (30) days of the date that the Advertiser alleges that Whiteco first failed to properly perform.

## SECTION 13. DISPLAY REMAINS WHITECO'S PROPERTY:

It is understood that the display covered by this display agreement is, and shall remain, the exclusive property of Whiteco and, as such, cannot be subcontracted (or subleased) or removed by Advertiser.

## SECTION 14. REPORT ON COPY CHANGES:

Unless otherwise agreed in writing, Advertiser shall pay Whiteco in advance for any reprinting or changing of copy on the display made during the term of this display agreement at Advertiser's request. Advertiser is obligated in continuing making the monthly payment during any period when the display is being reprinted or the copy is changed. Advertiser shall furnish to Whiteco reprint or copy change bill(s) 100 days prior to the respective scheduled reprint or change.

## SECTION 15. HOLD HARMLESS:

Whiteco agrees to save the Advertiser harmless from any and all claims or demands on account of bodily injury or physical property damage caused by or resulting from the display covered by this display agreement due to the placement of the display and maintenance of the display, and agrees to carry at its own cost and expense, adequate public liability insurance covering such contingencies so long as this display agreement shall remain in effect. The Advertiser agrees to indemnify and save Whiteco harmless including any legal fees and costs from any and all claims or demands caused upon the use of any name, picture or other material in the display covered by this display agreement. Further Whiteco reserves the right to select or remove any copy which, in its opinion, before or after placing the display in service is objectionable or any way might adversely affect the integrity of the outdoor advertising industry or the professional reputation and goodwill of Whiteco regardless of any commitment herein or otherwise.

## SECTION 16. ASSIGNMENT OF DISPLAY AGREEMENT:

In the event of the sale, transfer, assignment, trade or termination of the Advertiser's business, Advertiser agrees to pay not only amount then due, but also eighty percent (80%) (one hundred percent (100%)) in the event a sale, transfer, assignment, trade or termination of Advertiser's business in the last six (6) months of the term of any renewal term of this display agreement of all monthly charges remaining unpaid under this display agreement within thirty (30) days after said sale, transfer, assignment, trade or termination, unless (a) said display agreement has been assigned to and accepted in writing by any person, or officer, authorized to bind the firm, corporation or person acquiring Advertiser's business and (b) the assignment is accepted in writing by an executive officer of Whiteco or the General Manager of the office of Whiteco indicated herein. However, even if Whiteco accepts such assignment, such acceptance shall not release Advertiser from liability for any and all amounts then due and owing Whiteco as well as the balance due over the unexpired term of the display agreement. Should any assignee of the Advertiser breach any term of this display agreement upon such breach, Whiteco shall be entitled to enforce any of the remedies provided in this agreement or other without further notice to the advertiser, against the Advertiser or the Assignee or both as Whiteco may choose. Except as provided in this Section 16 this Agreement may not be assigned by the Advertiser.

## SECTION 17. CHOICE OF LAW AND ADMISSIBILITY OF COPIES CONTRACT:

The parties to this agreement hereby agree to resolve all disputes arising out of and related to this display agreement pursuant to the laws of the State of Indiana.

This agreement is to be signed by each of the parties hereto in quadruplicate and it is agreed to stipulate that any of the four signed copies of this agreement may be admitted into evidence in any litigation relating to the enforcement of this agreement. However, if the language of any copies differs from the other copies the language contained in the yellow copy of this agreement shall be deemed to be the controlling language.

## SECTION 18. GENERAL PROVISIONS:

The paragraph headings in this display agreement are used for convenience only. They are not intended to alter or affect this agreement's meaning.

The integrity, in whole or in part, of any provision of this display agreement shall not affect the validity or enforceability of any other of its provisions.

Neither party shall be bound by one or more instances of non-performance of any term or term of this display agreement, that shall not be construed as a waiver or abandonment of Whiteco's right to performance or the future performance of such term or terms, and Advertiser's obligation with respect thereto shall continue in full force and effect.

It is understood by the parties that any use of the word "display" may include more than one display, as such display end accordingly, the rights and remedies of the parties will be apportioned if less than all of the display faces in any such case are affected.

Shipping Address:  
P.O. Box 8093  
Rocky Mount, NC 27801



# BULLETIN DISPLAY AGREEMENT

Shipping Address:  
403 Farm Road  
Rocky Mount, NC 27801  
Telephone: (818) 443-0525

WHITECO  
CUSTOMER NO. \_\_\_\_\_

DATE 5-12-83

AGREEMENT NO. W10-758-2 ☒ NEW ☐ RENEWAL

ADVERTISER Nash County Jesse Helms  
ADDRESS For Senate Committee  
c/o Southeastern Advertising, Inc.  
P. O. Box 312  
Rocky Mount, NC 27801  
PRODUCT/SERVICE \_\_\_\_\_  
CUSTOMER ORDER NO. \_\_\_\_\_

We, the undersigned (hereinafter referred to as "Advertiser") agree with Whiteco Metrocom, Inc., (hereinafter referred to as "Whiteco") to place in service and maintain an outdoor advertising display subject to the conditions and instructions on the reverse side of this display agreement for such prices per month for each location as are indicated on this display agreement and to maintain said display from the day the copy is completed on the display and the remainder of that month (the "proration period") plus  
A PERIOD OF: 15 Months

Effective 6/1/83 - 12/31/83

## SECTION 1 DESCRIPTION OF ORDER

☐ PAINTED DISPLAY — REGULAR ☒ PAINTED DISPLAY — ILLUMINATED (FROM DUSK TO 10:00 P.M.) ☐ PAINTED DISPLAY WITH REFLECTIVE TREATMENT

LOCATION	SIZE	PRICE PER MONTH				
		Proration Period and First 12 mos.	13th through 24th month	25th through 36th month	37th through 48th month	49th through 60th month
NC 97, 285' East of US 101 Business (N. Church St.)	16 x 22	\$170.00	\$170.00			
Customer may change copy for \$100.00 one time charge.						

In addition to the foregoing monthly payments, Advertiser shall pay Whiteco for any permits, net out, endorsement or any other special treatment for the display on the basis of the square footage of such special treatment within thirty (30) days of receipt of notice from Whiteco of the cost thereof. Said cost shall be calculated at a rate of \$\_\_\_\_\_ per square foot.

ACCEPTANCE: This display agreement shall not obligate Whiteco in any way until it is accepted and signed by an executive officer of Whiteco or by the General Manager of the office of Whiteco indicated herein.

WHITECO METROCOM  
A DIVISION OF WHITECO INDUSTRIES, INC.

BY Henry Bradley  
EXL. OFFICER OR GEN. MANAGER

TITLE \_\_\_\_\_

DATE 5/12/83

Henry Bradley  
SALES REPRESENTATIVE

THERE ARE ADDITIONAL TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS DISPLAY AGREEMENT. THE PARTIES ARE BOUND BY SAME.

## ADVERTISER

Nash County Jesse Helms for Senate Committee  
FIRM NAME: SE Southeastern Advertising, Inc.  
Post Office Box 312  
ADDRESS: Rocky Mount, NC 27801

BY [Signature]

PRINT NAME & TITLE

DATE May 13, 1983

(34)



Nash COUNTY

Know all men by these presence that the undersigned have covenanted, contracted, and agreed as follows:

ONE

Glasgow Sign Service will erect and maintain for the undersigned ADVERTISER for the consideration hereinafter set out signs and/or billboards as herein after described. The number of billboards and/or signs, the locations, the sizes, and other descriptions of signs and/or billboards are as follows:

(ONE) 14'-0" x 40'-0" Billboard Luminated on U. S. 64 Bypass (West) right reader 1/2 Mile of 231 Exit approximately 10 miles from Nashville.

(The designation for the parties herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.)

It is understood that said signs or billboards will be erected within 30 days from the date hereof and will remain in place for a period of 14 months (years). As rental, the ADVERTISER OR AGENT will pay to Miles Glasgow, d/b/a Glasgow Sign Service, the sum of \$ 175.00 dollars per month, the first payment due on the 1 day of September, 1983, with a like amount on the first day of each and every month thereafter during the period of time covered by this contract.

TWO

Glasgow Sign Service will paint or cause to be painted on said signs or billboards such artwork and/or wordage in the English language as is set out on the sheets hereto attached which are by reference made a part hereof. Colors as specified on the attached sheets shall be used. The signs and/or billboards will

88040673448

be maintained by Glasgow Sign Service in good condition. All signs and/or billboards shall be located so as to be visible to persons on or near a public thoroughfare.

THREE

All signs and billboards by this agreement shall remain the property of Glasgow Sign Service.

FOUR

The agreement is subject to the following additional terms and conditions:

(1) Glasgow Sign Service will regularly inspect all displays, relocate displays as heretofore provided, replace damaged and worn out parts, re-erect fallen and straighten twisted or leaning displays, secure leases from property owners, conform to zoning ordinances or regulations, comply with right-of-way regulations, remove natural obstructions of approach to the displays, pay all lease rentals and property taxes, secure and pay for building permits, annual business licenses and display permits, and perform all those services necessary to provide effective highway advertising during the term of this agreement.

To the full and faithful performance of this agreement, the parties hereto do bind themselves, their heirs, assigns, and personal representatives.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized representatives and its seal to be hereunto affixed the day and year first above written.

Nash County Jesse Helms for Senate Campaign  
Southeastern Advertising  
(Corporate Name)  
Advertiser

Post Office Box 312  
Rocky Mount, NC 27801

By 15-14-6  
Representative

Agency  
Miles Glasgow  
Miles Glasgow  
d/b/a Glasgow Sign Service

38040673449

NORTH CAROLINA

COUNTY OF Edgemore

I, Bessaline T. Harrell a Notary Public of

said County to hereby certify that J. C. D. Lacey  
personally appeared before me this day and  
acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 27th day of July,  
1983.

Bessaline T. Harrell  
NOTARY PUBLIC

My Commission Expires: 3-15-86

88040673450

# Lewis Advertising, Inc.

2309 SUNSET AVENUE • P.O. DRAWER L  
ROCKY MOUNT, N.C. 27801 • (919) 443-5131

## INVOICE

Southeastern Advertising

NO. 19220

DATE	SERVICE	
3-83	Billboard - March Billboard - April	<div>(S)</div> <div>\$225.00 <u>225.00</u></div>
	Total	\$450.00

*paid  
ck # 1728*

3451  
33040673

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 19220

1728

66-867  
531

4-29 19 83

PAY Four Hundred Fifty and no/00 DOLLARS | \$ 450.00

TO THE  
ORDER  
OF

Lewis Advertising, Inc.

SOUTHEASTERN ADVERTISING CO., INC.

POSTED FST

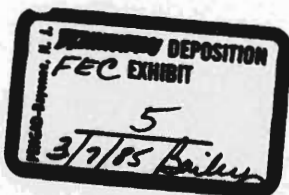
*Charles Schmitt*  
12322155

⑈00001728⑈ - ⑈053108674⑈ 00 2051645⑈

⑈0000045000⑈

WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE.

PAY  
AMOUNT  
THIS



34

**Lewis Advertising, Inc.**  
 2309 SUNSET AVENUE • P.O. DRAWER L  
 ROCKY MOUNT, N.C. 27801 • (919) 443-5131

**INVOICE**

Southeastern Advertising, Inc.

NO. 19341

DATE	SERVICE
4-83	Billboard - May \$225.00 Art Charges - Highway 97 Jesse Helms Paint Board 70.00 Art Charges - Highway 301 South Jesse Helms Paint Board 70.00 4% Sales Tax on \$140.00 5.60 <div style="text-align: right;">Total \$370.60</div>

40673452

**SOUTHEASTERN ADVERTISING CO., INC.**

P. O. BOX 312  
 ROCKY MOUNT, NC 27801

INV 19341

1758

66-867  
531

5-19 19 83

PAY Three Hundred Seventy and 60/100 DOLLARS | \$ 370.60

TO  
THE  
ORDER  
OF

NAME \_\_\_\_\_  
 ADDRESS Lewis Advertising, Inc.

SOUTHEASTERN ADVERTISING CO., INC.

POSTED FBT

*Charles Schindler*  
 112490170

⑈00001758⑈ ⑆⑈053108674⑈ 00 2051645⑈

⑈0000037060⑈

PEOPLES BANK & TRUST CO.  
 ROCKY MOUNT, N. C.

**Lewis Advertising, Inc.**  
 2309 SUNSET AVENUE • P.O. DRAWER L  
 ROCKY MOUNT, N.C. 27801 • (819) 443-5131

**INVOICE**

Southeastern Advertising

NO. 19388

DATE	SERVICE
5-83	Type Charge - Highway 97 & Highway 301 Billboard \$18.24 4% Sales Tax on \$18.24 .73  <div style="text-align: right;">Total \$18.97</div>

*Pd  
 Pak #1816*

**SOUTHEASTERN ADVERTISING CO., INC.**

P. O. BOX 312  
 ROCKY MOUNT, NC 27801

INV #19388

1816

66-867  
 631

6-17 19 83

PAY Eighteen and 97/100 DOLLARS | \$ 18.97

TO  
 THE  
 ORDER  
 OF

NAME Lewis Advertising, Inc.  
 ADDRESS \_\_\_\_\_

SOUTHEASTERN ADVERTISING CO., INC.

POSTED PST

*Charles Schindele*  
 114950275

⑈00001816⑈ > ⑈053108674⑈ 00 2051645⑈ ⑈0000001897⑈

880406253453

PEOPLES BANK & TRUST CO.  
 ROCKY MOUNT, N. C.

STATEMENT

# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C.

Dial GI 2-3149

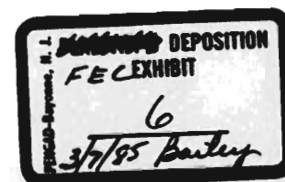
DESIGNERS OF IDEAS



James R. Trotter, Treasurer Jesse Helms Campaign  
 P.O. Box 228  
 Rocky Mount, N.C. 27801

ORDER DATE	INVOICE DATE	ORDER NUMBER	DESCRIPTION	CODE	CHARGE	CREDIT	
4-12-83	5-12-83		Jesse Helms Billboard			BALANCE FORWARD >>	
			March		225.00		
			April		225.00		
					<u>\$450.00</u>		

WE APPRECIATE YOUR BUSINESS  
 PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE



88040673454

# WHITECO METROCOM

SON OF WHITECO INDUSTRIES, INC.

002-010

WASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC

27801

1000 E 20TH PLACE/SUITE 700  
MERRILLVILLE, IN 46410

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/443/0521

DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD
06/01/83	358363		8045	NSH CTY J HELMS RKY MT N	
FIGURE NO.	SIZE	TYPE OF DISPLAY	LOCATION	AMOUNT	TOTAL
110-1	30	ILLUM	US 301 1/10 MI S/D 8 NEW BILLING FOR 06/01/83 TO 07/01/83	250.00	250.00
110-1	30	ILLUM	NC 97 1/10 MI E/D 30 NEW BILLING FOR 06/01/83 TO 07/01/83	170.00	170.00

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SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 358363

1796

6-07 19 83

66-867  
631

AMOUNT THIS INVOICE

THIS AMOUNT

Four Hundred Twenty and no/100 ~~05-11-83~~ 1 103574272 DOLLARS \$ 420.00

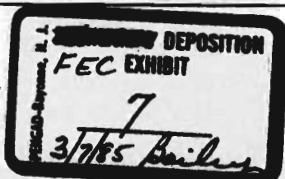
Whiteco Metrocom

SOUTHEASTERN ADVERTISING CO., INC.

POSTED P37

122240097  
*Charlene Schirckel*

00001796 053108674 00 2051645 00000042000



# Southeastern Advertising, Inc.

Box 312, Rocky Mount, N. C.  
Dial GI 2-3149

DESIGNERS OF IDEAS



James R. Trotter, Treasurer Jesse Helms  
P.O. Box 228  
Rocky Mount, N.C. 27801

Campaign

TERMS: NET CASH. All accounts over 30 days old will be charged 1/4% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
6-06-83		BALANCE FORWARD →		
		Billboard for 6-01-83 thru 7-01-83 US301		\$250.00
		Billboard for 6-01-83 thru 7-01-83 NC 97		<u>170.00</u>
				\$420.00

## Customer's Statement - Salesman's Copy

The amount specified on the statement of your customer's account - is now past due. At the end of 120 days - we will notify you that you will have 15 days to collect the account - or commission thereon will be charged back.

WE APPRECIATE YOUR BUSINESS

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY LAST  
BALANCE

83040673456



002-010

256

WHITECO INDUSTRIES, INC.

REMIT TO:

NASH COUNTY JESSE HELMS  
FOR SENATE COMMITTEE,  
C/O SOUTHEASTERN ADV.  
P. O. BOX 312  
ROCKY MOUNT, NC

27801

WHITECO METROCOM  
1000 E 80TH PLACE/SUITE 700  
MERRILLVILLE, IN 46410.

YOUR ACCOUNT HANDLED BY OUR  
SOUTH ATLANTIC OFFICE  
919/443/0521

DATE	INVOICE NUMBER	PLEASE INDICATE INVOICE NUMBER ON YOUR REMITTANCE	ADVERTISER NO.	ADVERTISER NAME	DISPLAY PERIOD
7/83	369315		8045	NSH CTY J HELMS RKY MT N	10/01/83 TO 11/01/83
STORE NO.	SIZE	TYPE OF DISPLAY	LOCATION	AMOUNT	TOTAL
110-1	30	ILLUM	US 301 1/10 MI S/O.6	250.00	250.00
198-1	23	ILLUM	NC. 97 1/10 MI E/O 30	170.00	170.00
559-1	30	ILLUM	US 64 AT WASHINGTON	225.00	225.00

SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INW 369315

1962

9-23 19 83

88-887  
631

PAY TO THE ORDER OF Six Hundred Forty Five and no/100 003 3635 19 09-27-83: 1. 105368744 DOLLARS \$645.00

Whiteco Metrocom

SOUTHEASTERN ADVERTISING CO., INC.

POSTED PAY

*Charles Schindler*

⑈00001962⑈ ⑆053108674⑆ 00 2051645⑈

⑈0000064500⑈



AMOUNT THIS INVOICE

645.00

THIS AMOUNT

645.00

88040673457

Rocky Mount, N.C. 28582  
Dist. 2-3157  
DESIGNERS OF IDEAS



James R. Trotter  
P.O. Box 228  
Rocky Mount, N.C.

Jesse Helms Campaign

TERMS: NET CASH. All accounts over 30 days old will be charged 1% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS
9-23-83		BALANCE FORWARD →	

10-01-83 thru 11-01-83  
Billboard US 301, NC97, US 64 at Washington \$645.00

pd 11-15-83

WE APPRECIATE YOUR BUSINESS  
PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

PAY  
BAL.

88040673458

GLASGOW SIGN SERVICE  
114 North Alston Street  
NASHVILLE, NORTH CAROLINA 27856

(914) 459-2584

*Southeastern Advertising*  
*PO Box 312*  
*Rocky Mount, NC 27801*

INVOICE  
rtising, Inc.



paign

ged 1/2% of balance per month or a mini-  
monfling.

TERMS:

*- Jesse Helms -*

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

DATE

CHARGES AND CREDITS

BALANCE FORWARD

BALANCE

*10-6-83 Oct rent*

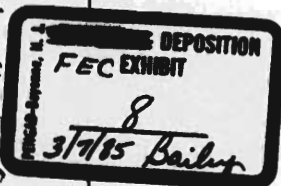
*175.00*

*\$175.00*

CT. 175.00

*pd 11-15-83*

88040673459



ISS

SERVICE

PAY LAST  
BALANCE

SOUTHEASTERN ADVERTISING CO., INC.

P. O. BOX 312  
ROCKY MOUNT, NC 27801

INV 6206

1989

66-867  
631

10-10 19 83

PAY TO THE ORDER OF One Hundred Seventy Five and no/100 DOLLARS \$175.00

Glasgow Sign Service

SOUTHEASTERN ADVERTISING CO., INC.

*Charles Schindler*

00001989 053108674 00 2051645

0000017500

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

Box 312, Rocky Mount, N. C.

Dial 3149

DESIGNERS OF IDEAS



James R Trotter

P.O. Box 228

Rocky Mount, NC.. Jesse Helms Campaign

TERMS: NET CASH. All accounts over 30 days old will be charged 1 1/2% of balance per month or a minimum of 50c per month to cover the cost of handling.

DATE	FOLIO	CHARGES	CREDITS	BALANCE
10-10-83		BALANCE FORWARD →		

US 64 West By Pass billboard for OCT.  
paid to Glasgow sign

175.00

p 11-15-83

WE APPRECIATE YOUR BUSINESS

PROMPT PAYMENT ENABLES US TO GIVE BETTER SERVICE

↑  
PAY L  
BALAN

88040673460

38040673451

Accounts Rec Sheet - Bal. Outstanding shown.

SHEET NO. \_\_\_\_\_

ACCOUNT NO. \_\_\_\_\_

RATING \_\_\_\_\_

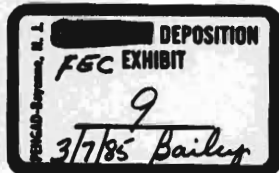
CREDIT LIMIT \_\_\_\_\_

NAME James R. Trotter

BUSINESS \_\_\_\_\_

ADDRESS Treasurer Jesse Helms Campaign  
PO Box 228

DATE	ITEMS	FOLIO	✓	DEBITS	CREDITS	BALANCE
7983						
5-12-83	Billboard March & April		✓	45000		45000
5-19-	May & art chg 970 301		✓	37060	✓	82060
5-30	May & June 64 @ Washington		✓	45000	✓	127060
6-6	June 301 & 97		✓	43000		169060
6-17	type chg 301 & 97		✓	1897	✓	170957
6-24	July 301 & 97 & 64		✓	64500		235457
7-1	pd				82060	153397
7-1	pd				43897	109500
7-21	Aug 301 & 97 & 64		✓	64500	✓	174000
8-19	Sept 301 & 97 & 64		✓	64500		238500
9-2	Sept right Glasgow Sign 64 W By Pass		✓	17500		256000
9-12	pd				146500	109500
9-19	art chg Jesse Helms paint board		✓	15856	✓	125356
9-23	US 301 NC 97 US 64 J Helms		✓	64500	✓	189856
10-4	pd				45000	144856
10-10	US 64 West By Pass		✓	17500	✓	162356
10-21	US 301 NC 97 US 64 J Helms		✓	64500	✓	226856
10-31	pd				80356	146500
11-4	Nov. US 64 West By Pass		✓	17500		164000
11-15	pd				82000	82000
11-22	US 301, NC 97, US 64 J Helms		✓	64500		142500
12-06	rebill.		✓	17500		160000
ADD	pd				82000	82000



X4C WHITE  
BX4C BUFF  
GX4C GREEN

34

88040673462

ACCOUNT NO. \_\_\_\_\_

SHEET NO. \_\_\_\_\_

NAME

James Trotter

RATING

CREDIT LIMIT

ADDRESS

BUSINESS

DATE	ITEMS	FOLIO	✓	DEBITS	CREDITS	BALANCE
12-30	45301, 64, 97		✓	64500		228500
1-4	pd				82000	146500
1-6	rent Jan		✓	17500		164000
1-23	45301, 64, 97		✓	64500		228500
2-2	pd				82000	146500
2-7	Feb rent		✓	17500		164000
2-27	45301, 64, 97		✓	64500		228500
3-5	rent March		✓	17500		246000
3-7	pd				82000	164000
3-20	pd				82000	82000
3-23	45301, 64, 97, 4564		✓	64500		146500
4-9	april rent		✓	17500		164000
4-19	pd				64500	99500
4-24	45301, 64, 97		✓	64500		164000
5-3	May rent			17500		181500
5-21	45301, 64, 97			64500		246000
6-5	pd				82000	164000
6-13	July			17500		181500
6-18	pd				82000	99500
6-25	45301, 64, 97			64500		164000
6-29	gm 1128.30 s. gm com.			112830		276830
7-11	pick up 4 days Credit Memo gm com.				66745	210085
7-18	July			17500		227585

8 8 0 4 0 6 7 3 4 6 3

SHEET NO. ....

ACCOUNT NO. ....

RATING

CREDIT LIMIT

NAME

*James Scott Insurance*

BUSINESS

ADDRESS

*Jess Helms Company*

DATE	ITEMS	FOLIO	✓	DEBITS	CREDITS	BALANCE
1984						
7-23-84	US 301, NC 97, US 64			64500 ✓		292085
8-9	Aug rent			17500		309585
8-9	418 panels & onipes			145000		454585
8-21	US 301 NC 97 9 US 64			64500		519085
9-10	Sept 9 rework bill board			300 00		518785
9-21	US 301 NC 97 9 US 64			64500		613285
9-21	New Hdg. J.M. supplies			17138		630423
10-4	500 large posters 140 small 400 buttons J.M.			54257 ✓		684680
10-4	3000 posters 1000 buttons J.M.			133760 ✓		818440
10-4	Oct rent			17500 ✓		836240
10-22	US 301 NC 97 9 US 64			64500 ✓		900740
10-29	J.M. B.S. 9 posters			64324 ✓		965064
10-29	J.M. B.S. 9 posters			66838 ✓		1031902



X4C WHITE  
BX4C BUFF  
GX4C GREEN

## BUSINESS

Acct Rec. Sheets — Bal outstanding shown.

ACCOUNT NO.

NAME

**ADDRESS**[illegible]

X4C WHITE  
BX4C BUFF  
GX4C GREEN

DEPOSITION  
FEC EXHIBIT

10  
3/7/85 Barker

8 8 0 4 0 6 7 3 4 6 4

J. C. D. BAILEY

DATE

DESCRIPTION

AMOUNT

1/23/85

In full payment of account due from

James R. Trotter, Treasurer  
Helms for Senate Campaign

\$10,319.02

until such time as funds are collected  
from above; repayment made to J. C. D. Bailey  
thereafter.

DETACH AND RETAIN THIS STATEMENT

THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED ABOVE. IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.



8 8 0 4 0 6 7 3 4 5 5

34

J. C. D. BAILEY

DATE	DESCRIPTION	AMOUNT
1/23/85	<p>In full payment of account due from:  Helen Laughery  for Helms campaign materials  until such time as funds are collected from  the above; repayment made to J. C. D. Bailey  thereafter.</p>	\$1,592.12

DETACH AND RETAIN THIS STATEMENT

THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED ABOVE IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

8 8 0 4 0 6 7 3 4 6 6

9 8 0 4 0 6 7 3 4 6 7

ACCOUNT NO.

RATING

CREDIT LIMIT

NAME

James R. Trotter

BUSINESS

ADDRESS

Treasury Jesse Helms Campaign  
P.O. Box 228

DATE	ITEMS	FOLIO	✓	DEBITS	CREDITS	BALANCE
5-12-83	Bellhoo. March & April		✓	452.00		452.00
5-19-	May & art chg 970 301		✓	370.60		820.60
5-30	May & June 64 @ Washington		✓	450.00		1270.60
6-6	June 301 & 97		✓	420.00		1690.60
6-17	type chg 301 & 97		✓	189.7		1709.57
6-24	July 301 & 97 & 64		✓	645.00		2354.57
7-1	pd				820.60	1533.97
7-1	pd				438.97	1095.00
7-21	Aug 301 & 97 & 64		✓	645.00		1740.00
8-19	Sept 301 & 97 & 64		✓	645.00		2385.00
9-2	Sept right Glasgow Sign 64 W By Pass		✓	175.00		2560.00
9-12	pd				1465.00	1095.00
9-19	art chg Jesse Helms paint board		✓	158.56		1236.44
9-23	US 301 NC 97 US 64 g Helms		✓	645.00		1898.56
10-4	pd				450.00	1448.56
10-10	US 64 West By Pass		✓	175.00		1623.56
10-21	US 301 NC 97 US 64 g Helms		✓	645.00		2268.56
10-31	pd				803.56	1465.00
11-4	Nov. US 64 West By Pass		✓	175.00		1640.00
11-15	pd				820.00	820.00
11-22	US 301, NC 97, US 64 g Helms		✓	645.00		1425.00
12-06	rest Dec.		✓	175.00		1600.00
1-00	pd					820.00



X4C WHITE  
BX4C BUFF  
GX4C GREEN



88040673468

ACCOUNT NO.

SHEET NO.

NAME

James Trotter

RATING

CREDIT LIMIT

ADDRESS

BUSINESS

DATE	ITEMS	FOLIO	✓	DEBITS	CREDITS	BALANCE
12-30	45301, 64, 97		✓	64500		228500
1-4	pp				82000	146500
1-6	rent Jan		✓	17500		164000
1-23	45301, 64, 97		✓	64500		228500
2-2	pel				82000	146500
2-7	Feb rent		✓	17500		164000
2-27	45301, 64, 97		✓	64500		228500
3-5	rent March		✓	17500		246000
3-7	pel				82000	164000
3-20	pel				82000	82000
3-23	45301, NC 97, 4564		✓	64500		146500
4-9	april rent		✓	17500		164000
4-19	pel				64500	99500
4-24	45301, 64, 97		✓	64500		164000
5-3	May rent			17500		181500
5-21	45301, 64, 97			64500		246000
6-5	pel				82000	164000
6-3	June			17500		181500
6-8	pel				82000	99500
6-25	45301, 64, 97			64500		164000
6-29	gm 1128.30 f. gm com.			112830		276830
7-17	pick up dtd Credit Memo gm com.				66745	210085
7-18	July			117400		227585

8 3 0 4 0 6 7 3 4 5 9

ACCOUNT NO.

RATING

CREDIT LIMIT

NAME

ADDRESS

James Foster Treasures  
Jesse Helms Canyon

BUSINESS

DATE	ITEMS	FOLIO	✓	DEBITS	CREDITS	BALANCE
1984						
7-23-84	US 301, NC 97, US 64			645.00		2920.85
8-4	Aug rent			175.00		3095.85
8-4	418 pencils & onipes			145.00		4545.85
8-21	US 301 NC 97 & US 64			645.00		5190.85
9-10	Sept 9 new work bill board			300.00		5490.85
9-21	US 301 NC 97 & US 64			645.00		6135.85
9-21	New Hdg. & M supplies			171.38		6307.23
10-4	500 large posters 140 small 400 buttons & M			542.57		6849.80
10-4	3000 posters 1000 buttons & M			1330.00		8179.80
10-4	Oct rent			175.00		8354.80
10-22	US 301 NC 97 & US 64			645.00		9000.80
10-29	9 H 350 posters			6432.11		9650.64
10-29	9 M 350 posters			668.38		10319.02
1985	1-23				10319.02	-0-



X4C WHITE  
BX4C BUFF  
GX4C GREEN



SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

July 21, 1983

James R. Trotter  
P.O. Box 228  
Rocky Mount, N.C. 27801

RE: Billboard Signs for Jesse Helms Campaign

Dear Mr. Trotter:

I have received 2 checks from you on 7-1-83 in the amount of \$1259.57 paying invoices sent to you to cover the charges for May and June, but the first invoice I sent to you is unpaid. I mailed it 5-12-83 and is for the months of March & April in the amount of \$450.00.

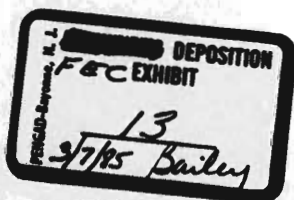
Please advise if there is any reason for hold up on payment of this invoice. I am not trying to push the issue I only want to be sure that you received your copy and that there is no problem with that particular invoice.

Thank you for your help.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager



JAMES R. TROTTER  
ATTORNEY AT LAW  
POST OFFICE BOX 228  
105 SOUTH FRANKLIN STREET  
ROCKY MOUNT, NORTH CAROLINA 27801



AREA CODE 919  
977-1383  
977-1194

July 24, 1984

Southeastern Advertising, Inc.  
P.O. Box 312  
Rocky Mount, North Carolina 27801

Gentlemen:

Since May 1983, Nash/Edgecombe Billboard Fund has been receiving and paying invoices submitted by you. It is my understanding that the invoices were for the costs of installing and maintaining "Jesse Helms Is Right" billboards on Tarboro Street, U.S. Highway 64 West, U.S. 301 South and N.C. 97 East.

This morning I inspected each of these billboards to determine the appropriateness of the attribution legends displayed. I did so in response to a complaint made to the Federal Election Commission by David E. Price, Jr., Executive Director of North Carolina Democratic Party, a copy of which was sent to me with a letter advising that Nash/Edgecombe Billboard Fund and I, as its Treasurer, may have violated the Federal Elections Campaign Act because of the attribution legends on the billboards.

My inspection revealed that none of the attribution legends on the billboards attributed payment for the billboards to Nash/Edgecombe Billboard Fund. If the payments that have been made to you by Nash/Edgecombe Billboard Fund were for these billboards, as I believe, the legends are inappropriate and must be changed, at once.

The attribution legend that should be displayed on each billboard that is being paid for by Nash/Edgecombe Billboard Fund is as follows:

"Paid For By Nash/Edgecombe Billboard Fund, James R. Trotter, Treasurer. Not Authorized By Senator Helms Or Any Authorized Committee Of Senator Helms"

Please have the attribution legends that are now displayed on all billboards being paid for by Nash/Edgecombe Billboard Fund removed or covered and the above legend displayed in their places, at once. If this is not to be done at once please so advise me.

88040673472

Southeastern Advertising, Inc.  
July 24, 1984  
Page 4

Nash/Edgecombe Billboard Fund will not honor invoices from you for the billboards until the foregoing changes are made and I have inspected the changes and found them to be satisfactory.

Yours very truly,

*James R. Fuller*

JRT/sta

88040673473

RATING

CREDIT LIMIT

TERMS

NAME

ADDRESS

ACCOUNT NO.

General Ledger

Donations Received

CLEARING A/c  
Jesse Helms Billboard A/c.  
J.R. Trotter, Treasurer

MADE IN U.S.A.

FORM  
GN2-D

9983

ITEMS

FOLIO

V

DEBITS

CREDITS

BALANCE

March

4500

4500

April

advertising

450000

40500

May

86560

127060

-0-

June

billed Trotter 1083.97 pd Whites 1083.97

108397

108397

-0-

July

billed Trotter 645.00 pd Whites 645.00

64500

64500

-0-

Aug.

billed Trotter 645.00 pd Whites 645.00

64500

64500

-0-

Sept

978.56

820.00

97856

97856

-0-

Oct

820.00

820.00

82000

82000

-0-

Nov.

820.00

820.00

82000

82000

-0-

Dec.

820.00 ypd

175.00

17500

82000

64500

12-31

adjusting

64500

-0-

1-31

billed Trotter

pd Whites

82000

82000

-0-

2-29

82000

82000

-0-

3-30

820.00 ypd

820.00

82000

82000

-0-

4-30

820.00 pd

820.00

82000

82000

-0-

5-30

820.00 pd

820.00

82000

82000

-0-

6-30

82000

82000

-0-

7-31

820.00 pd

820.00

82000

82000

-0-

8-31

820.00

820.00

227000

227000

-0-

9-28

945.00 pd

945.00

94500

94500

-0-

10-31

82.00

820.00

82000

82000

-0-

8 8 0 1 4 0 6 7 3 4 7 4

DEPOSITION  
FEC EXHIBIT  
14  
3/1/85 Bailey

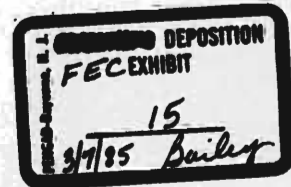
**Jesse**  
★ **HELMS** ★

nd  
R  
★  
He Prote

"THESE BUMPER SIGNS AVAILABLE FROM SOUTHEASTERN ADVERTISING, INC. BOX 312, ROCKY MOUNT, N.C. \$1 EACH OR 7 FOR \$5. WRITE FOR

→ use smaller print than above for bottom of bumper sticker — Print in blue

8 8 0 4 0 6 7 3 4 7 5



**ISSUE**  
**ELMS** ★

*nd*  
**IS** *Blue*  
**RIGHT** *Blue*  
★ ★ ★ ★ *Red*  
He Protects The Taxpayers—*nd*

ADVERTISING, INC. BOX 312, ROCKY MOUNT, N.C. \$1 EACH OR 7 FOR \$5. WRITE FOR SPECIAL PRICES ON CUSTOM MADE BUMPER SIGNS."

above for bottom of bumper sticker — Print in blue

SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

February 11, 1983

Godwin Oil Company  
129 Castle Hayne Rd.  
P.O. Box 1888  
Wilmington, N.C. 28402

RE: Sample Bumper Sticker enclosed

Dear Charlie:

Mr. Bailey requested that I mail you a sample of the bumper sticker enclosed.

The truck drivers will support this effort of trying to get the taxes lowered. At this time there is nothing more important to them and all citizens.

We can supply the bumper stickers to you in quantities of 100 or more at .25 each.

We are satisfied you can sell for \$.50 or \$1.00 each. You set your own selling price.

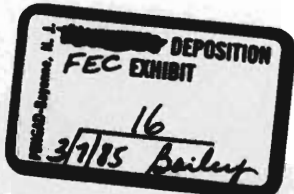
Please call me at above telephone number and advise how many I can send you.

Thank you.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager



**SOUTHEASTERN ADVERTISING, INC.**

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

February 11, 1983

Holt Oil Company  
1709 Clinton Rd.  
Fayetteville, N.C. 28301

RE: Sample Bumper Sticker enclosed

Dear Charles:

Mr. Bailey requested that I mail you a sample of the bumper sticker enclosed.

The truck drivers will support this effort of trying to get the taxes lowered. At this time there is nothing more important to them and all citizens.

We can supply the bumper stickers to you in quantities of 100 or more at .25 each.

We are satisfied you can sell for \$.50 or \$1.00 each. You set your own selling price.

Please call me at above telephone number and advise how many I can send you.

Thank you.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager

8 8 0 4 0 6 7 3 4 7 8

SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

February 11, 1983

Don Stallings  
Stallings Oil Company  
315 W Ridge  
Rocky Mount, N.C. 27801

RE: Sample Bumper Sticker enclosed

Dear Don:

Mr. Bailey requested that I mail you a sample of the bumper sticker enclosed.

The truck drivers will support this effort of trying to get the taxes lowered. At this time there is nothing more important to them.

We can supply the bumper stickers to you in quantities of 100 or more at .25 each.

We are satisfied you can sell for \$.50 or \$1.00 each. You set your own selling price.

Please call me at above telephone number and advise how many I can send you.

Thank you.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager

88040673479

SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

February 11, 1983

Mr. Scott Wilson  
Office of Senator Jesse Helms  
4213 Dirksen Senate Office Building  
Washington, D.C. 20510

RE: Jesse Helms Bumper Stickers--

Dear Mr. Wilson:

Mr. Jack Bailey requested that I send to you 12 sample bumper stickers, that we had designed.

Would you forward to us a list of the people who might be willing to buy these in lots of 100 at \$25.00. We would send them to them immediately.

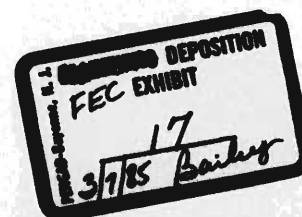
We are trying to get the movement going that "Jesse is Right," and to sell enough bumper signs that we can then buy newspaper ads to start advertising the bumper signs in the newspaper and have the program pay for itself as we go.

Look forward to your reply.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*  
Charlene Schindehette, Office Manager



88040673480

United States Senate

WASHINGTON, D.C. 20510

February 24, 1983



Ms. Charlene Schindehette  
Office Manager  
Southeastern Advertising, Inc.  
Post Office Box 312  
Rocky Mount, North Carolina 27801

Dear Ms. Schindehette:

Thanks so much for the bumper stickers. They are terrific. Senator Helms was very pleased with them--so pleased, in fact, that he asked Carter Wrenn to contact you about getting some of them. I believe you will be able to get from Carter the information you wanted from me.

We're all mighty grateful for your support. Please don't hesitate to contact me if I can ever lend a hand. And thanks again for the bumper stickers.

Kindest regards.

Sincerely,

*Scott*

Scott A. Wilson  
Legislative Assistant  
to Senator Jesse Helms

SAW:mb

cc: Jack Bailey  
Carter Wrenn

SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

February 16, 1983

Tom Fetzner  
3825 Barret Drive  
Raleigh, N.C. 27069

RE: Jesse Helms Bumper Stickers

Dear Tom:

As per your telephone call today in regards to your message to Mr. Bailey concerning Jesse Helms Bumper Stickers. I will pass the word to Mr. Bailey that Jesse Helms approves of the bumper stickers and thinks they are great.

I am enclosing 10 Bumper Stickers for your use. If you could use any more I would be glad to send them.

We are selling them in quantities of 100 for \$25.00.

Appreciate your letting us know of Mr. Helms comments on the bumper stickers.

Thank you.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*

Charlene Schindehette, Office Manager



MEMORANDUM

TO: Charlene Schindehette  
FROM: Jack Bailey  
DATE: January 3, 1984  
SUBJECT: Jesse Helms Bumper stickers

Please write a letter to:

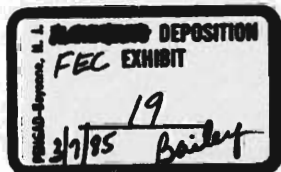
Mr. John C. Scheipers  
Field Representative for Helms for Senate  
Post Office Box 177000  
Raleigh, N. C. 27619

Tell him that you have 10,000 of the Helms bumper signs on hand and that they are available to the Helms committees anywhere for 12½ cents a piece.

Send him a complimentary package of 50 bumper signs and ask him to get these distributed to help promote the sales so that we can get these signs distributed. It will be necessary to have cash for each order.

Mr. Scheipers phone number is 919-876-8522. A week after you have sent the letter, start making telephone calls to him about once a week to check whether or not he has made distribution, obtained any orders, or received indications of interest on this item.

JCDB:dh



**SOUTHEASTERN ADVERTISING, INC.**

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

January 4, 1984

Mr. John C. Scheipers  
Field Representative for Helms for Senate  
Post Office Box 177000  
Raleigh, N.C. 27619

RE: Jesse Helms Bumper Stickers

Dear Mr. Scheipers:

I have enclosed 50 bumper signs as complimentary package for you to distribute as you see fit. The distribution of these bumper stickers will help promote sales.

The bumper stickers are available to the Helms committees for 12 1/2 cents a piece. I have 10,000 of the stickers on hand and I will ship anywhere. It will be necessary to have cash for each order before shipment is made.

Please notify me as quickly as possible if you have any suggestions as to how or to who I should contact for distribution of the Bumper Stickers. They need to be out in the public eye to do their job.

Thanks for your help.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*

Charlene Schindehette, ---  
Office Manager

98040673484  
00+

1-31-84

Called status of B.S.

Pat Calhoun -

Mark Stevens, get material must have their disclaimer on bottom. Helms for Senate must go toward campaign.

Feels he can not sell from their office cause of no disclaimer  
Thinks he could give away - ? -

3-7-84

Pam Stevenson - Secretary  
will call back Mon or Tues

3-20-84 2nd time  
will get back with me -

3-22- letter on way as to why name can not be supplied

Give me names:

Donate 25¢ each of his inquiry & order additional

offer in 100 lots at 15¢ each or \$1.00 ea.

# SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

July 17, 1984

Dear Republican Supporter:

We have in our inventory here at the office the following items available to you for the price listed.

Jim Martin:

Yard poster 11 X 14	.38ea min. order 100
Bumper stickers 3" X 11 1/2"	.15ea min. order 100
Lapel buttons 1"	.14ea min. order 100

Jesse Helms:

Yard poster 11 X 14	.38ea. min. order 100
Bumper stickers 3" X 11 1/2"	.15ea min. order 100
Lapel buttons 1"	.14ea min. order 100

Enclosed is a sample of each. Your orders will be processed just as soon as we receive them. The above prices includes the shipping cost.

When you place your order be sure to enclose payment for all items on your order.

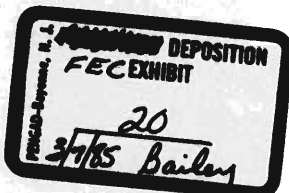
Thank you, help support the above candidates for office.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

J.C.D. Bailey

Enclosure



MEMO BILLING FROM SOUTHEASTERN ADVERTISING, INC.

Billed to: J.C.D. Bailey

11-30-83 10,000 bumper Strips Jesse Helms (red, white & blue)	1,020.00 ✓
2-7-83 5,000 Jesse Helm's Bumper Strips (red, white, and Blue)	586.68 -
5-17-84 5,000 Jim Martin 1" buttons (red, and white)	335.43 ✓
10,000 Jesse Helms 1" Buttons (red,white,& blue)	759.18 ✓
2,500 Jim Martin bumper stickers (red and white)	202.28 -
1,500 Jim Martin posters 11 X 14 (red and white)	345.05 -
1,500 Jesse Helms posters 11 X 14 (red,white & blue)	422.40 -
5-07-84 5,000 Jesse Helms roll labels (red,white, & blue)	156.08 -
4-25-84 5,000 Jim Martin roll labels (red and white)	99.73 ✓
6-19-84 items to go on walls at Campaign Hdqr.	217.23 -
7-27-84 5,000 Jim Martin Posters	948.19 ✓
7-26-84 5,000 Jesse Helms Poster	864.95 ✓
8-09-84 1,000 Jim Martin Posters	701.19 ✓
8-21-84 2,500 Jim Martin Bumper Stickers	202.28 ✓



SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

March 28, 1984

Dear Republican Friend:

RE: Sample Jesse Helms Bumper Sticker Enclosed

I have enclosed a bumper sticker to you so we can get Jesse's Helms name out in front of the public as much as possible.

I have 10,000 of these bumper stickers in my inventory and will sell for \$.125 each, this is my cost and I will ship out the day I get the order. Cash must accompany all orders.

If you can use more bumper stickers please notify me, or if you know anyone who may be interested please put them in contact with me.

I am most anxious to get all 10,000 out on Bumpers to help make citizens aware of Jesse Helms.

Any help you can be will be greatly appreciated.

Thank you.

Sincerely,

SOUTHEASTERN ADVERTISING, INC.

*Charlene Schindehette*

Charlene Schindehette, Office Manager

*Dear Sir,*

*I am Sending you \$13.00. if you will  
Please Send me 100 bumper Stickers!*

*Warren E. Riggs*

*Box 160*

*Shelby, N. C. 27974*



880440673437

# Governor Hunt, Did you, or Did you not accept a \$79,000 contribution from Gay Activists?

THE  
NC

## LANDMARK LIMITED

Bob Windsor, Editor O

"The People's Advocate"

VOL.2, NUMBER 16 FREE Chapel Hill, N.C. FREE JANUARY 5, 1984

### Jim Hunt Received Contributions from Gay Activists

Jim Hunt does not brag about it much and he still tries to hide it. But he has made a deal with the faggots, perverts, sexual deviants of this nation and the gay rights activists. Jim Hunt was quoted as being a Christian and according to the laws of God, sexual perversion is a sin and he is governor of a state where he has met with the perverts in a room, got his hands on their bodies and has been in the company with them. These are the facts.

Hunt was the chairman of the Democratic Party Commission of Presidential Nominations in which was inserted a platform against discrimination in the offices of the Democratic Party for reasons of sexual orientation. He also supported an affirmative action program to give office the faggots. After this adoption Ann Lewis of the Democratic National Committee said, "Human rights, and that includes gay rights, is no longer a debatable issue within the Democratic Party."

Then in August of the year attended a fund raising rally at the home of Herman Lear, a known gay rights activist and who raised an amount for the Human Rights



DEPOSITION  
FEC EXHIBIT  
23  
3/7/85 Bailey

# Jim Hunt Received

Continued from page 1  
 every-where in the world. It is the 17th  
 largest of all the FA's. The last office was  
 sponsored by James Governor Jerry  
 Moore and the Committee for Civil Rights  
 that is a gay activist group and has among  
 its leaders, the well known Dr. Martin  
 Luther Anderson and others. The group  
 has been in the news for some time.

group. All of the major gay rights groups  
 have come out for the gay rights issue.  
 Since, which is a very important thing  
 to get out and the group has been  
 very active in the past.

And if it was the support of anyone  
 who is a principal in the gay rights  
 movement, it is a very important thing  
 to have in the past. The group has  
 been very active in the past.

(Continued from page 11)  
 I feel sorry for those in our society who  
 suffer from the mental disease called  
 homosexuality. I pray for their deliver-  
 ance. There is no cure for this disease  
 and men they are to be pitied. We  
 often hear them in association with  
 the name of the group and we put them in  
 the same category as those who are not.

J.C.D. Bailey  
 1000 Main Street  
 Rocky Mount, North Carolina 27860

April 7, 1984

Honorable Jim Hunt  
 Governor of North Carolina  
 Raleigh, North Carolina

Dear Governor Hunt:

The January 5, 1984 issue of "The NC Landmark Limited,"  
 containing an article on the front page stating that  
 you had received contributions from "Gay Activists,"  
 has recently come to my attention.

As a concerned citizen and North Carolina voter, I would  
 like to have your answers to these questions:

1. Did you, in fact, accept contributions of some  
 \$75,000 from gay rights advocates?
2. If contributions were accepted from this group and/or  
 its representatives, what was promised to be done for  
 them in return.

I shall appreciate your early response.

Sincerely,  
 J.C.D. Bailey  
 J. C. D. Bailey

JCB:qk

Governor Jim Hunt's  
 Reply

**As A Concerned Citizen, I Think The Voters  
 Are Entitled To Know The Answer To This Question.**

PAID FOR BY J.C.D. BAILEY IN INTEREST OF GOOD GOVERNMENT

J. C. D. BAILEY

DATE	DESCRIPTION	AMOUNT
6/4/84	Display Ad Additional over quoted cost	\$508.20

J. C. D. BAILEY 5/57  
P. O. BOX 1828  
ROCKY MOUNT, N. C. 27801

NO 1416

66-867  
531

Peoples Bank  
& Trust Company  
ROCKY MOUNT, N.C. 27801

June 4, 84

Five Hundred Eight and 20/100

508.20

THE NEWS & OBSERVER

COPY NOT NEGOTIABLE

"00001416" :053108674: 00 0067395"



88040673490

J. C. D. BAILEY

DATE	DESCRIPTION	AMOUNT
6/1/84	Display Ad	\$1,386.00

88040673491

J. C. D. BAILEY 5/57  
P. O. BOX 1828  
ROCKY MOUNT, N. C. 27801

NO 1411

66-867  
531

**Peoples Bank  
& Trust Company**  
ROCKY MOUNT, N.C. 27801

June 1, 84

-----One Thousand Three Hundred Eighty Six and no/100

1,386.00

The News and Observer  
Raleigh, North Carolina

COPY NOT NEGOTIABLE

⑈00001411⑈ ⑆053108674⑆ 00 0067395⑈

34

J. C. D. BAILEY

DATE	DESCRIPTION	AMOUNT
6/1/84	Display Ad	\$314.65

J. C. D. BAILEY 5/57  
P. O. BOX 1828  
ROCKY MOUNT, N. C. 27801

No 1412

66-867  
531

Peoples Bank  
& Trust Company  
ROCKY MOUNT, N.C. 27801

June 1, 84

Three Hundred Fourteen and 65/100

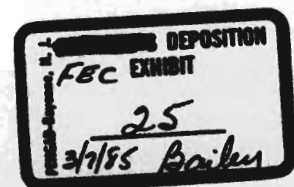
314.65

The Evening Telegram

Rocky Mount, N. C.

COPY NOT NEGOTIABLE

⑈00001412⑈ ⑆053108674⑆ 00 0067395⑈



88040673493

J. C. D. BAILEY

DATE	DESCRIPTION	AMOUNT
6/1/84	Display Ad	\$155.00

J. C. D. BAILEY 5/57  
P. O. BOX 1828  
ROCKY MOUNT, N. C. 27801

No 1413

66-867  
531

**Peoples Bank  
& Trust Company**  
ROCKY MOUNT, N.C. 27801

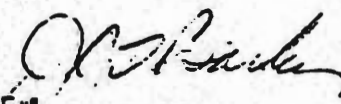
June 1, 84

—One Hundred Fifty Five and no/100—

155.00

The Nashville Graphic  
Nashville, North Carolina

**COPY NOT NEGOTIABLE**



⑈00001413⑈ ⑆053108674⑆ 00 0067395⑈

MEMORANDUM

TO: JACK BAILEY  
FROM: WAYNE NEWNAM  
DATE: JUNE 1, 1984  
SUBJECT: JIM HUNT NEWSPAPER AD

In order to make the Wednesday, June 6th edition of the following newspapers, all checks and completed ads must be delivered to the papers before 10:00 AM, Monday, June 4th.

The ad sizes and costs for each paper are as follows:

\*News & Observer - 4 columns wide x 16½" long  
\$1,386.00

\*Evening Telegram - 5 columns wide x 15½" long  
\$314.65

\*Nashville Graphic - 5 columns wide x 15 3/4" long  
\$155.00

I need your personal check made out in the amounts above to the individual newspapers as soon as possible. These will have to be hand delivered to each paper first thing Monday morning.

Please advise as soon as possible.

Thank you!

WN/vr



38040673495

PEOPLES BANK & TRUST CO.  
ROCKY MOUNT, N. C.

SOUTHEASTERN ADVERTISING CO., INC. Donation Jesse Helms Campaign 1751

P.O. BOX 312  
ROCKY MOUNT, NC 27801

Don Wilhalf 20.00

Lloyd Bailey 25.00

20-257  
631

PAY Forty Five and no/100 DOLLARS | \$ 45.00

TO THE  
ORDER OF

James R. Trotter, Treasurer Jesse Helms  
Campaign

SOUTHEASTERN ADVERTISING CO., INC.

*Charles Schindler*

⑈00001751⑈ ⑆053108674⑆ 00 2051645⑈

RECORDED DEPOSITION  
FEC EXHIBIT  
27  
3/7/85 Bailey

6  
8  
0  
4  
0  
6  
7  
3  
4  
9  
6  
NORTH CAROLINA

July 21, 19

Nash COUNTY

Know all men by these presence that the undersigned have covenanted, contracted, and agreed as follows:

ONE

Glasgow Sign Service will erect and maintain for the undersigned ADVERTISER for the consideration hereinafter set out signs and/or billboards as herein after described. The number of billboards and/or signs, the locations, the sizes, and other descriptions of signs and/or billboards are as follows:

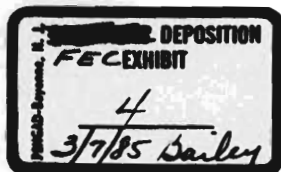
(ONE) 14'-0 x 40' -0" Billboard Luminated on U. S. 64 Bypass (West) right reader 1/2 Mile of 231 Exit approximately 10 miles from Nashville.

(The designation for the parties herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.)

It is understood that said signs or billboards will be erected within 30 days from the date hereof and will remain in place for a period of 14 months (years). As rental, the ADVERTISER OR AGENT will pay to Miles Glasgow, d/b/a Glasgow Sign Service, the sum of \$ 175.00 dollars per month, the first payment due on the 1 day of September, 1983, with a like amount on the first day of each and every month thereafter during the period of time covered by this contract.

TWO

Glasgow Sign Service will paint or cause to be painted on said signs or billboards such artwork and/or wordage in the English language as is set out on the sheets hereto attached which are by reference made a part hereof. Colors as specified on the attached sheets shall be used. The signs and/or billboards will



34

88040673497

be maintained by Glasgow Sign Service in good condition. The signs and/or billboards shall be located so as to be visible to persons on or near a public thoroughfare.

### THREE

All signs and billboards by this agreement shall remain the property of Glasgow Sign Service.

### FOUR

The agreement is subject to the following additional terms and conditions:

(1) Glasgow Sign Service will regularly inspect all displays, relocate displays as heretofore provided, replace damaged and worn out parts, re-erect fallen and straighten twisted or leaning displays, secure leases from property owners, conform to zoning ordinances or regulations, comply with right-of-way regulations, remove natural obstructions of approach to the displays, pay all lease rentals and property taxes, secure and pay for building permits, annual business licenses and display permits, and perform all those services necessary to provide effective highway advertising during the term of this agreement.

88040673498

To the full and faithful performance of this agreement, the parties hereto do bind themselves, their heirs, assigns, and personal representatives.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized representatives and its seal to be hereunto affixed the day and year first above written.

Nash County Jesse Helms for Senate Campaign  
Southeastern Advertising  
(Corporate Name)  
Advertiser

Post Office Box 312  
Rocky Mount, NC 27801

By [Signature] (S)  
Representative

Agency

[Signature] (S)  
Miles Glasgow  
d/b/a Glasgow Sign Service

88740673499

NORTH CAROLINA

COUNTY OF Edgemore

I, Seraldine H. Harrell a Notary Public of  
said County to hereby certify that J. C. D. Siler  
personally appeared before me this day and  
acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 27th day of July,  
1981.

Seraldine H. Harrell  
NOTARY PUBLIC

My Commission Expires: 3-16-86

88040673500

end 34

BEFORE THE FEDERAL ELECTION COMMISSION  
1325 K Street, N.W.  
Washington, D.C. 20463

**SENSITIVE**

In the Matter of )  
 )  
The Nash/Edgecombe Billboard Fund ) MUR 1736  
James R. Trotter, as treasurer )  
Jack C.D. Bailey )  
Southeastern Advertising, Inc. )

**COMPREHENSIVE INVESTIGATIVE REPORT**

On November 27, 1984, the Commission voted to find reason to believe Southeastern Advertising, Inc. violated 2 U.S.C. § 441b(a), that Jack C.D. Bailey violated 2 U.S.C. §§ 441a(a)(1)(A), 441b(a) and 441d and that the Nash/Edgecombe Billboard Fund and James R. Trotter, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(a)(1)(A) and 441d. The Commission at that time authorized the issuance of subpoenas and orders to the respondents.

On December 17, 1984, the Office of General Counsel received a Motion to Quash or Modify the Subpoena and Order issued to Southeastern Advertising, Inc. and Jack C.D. Bailey. The Commission, on January 8, 1985, denied the motion and notified the respondents. All of the respondents have submitted materials pursuant to the to the subpoenas and orders and, although our initial attempts to depose were delayed due to natural causes<sup>1/</sup> depositions of Mr. Trotter and Mr Bailey have been taken.

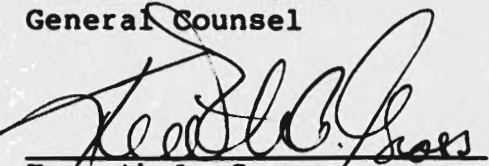
<sup>1/</sup> Originally the depositions were scheduled to have been taken in Raleigh on February 1, 1985. Due to the fact that the aircraft was not allowed to land due to fog, it proceeded to its next regularly scheduled destination - Orlando, Florida; staff was forced to return to Washington, D.C. from Orlando. The depositions were re-scheduled for February 20 and 21, 1985, when we were able only to obtain Mr. Trotter's testimony due to the illness of Mr. Bailey. (See attached letter of explanation from Mr. Bailey's counsel). Mr. Bailey's testimony was taken on March 6, 1985.

Transcripts of the two depositions were received on March 20, 1984. The transcripts are lengthy and the testimony along with the documents will require extensive analysis. We expect to forward a General Counsel's Report to the Commission containing our recommendations in the near future.

Charles N. Steele  
General Counsel

*March 29, 1985*

BY:

  
Kenneth A. Gross  
Associate General Counsel

88040673502

98040673503

Attachments to 3/29/85  
Comp. Inv. Rpt.

have been removed from this position in the Public Record File either because they duplicate documents located elsewhere in this file, or because they reflect exempt information.

For Attachment \_\_\_\_\_ see #33

_____	_____
_____	_____
_____	_____
_____	_____



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM TO:

CHARLES N. STEELE  
GENERAL COUNSEL

FROM:

MARJORIE W. EMMONS/JODY C. RANSOM *MWE* *JCR*

DATE:

APRIL 2, 1985

SUBJECT:

MUR 1736 - Comprehensive Investigative  
Report signed March 29, 1985

The above-captioned matter was circulated to the Commission on a 24 hour no-objection basis at 4:00, April 1, 1985.

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

98040673504

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )

Helms for Senate Committee and )  
Mark L. Stephens, as treasurer; )  
Jack C.D. Bailey; )  
Southeastern Advertising, Inc.; )  
Nash/Edgecombe Billboard Fund )  
and James R. Trotter, as treasurer )

MUR 1736

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On July 2, 1984, the North Carolina Democratic Party filed a complaint with the Commission that alleged numerous violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by an individual, Jack C.D. Bailey, a close corporation held by Mr. Bailey, Southeastern Advertising, Inc., the Helms for Senate Committee, and the Nash County Jesse Helms for Senate Committee. 1/ The complainant alleged that certain billboard advertisements placed by Mr. Bailey and the Nash/Edgecombe Billboard Fund ("the Billboard Fund"), bumper stickers prepared by Southeastern Advertising, Inc., and personal newspaper advertisements placed by Mr. Bailey were in-kind contributions to the Helms for Senate Committee. Because the estimated value of these advertisements exceeded the limitations and prohibitions of the Act, the complainant further asserted violations of 2 U.S.C. § 441a(a)(1)(A), and § 441b(a).

1/ The Nash County Jesse Helms for Senate Committee was not made a respondent because the committee was, in fact, the Nash/Edgecombe Billboard Fund. This point is discussed in greater length infra.

An essential element of the complainant's allegations is that Mr. Bailey's relationship with the Helms for Senate Committee was such that any independent effort undertaken by him to influence Senator Helms' re-election would be considered an in-kind contribution due to the operation of 11 C.F.R.

§ 109(c).<sup>2/</sup> Factual allegations presented in the complaint cite Mr. Bailey's membership in the finance committee established by the Helms campaign. Mr. Bailey's participation in such a panel would, the complainant argued, provide him with information regarding the campaign's "plans, projects, or needs" thus disqualifying him from being able to make independent expenditures.<sup>3/</sup> Because these expenditures should be viewed as having been "coordinated" with the candidate, the complainant further alleged violations of 2 U.S.C. § 441d by Mr. Bailey and the Nash/Edgecombe Billboard Fund, arising from their failure to state whether the advertisements had been authorized by Senator Helms.

Accordingly, any expenditures made by Mr. Bailey, individually or as part of a committee of which he was a member would be viewed as coming under these regulatory provisions disqualifying expenditures as independent expenditures.

<sup>2/</sup> An expenditure not qualifying under this Section [as an independent expenditure] shall be a contribution in-kind to the candidate and an expenditure by the candidate.

<sup>3/</sup> See 11 C.F.R. § 109(b)(4).

On November 27, 1984, the Commission voted to find reason to believe (1) Southeastern Advertising, Inc., violated 2 U.S.C. § 441b(a); (2) Jack C.D. Bailey violated 2 U.S.C. § 441b(a) in his capacity as President of Southeastern Advertising, Inc., (3) Jack C.D. Bailey violated 2 U.S.C. § 441a(a)(1)(A) and § 441d in his individual capacity; and that (4) the Nash/Edgecombe Billboard Fund, and James R. Trotter, as its treasurer, violated 2 U.S.C. §§ 434(b), 441a(a)(1)(A)<sup>4/</sup> and 441d. The Commission did not accept the General Counsel's recommendation to find reason to believe the Helms for Senate Committee and Mark L. Stephens, as its treasurer, violated 2 U.S.C. §§ 434(b), 441b(a) and 441a(f), but decided, rather, to take no action at that time against the Helms Campaign.

Subpoenas to Mr. Bailey, Southeastern Advertising Inc., and the Nash/Edgecombe Billboard Fund were approved and issued. Depositions were taken of Mr. Bailey and Mr. Trotter during February and March, 1985.

**II. ADDITIONAL VIOLATION BY THE NASH/EDGECOMBE BILLBOARD FUND**

During the course of our investigation, it became apparent that the Nash/Edgecombe Billboard Fund and Mr. James L. Trotter,

<sup>4/</sup> The Nash/Edgecombe Billboard Fund has not made any direct contributions to any candidates for federal office and is thus not a multicandidate political committee under 2 U.S.C. § 441a(a)(4).

as its treasurer, violated 2 U.S.C. § 441b(a) by accepting corporate contributions from Southeastern Advertising, Inc. Specifically, it appears that many of the costs associated with placing and maintaining the four billboard advertisements were paid by Southeastern Advertising, Inc., on behalf of the Billboard Fund which has not repaid Southern Advertising, Inc.

8 8 0 4 0 6 7 3 5 0 8

Facts obtained during the investigation show that the Billboard Fund did not make any payments for the signs after June, 1984, (although they remained in place through the election), despite the fact that the billboards were paid for by Southeastern Advertising, Inc., and stated "Paid for by Nash/Edgecombe Billboard Fund, James R. Trotter, Treasurer ...." Although Mr. Trotter testified he had not made any subsequent payments, he acknowledged they were due but did not know how much was owed. Mr. Bailey testified that he was aware of the Fund's refusal to pay Southeastern but indicated he did nothing to collect the past due amounts or terminate the contacts but, rather, continued to authorize additional payments by Southeastern Advertising. The records obtained by this Office indicate the amount paid by Southeastern during this period was approximately \$10,319.

The investigation has also revealed that Mr. Bailey organized the Nash/Edgecombe Billboard Fund and that he placed the initial billboard advertisements personally then had the

Billboard Fund "assume responsibility"<sup>5/</sup> for making the monthly payments.<sup>6/</sup>

The General Counsel's Office recommends, therefore, that the Commission find reason to believe the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer, violated 2 U.S.C. § 441b(a) by knowingly accepting contributions from Southeastern Advertising, Inc., that were prohibited by the Act.

**III. THE HELMS FOR SENATE COMMITTEE:**

Contributions made with the cooperation or prior consent of, or in consultation with, or at the request or suggestion of, a candidate or any agent or authorized committee of the candidate.

As previously noted, the Commission on November 27, 1984, voted to take no action "at this time" against the Helms for Senate Committee and its treasurer, Mark L. Stephens. During the course of the investigation into the allegations regarding the other respondents in this matter, the General Counsel's Office has taken testimony and reviewed evidence which it believes demonstrates that the expenditures made by Mr. Bailey, the Billboard Fund and Southeastern Advertising, Inc. were in-kind contributions to the Helms for Senate Committee and, as such, exceeded the limitations and prohibitions of the Act.

<sup>5/</sup> Although there was no written contract setting forth the Billboard Fund's liability, both Mr. Trotter and Mr. Bailey have stated that that was their understanding. The only contracts we have seen for the billboards were between Southeastern Advertising, Inc., and the various sign owners.

<sup>6/</sup> The record shows that billings for rental of the billboard space were sent directly to Southeastern Advertising which paid them immediately and then, in turn billed the Billboard Fund.

Jack C.D. Bailey, the complainant argues, was a member of the finance committee of the Helms campaign. According to a newspaper article that appeared in the August 6, 1983, edition of the News and Observer, Raleigh, N.C., (included as an exhibit to the complaint) Claude Allen, press secretary for the Helms for Senate Committee, announced the formation of the committee. Two of the names announced by Mr. Allen were Jack C.D. Bailey and Helen Laughrey, both principal participants in the organization and activity of the Nash/Edgecombe Billboard Fund.

Prior to that time, according to our investigation, Mr. Bailey undertook his first efforts to organize a committee that would promote Senator Helms' candidacy for re-election. On April 6, 1983, Mr. Bailey hosted a meeting at another of his corporations's headquarters<sup>7/</sup> at which about 30 people attended. Mr. Bailey announced as the purpose of the meeting a discussion of Senator Helms' 1984 campaign and that Mr. Thomas Ellis and Carter Wrenn of the National Congressional Club would be in attendance.<sup>8/</sup> Both of these individuals, according to

<sup>7/</sup> The meeting was held at the offices of Franchise Enterprises, a corporate interest of Mr. Bailey's separate from Southeastern Advertising, Inc. Franchise Enterprises holds over 60 Hardees restaurant franchises and has at its business purpose the management of those interests.

<sup>8/</sup> Mr. Ellis and Mr. Wrenn were both closely related to the Helms campaign effort and served in various capacities as agents of the campaign. See MUR's 1503 and 1792.

Mr. Bailey, attended the meeting and answered questions from the group. Mr. Wrenn also purportedly provided a short analysis of the 1982 elections and suggested what might have been the reason for certain conservative candidates not having done well.

Mr. Ellis, on the other hand told the group what he believed Senator's Helms' chances would be in a race against Governor Hunt emphasizing some of the difficulties the Senator might face and the expectations that the Campaign would be expensive. Both Mr. Ellis and Mr. Wrenn remained closely affiliated with the Helms for Senate Committee during the 1984 election.

During the meeting Ms. Helen Laughrey, also later named as a member of the finance committee, was introduced as the chairman of the Nash County Jesse Helms for Senate Committee.

The agenda for the meeting scheduled a discussion of the billboard campaign that, in Mr. Bailey's words, was intended to emphasize "selling the message that 'Jesse Helms is Right.'" According to Mr. Bailey, other plans were also included in that evenings' agenda including: (1) "flooding" newspapers with letters to the editors in order to Keep Senator Helms' name in front of the public in a positive way in order to "offset the liberal influence of the editorial page"; (2) encouraging company employees to support conservative candidates in corporate publications; (3) placing messages on corporate stationery, encouraging the reader to "vote for" or "support" Jesse Helms;

- (4) producing bumper stickers saying "Jesse is Right;"
- (5) carrying messages to the fundamentalist churches to encourage their members to register to vote in order to "offset [the] large black registration" effort undertaken by the "liberals," and
- (6) setting up a telephone bank and headquarters for the Republican campaign in order to determine who might be willing to work in the campaign.<sup>9/</sup>

Mr. Bailey has also provided testimony that Senator Helms had seen and approved of the "Jesse is Right" bumper stickers and suggested that Bailey send some to Carter Wrenn. Bailey's contacts with the Helms campaign also included providing John Scheipers, Field Representative of Helms for Senate, with samples of the bumper stickers.

The General Counsel's Office is of the view that the evidence obtained thus far demonstrates that the expenditures by Mr. Bailey, Southeastern Advertising, Inc., and the Nash/Edgecombe Billboard Fund fall within the definition of "made with 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 the candidate" (11 C.F.R. § 109.1(b)(4)) and are thus in-kind contributions by

<sup>9/</sup> The phone bank was later established in the headquarters in Rocky Mount for Republican candidates including "Martin for Governor, Reagan for President and Helms for Senate."

those persons to the Helms for Senate Committee. This Office recommends, therefore, that the Commission find reason to believe the Helms for Senate Committee and Mark L. Stephens as its treasurer, violated 2 U.S.C. §§ 434(b), 441a(f) and 441b(a).

**IV. RECOMMENDATIONS**

The General Counsel's office recommends that the Commission:

1. Find reason to believe the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer, violated 2 U.S.C. § 441b(a);
2. Find reason to believe the Helms for Senate Committee and Mark L. Stephens, as its treasurer, violated 2 U.S.C. §§ 434(b), 441a(f), and 441b(a).
3. Approve and send the attached letters and factual and legal analyses.

Charles N. Steele  
General Counsel

Date

May 24, 1985

BY:

Kenneth A. Gross  
Associate General Counsel

**Attachments**

1. Letter and factual and legal analysis to the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer.
2. Letter and factual and legal analysis to the Helms for Senate Committee and Mark L. Stephens as its treasurer.

Attachments to General  
Coan's Report (5/24/85)

have been removed from this position in the Public Record File either because they duplicate documents located elsewhere in this file, or because they reflect exempt information.

For Attachment 1 see #40a

2\* #40b

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\* as amended per  
6/4/85 Commission rate.



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL  
FROM: MARJORIE W. EMMONS/ JODY C. RANSOM *JCR*  
DATE: MAY 30, 1985  
SUBJECT: OBJECTIONS - MUR 1736 General Counsel's  
Report signed May 24, 1985

The above-named document was circulated to the  
Commission on Tuesday, May 28, 1985 at 4:00.

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

Commissioner Aikens	_____
Commissioner Elliott	_____ X _____
Commissioner Harris	_____ X _____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Reiche	_____

This matter will be placed on the Executive Session  
agenda for Tuesday, June 4, 1985.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Helms for Senate Committee and )  
Mark L. Stephens, as treasurer; )  
Jack C.D. Bailey; ) MUR 1736  
Southeastern Advertising, Inc.; )  
Nash/Edgecombe Billboard Fund )  
and Jame R. Trotter, as treasurer )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the  
Federal Election Commission executive session of June 4,  
1985, do hereby certify that the Commission took the  
following actions in MUR 1736:

1. Decided by a vote of 6-0 to find reason  
to believe the Nash/Edgecombe Billboard  
Fund and James R. Trotter, as its  
treasurer, violated 2 U.S.C. § 441b(a);  
  
Commissioners Aikens, Elliott, Harris,  
McDonald, McGarry, and Reiche voted  
affirmatively for the decision.
2. Decided by a vote of 4-2 to find reason  
to believe the Helms for Senate Committee  
and Mark L. Stephens, as its treasurer,  
violated 2 U.S.C. §§ 434(b) and 441a(f).

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

(continued)

3. Failed in a vote of 1-5 to pass a motion to find reason to believe the Helms for Senate Committee and Mark L. Stephens, as its treasurer, violated 2 U.S.C. § 441b(a).

Commissioner McDonald voted affirmatively; Commissioners Aikens, Elliott, Harris, McGarry, and Reiche dissented.

4. Decided by a vote of 6-0 to direct the General Counsel to send appropriate letters and factual and legal analyses pursuant to the above decisions.

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

Attest:

6-5-85

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 18, 1985

James R. Trotter, Esquire  
P.O. Box 228  
105 South Franklin Street,  
Rocky Mount, N.C. 27801

RE: MUR 1736  
Nash/Edgecombe Billboard Fund  
and James R. Trotter, as  
treasurer

Dear Mr. Trotter:

The Federal Election Commission notified you on July 9, 1984, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time. The Commission, on November 27, 1984, found reason to believe that the Nash/Edgecombe Billboard Fund and you, as its treasurer, violated 2 U.S.C. § 434(b), 441a(a)(1)(A) and 441d.

Upon further review of the allegations contained in the complaint, information supplied by you, and information obtained by the Commission, in the normal course of carrying out its supervisory responsibilities, the Commission, on June 4, 1985, determined that there is also reason to believe that you and your committee violated 2 U.S.C. § 441b(a), a provision of the Act. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information. You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Please submit any such response within ten days of your receipt of this notification.

In the absence of any 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 conciliation be pursued.

40a

James R. Trotter, Treasurer  
Page 2

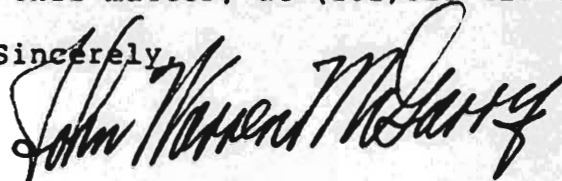
The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent will not be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

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.

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 matter 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 Stephen H. Mims, the attorney assigned to this matter, at (202)523-4143.

Sincerely,



John Warren McGarry  
Chairman

Enclosures

General Counsel's Factual and Legal Analysis  
Procedures

88040673519

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )

Nash/Edgecombe Billboard Fund and )  
James R. Trotter, as treasurer )

MUR 1736

FACTUAL AND LEGAL ANALYSIS

I. BACKGROUND

On July 2, 1984, the North Carolina Democratic Party filed a complaint with the Commission that alleged numerous violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by an individual, Jack C.D. Bailey, a close corporation held by Mr. Bailey, Southeastern Advertising, Inc., the Helms for Senate Committee, and the Nash County Jesse Helms for Senate Committee. <sup>1/</sup> The complainant alleged that certain billboard advertisements placed by Mr. Bailey and the Nash/Edgecombe Billboard Fund ("the Billboard Fund"), bumper stickers prepared by Southeastern Advertising, Inc., and personal newspaper advertisements placed by Mr. Bailey were in-kind contributions to the Helms for Senate Committee. Because the estimated value of these advertisements exceeded the limitations and prohibitions of the Act, the complainant further asserted violations of 2 U.S.C. § 441a(a)(1)(A), and § 441b(a).

<sup>1/</sup> The Nash County Jesse Helms for Senate Committee was not made a respondent because the committee was, in fact, the Nash/Edgecombe Billboard Fund. This point is discussed in greater length infra.

An essential element of the complainant's allegations is that Mr. Bailey's relationship with the Helms for Senate Committee was such that any independent effort undertaken by him to influence Senator Helms' re-election would be considered an in-kind contribution due to the operation of 11 C.F.R.

§ 109(c).<sup>2/</sup> Factual allegations presented in the complaint cite Mr. Bailey's membership in the finance committee established by the Helms campaign. Mr. Bailey's participation in such a panel would, the complainant argued, provide him with information regarding the campaign's "plans, projects, or needs" thus disqualifying him from being able to make independent expenditures.<sup>3/</sup> Because these expenditures should be viewed as having been "coordinated" with the candidate, the complainant further alleged violations of 2 U.S.C. § 441d by Mr. Bailey and the Nash/Edgecombe Billboard Fund, arising from their failure to state whether the advertisements had been authorized by Senator Helms.

Accordingly, any expenditures made by Mr. Bailey, individually or as part of a committee of which he was a member would be viewed as coming under these regulatory provisions disqualifying expenditures as independent expenditures.

<sup>2/</sup> An expenditure not qualifying under this Section [as an independent expenditure] shall be a contribution in-kind to the candidate and an expenditure by the candidate.

<sup>3/</sup> See 11 C.F.R. § 109(b)(4).

On November 27, 1984, the Commission voted to find reason to believe that the Nash/Edgecombe Billboard Fund, and James R. Trotter, as its treasurer, violated 2 U.S.C. §§ 434(b), 441a(a)(1)(A)<sup>4/</sup> and 441d.

Subpoenas to Mr. Bailey, Southeastern Advertising Inc., and the Nash/Edgecombe Billboard Fund were approved and issued. Depositions were taken of Mr. Bailey and Mr. Trotter during February and March, 1985.

**II. ADDITIONAL VIOLATION BY THE NASH/EDGECOMBE BILLBOARD FUND**

During the course of our investigation, it became apparent that the Nash/Edgecombe Billboard Fund and Mr. James L. Trotter, as its treasurer, violated 2 U.S.C. § 441b(a) by accepting corporate contributions from Southeastern Advertising, Inc. Specifically, it appears that many of the costs associated with placing and maintaining the four billboard advertisements were paid by Southeastern Advertising, Inc., on behalf of the Billboard Fund which has not repaid Southeastern Advertising, Inc.

Facts obtained during the investigation show that the Billboard Fund did not make any payments for the signs after June, 1984, (although they remained in place through the election), despite the fact that the billboards were paid for by

<sup>4/</sup> The Nash/Edgecombe Billboard Fund has not made any direct contributions to any candidates for federal office and is thus not a multicandidate political committee under 2 U.S.C. § 441a(a)(4).

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Southeastern Advertising, Inc., and stated "Paid for by Nash/Edgecombe Billboard Fund, James R. Trotter, Treasurer ...." Although Mr. Trotter testified he had not made any subsequent payments, he acknowledged they were due but did not know how much was owed. Mr. Bailey testified that he was aware of the Fund's refusal to pay Southeastern but indicated he did nothing to collect the past due amounts or terminate the contacts but, rather, continued to authorize additional payments by Southeastern Advertising. The records obtained by this Office indicate the amount paid by Southeastern during this period was approximately \$10,319.

The investigation has also revealed that Mr. Bailey organized the Nash/Edgecombe Billboard Fund and that he placed the initial billboard advertisements personally then had the Billboard Fund "assume responsibility"<sup>5/</sup> for making the monthly payments.<sup>6/</sup>

#### CONCLUSION

Based upon the foregoing, it therefore appears that the Nash/Edgecome Billboard Fund, and James R. Trotter, as treasurer violated 2 U.S.C. § 441b(a).

<sup>5/</sup> Although there was no written contract setting forth the Billboard Fund's liability, both Mr. Trotter and Mr. Bailey have stated that that was their understanding. The only contracts we have seen for the billboards were between Southeastern Advertising, Inc., and the various sign owners.

<sup>6/</sup> The record shows that billings for rental of the billboard space were sent directly to Southeastern Advertising which paid them immediately and then, in turn billed the Billboard Fund.



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 18, 1985

Brice M. Claggett, Esquire  
Covington & Burling  
1201 Pennsylvania Avenue, N.W.  
P.O. Box 7566  
Washington, D.C. 20044

RE: MUR 1736  
Helms for Senate Committee and  
Mark L. Stephens, as treasurer

Dear Mr. Claggett:

The Federal Election Commission notified your clients on July 16, 1984, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint, information supplied by you, and information obtained by the Commission in the normal course of carrying out its supervisory responsibilities (See 11 C.F.R. § 111.8), the Commission, on June 4, 1985, determined that there is reason to believe that the Helms for Senate Committee and Mark L. Stephens, as treasurer, violated 2 U.S.C. §§ 434(b) and 441a(f), provisions of the Act. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information. You may submit any factual or legal materials that you believe are relevant to the Commission's analysis of this matter. Please submit any such response within ten days of your receipt of this notification.

In the absence of any information which demonstrates that no further action should be taken against your clients, 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 conciliation be pursued.

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Brice M. Clagett, Esquire  
Page 2

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 after briefs on probable cause have been mailed to the respondent will not be entertained.

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.

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 your clients wish the matter 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 Stephen H. Mims, the attorney assigned to this matter, at (202)523-4143.

Sincerely,



John Warren McGarry  
Chairman

Enclosures  
Procedures  
General Counsel's Factual and Legal Analysis

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Helms for Senate Committee and ) MUR 1736  
Mark L. Stephens, as treasurer )

FACTUAL AND LEGAL ANALYSIS

I. BACKGROUND

On July 2, 1984, the North Carolina Democratic Party filed a complaint with the Commission that alleged numerous violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by an individual, Jack C.D. Bailey, a close corporation held by Mr. Bailey, Southeastern Advertising, Inc., the Helms for Senate Committee, and the Nash County Jesse Helms for Senate Committee. <sup>1/</sup> The complainant alleged that certain billboard advertisements placed by Mr. Bailey and the Nash/Edgecombe Billboard Fund ("the Billboard Fund"), bumper stickers prepared by Southeastern Advertising, Inc., and personal newspaper advertisements placed by Mr. Bailey were in-kind contributions to the Helms for Senate Committee. Because the estimated value of these advertisements exceeded the limitations and prohibitions of the Act, the complainant further asserted violations of 2 U.S.C. § 441a(a)(1)(A), and § 441b(a).

<sup>1/</sup> The Nash County Jesse Helms for Senate Committee was not made a respondent because the committee was, in fact, the Nash/Edgecombe Billboard Fund. This point is discussed in greater length infra.

An essential element of the complainant's allegations is that Mr. Bailey's relationship with the Helms for Senate Committee was such that any independent effort undertaken by him to influence Senator Helms' re-election would be considered an in-kind contribution due to the operation of 11 C.F.R.

§ 109(c).<sup>2/</sup> Factual allegations presented in the complaint cite Mr. Bailey's membership in the finance committee established by the Helms campaign. Mr. Bailey's participation in such a panel would, the complainant argued, provide him with information regarding the campaign's "plans, projects, or needs" thus disqualifying him from being able to make independent expenditures.<sup>3/</sup> Because these expenditures should be viewed as having been "coordinated" with the candidate, the complainant further alleged violations of 2 U.S.C. § 441d by Mr. Bailey and the Nash/Edgecombe Billboard Fund, arising from their failure to state whether the advertisements had been authorized by Senator Helms.

Accordingly, any expenditures made by Mr. Bailey, individually or as part of a committee of which he was a member would be viewed as coming under these regulatory provisions disqualifying expenditures as independent expenditures.

<sup>2/</sup> An expenditure not qualifying under this Section [as an independent expenditure] shall be a contribution in-kind to the candidate and an expenditure by the candidate.

<sup>3/</sup> See 11 C.F.R. § 109(b)(4).

On November 27, 1984, the Commission authorized the Office of General Counsel to investigate the alleged violations by Mr. Bailey, Southeastern Advertising, Inc., the Nash/Edgecombe Billboard Fund, and James R. Trotter, as its treasurer. On that date the Commission also voted to take no action at that time against the Helms for Senate Committee and its treasurer.

## II. FACTUAL AND LEGAL ANALYSIS

Contributions made with the cooperation or prior consent of, or in consultation with, or at the request or suggestion of, a candidate or any agent or authorized committee of the candidate.

As previously noted, the Commission on November 27, 1984, voted to take no action "at this time" against the Helms for Senate Committee and its treasurer, Mark L. Stephens. During the course of the investigation into the allegations regarding the other respondents in this matter, the General Counsel's Office has taken testimony and reviewed evidence which it believes demonstrates that the expenditures made by Mr. Bailey, the Billboard Fund and Southeastern Advertising, Inc. were in-kind contributions to the Helms for Senate Committee and, as such, exceeded the limitations and prohibitions of the Act.

Jack C.D. Bailey, the complainant argues, was a member of the finance committee of the Helms campaign. According to a newspaper article that appeared in the August 6, 1983, edition of the News and Observer, Raleigh, N.C., (included as an exhibit to the complaint) Claude Allen, press secretary for the Helms for

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Senate Committee, announced the formation of the committee. Two of the names announced by Mr. Allen were Jack C.D. Bailey and Helen Laughrey, both principal participants in the organization and activity of the Nash/Edgecombe Billboard Fund.

Prior to that time, according to our investigation, Mr. Bailey undertook his first efforts to organize a committee that would promote Senator Helms' candidacy for re-election. On April 6, 1983, Mr. Bailey hosted a meeting at another of his corporations's headquarters<sup>4/</sup> at which about 30 people attended. Mr. Bailey announced as the purpose of the meeting a discussion of Senator Helms' 1984 campaign and that Mr. Thomas Ellis and Carter Wrenn of the National Congressional Club would be in attendance.<sup>5/</sup> Both of these individuals, according to Mr. Bailey, attended the meeting and answered questions from the group. Mr. Wrenn also purportedly provided a short analysis of the 1982 elections and suggested what might have been the reason for certain conservative candidates not having done well. Mr. Ellis, on the other hand, told the group what he believed Senator Helms' chances would be in a race against Governor Hunt emphasizing some of the difficulties the Senator might face and

<sup>4/</sup> The meeting was held at the offices of Franchise Enterprises, a corporate interest of Mr. Bailey's separate from Southeastern Advertising, Inc. Franchise Enterprises holds over 60 Hardees restaurant franchises and has at its business proposes the management of theose interests.

<sup>5/</sup> Mr. Ellis and Mr. Wrenn have both been closely rlated to the Helms campaign effort and served in various capacities as agents of the campaign.

the expectations that the Campaign would be expensive. Both Mr. Ellis and Mr. Wrenn remained closely affiliated with the Helms for Senate Committee during the 1984 election.

During the meeting Ms. Helen Laughrey, also later named as a member of the finance committee, was introduced as the chairman of the Nash County Jesse Helms for Senate Committee.

The agenda for the meeting scheduled a discussion of the billboard campaign that, in Mr. Bailey's words, was intended to emphasize "selling the message that 'Jesse Helms is Right.'" According to Mr. Bailey, other plans were also included in that evening's agenda including: (1) "flooding" newspapers with letters to the editors in order to keep Senator Helms' name in front of the public in a positive way in order to "offset the liberal influence of the editorial page;" (2) encouraging company employees to support conservative candidates in corporate publications; (3) placing messages on corporate stationery, encouraging the reader to "vote for" or "support" Jesse Helms; (4) producing bumper stickers saying "Jesse is Right;" (5) carrying messages to the fundamentalist churches to encourage their members to register to vote in order to "offset [the] large black registration" effort undertaken by the "liberals," and (6) setting up a telephone bank and headquarters for the Republican campaign in order to determine who might be willing to work in the campaign.<sup>6/</sup>

<sup>6/</sup> The phone bank was later established in the headquarters in Rocky Mount for Republican candidates including "Martin for Governor, Reagan for President and Helms for Senate."

Mr. Bailey has also provided testimony that Senator Helms had seen and approved of the "Jesse is Right" bumper stickers and suggested that Bailey send some to Carter Wrenn. Bailey's contacts with the Helms campaign also included providing John Scheipers, Field Representative of Helms for Senate, with samples of the bumper stickers.

The General Counsel's Office is of the view that the evidence obtained thus far demonstrates that the expenditures by Mr. Bailey, and the Nash/Edgecombe Billboard Fund fall within the definition of "made with 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 the candidate" (11 C.F.R. § 109.1(b)(4)) and are thus in-kind contributions by those persons to the Helms for Senate Committee.

#### CONCLUSION

Because of the relationship between Mr. Bailey and Ms. Laughrey and the Helms for Senate Committee, it appears that the expenditures made by Mr. Bailey and the Billboard fund should be viewed as in-kind contributions. Since the amount expended by each seems to have exceeded \$1,000, it appears that the Helms for Senate Committee violated 2 U.S.C. Section 441a(f) by knowingly accepting excessive contributions. In addition, because none of the aforementioned costs were reported as in-kind contributions, it appears that the Helms for Senate Committee violated 2 U.S.C. Section 434(b).

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COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P. O. BOX 7566

WASHINGTON, D. C. 20044

TELEPHONE  
(202) 662-6000

WRITER'S DIRECT DIAL NUMBER

(202) 662-5462

BCC #7845  
Mims

TWX: 710 822-0005 (CB WSH)  
TELEX: 89-593 (COVLING WSH)  
TELECOMPAR INFORMATION:  
(202) 662-6260  
CABLE: COVLING

June 26, 1985

BY HAND

Stephen H. Mims, Esq.  
Federal Election Commission  
Seventh Floor  
1325 K Street, N.W.  
Washington, D.C. 20463

Re: MUR 1736

Dear Mr. Mims:

I am writing on behalf of the Helms for Senate Committee and Mark Stephens to request a 20-day extension of time, to July 20, 1985, in which to respond to the Commission's reason-to-believe letter in the above matter, which was received by this firm on June 20, 1985. As I explained to you in our telephone conversation of this date, because the reason-to-believe finding is based on information obtained by the Commission from sources other than the respondents, we need additional time to investigate the facts so that we can prepare a response that intelligently addresses both the factual and the legal bases for the Commission's finding. In this regard, as I mentioned to you, we may request the Commission's permission to review the materials that form the basis for the reason-to-believe finding.

Sincerely,

*Elliott Schulder*

Elliott Schulder

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RECEIVED AT THE FEC

85 JUL 1 10:00

JAMES R. TROTTER  
ATTORNEY AT LAW

POST OFFICE BOX 8048  
ROCKY MOUNT, NORTH CAROLINA 27804

AREA CODE 919  
977-1383  
977-1194

June 27, 1985

Stephen H. Mims, Esq.  
Federal Election Commission  
Washington, D.C. 20463

RE: MUR 1736  
Nash/Edgecombe Billboard Fund and  
James R. Trotter, as Treasurer

15 JUL 1 10:32  
RECEIVED  
GENERAL INVESTIGATIVE  
DIVISION

Dear Mr. Mims:

This is to confirm our telephone conversation of this afternoon in which I informed you that Mr. Trotter did not receive your letter dated June 18, regarding the captioned until June 26, 1985. It is our understanding that Mr. Trotter has ten (10) days from June 26 in which to respond.

Please correct your records to show that Mr. Trotter's new mailing address is:

James R. Trotter, Esq.  
Post Office Box 8048  
Rocky Mount, NC 27804

Sincerely,

*Sandra T. Anspach*  
Sandra T. Anspach  
Secretary to James R. Trotter

/sta

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JAMES R. TROTTER  
Attorney at Law  
Post Office Box 8048  
Rocky Mount, North Carolina 27804  
(919) 733-5811

July 2, 1985

PERSONAL

Mr. John Warren McGarry  
Chairman  
Federal Election Commission  
Washington, D.C. 20463

Re: MUR 1736 - Nash/Edgecombe Billboard Fund and James R.  
Trotter, as treasurer

Dear Mr. McGarry:

Reference is made to your letter addressed to me dated June 18, 1985. The letter was addressed to me at "P.O. Box 228, 105 South Franklin Street, Rocky Mount, N.C. 27801."

I did not actually receive your letter until June 28, 1985. Hence, my delay in replying to it. In January of this year I closed my office at the address used by you to accept the position of Senior Assistant and Special Counsel to North Carolina Governor James G. Martin. For convenience my wife and I have taken an apartment in Raleigh where we live Sunday nights through Friday nights, returning to our home in Rocky Mount on the weekends. Again, for convenience we have rented a post office box at a post office near our home in Rocky Mount and use it as the forwarding address for mail addressed to me at the address used by you. Apparently, what happened was that your letter dated June 18, 1985, was forwarded to my Rocky Mount post office box on June 21, 1985. It was picked up by a part-time bookkeeper who works for me in Rocky Mount sometime after that. She, in turn, sent the letter to me at my office in Raleigh. The day it was received in Raleigh I was out of the office with an intestinal "bug" that hit me in the middle of D Street in Washington the previous day. So I did not receive the letter until the weekend and have just had the opportunity to address it today.

Three things appear to me from your letter and the accompanying materials:

- (a) It is premature to consider pre-probable cause conciliation. The third sentence of your fourth paragraph indicates that

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RECEIVED  
GENERAL COUNSEL  
JUL 8 11:51 AM

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OFFICE OF THE FEC  
COMMISSION SECRETARY  
JUL 5 4:12 PM

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Mr. John Warren McGarry  
July 2, 1985  
Page 2

your general counsel has not completed his investigation into the matter and likely would not recommend pre-probable cause conciliation if a request for the same was made.

(b) Your general counsel does not accept as true the account given by me in my letter dated August 14, 1984, to your general counsel concerning the matters at issue. However, I have not been advised in what respects my account is disbelieved. Until I am so advised, along with a statement of the basis for his disbelief, it will be impossible for me to furnish further factual or legal materials which I believe are relevant to the Commission's analysis of this matter. If I am to accept your invitation and submit such materials it is reasonable that I be told of the evidence which has led your general counsel to disbelieve the account I furnished.

(c) I am being invited to respond to findings that I may have violated various sections of the Federal Election Campaign Act based upon relationships that someone else (Mr. Bailey) is said to have had with the Helms for Senate Committee without my being told in what way the relationship between them brings me into violation of the Act. Again, I cannot appropriately respond to your invitation unless I am informed of the factual allegations and legal principles that are said to place me athwart the law.

There are two requests that I will appreciate your assisting me in having fulfilled.

On December 14, 1984, I submitted various itemized materials to your general counsel in response to your subpoena dated December 5, 1984. At the time I did so I stated that your general counsel was free to examine the materials and make copies of them as he wished but that I would appreciate having the materials returned to me by year end. Apparently, it was not convenient for your general counsel to return the materials to me as requested for I have yet to receive them. If I am to respond to your invitation, I will need the material to do so. Accordingly, I will appreciate it if you will ask him to return them to me.

Second, on page four of the "Factual And Legal Analysis" accompanying your letter it is inferred that my testimony at the deposition conducted by your staff attorneys in February of this year tends to support the conclusion that I acknowledged that Nash/Edgecombe Billboard Fund was indebted to Southeastern Advertising, Inc. for funds it spent in continuing the four billboards at issue in place after June 1984, when I discovered that they bore inappropriate attribution legends. I would like to see a copy of the portions of my deposition transcript upon which any such conclusion was reached because I believe the conclusion to be incorrect. As I recall it when I discovered the inappropriate legend, I (i) directed

Mr. John Warren McGarry  
July 2, 1985  
Page 3

Southeastern Advertising, Inc., to immediately correct the legends and (ii) advised it that no further payments would be made for the billboards until the legends were corrected. Neither I nor Nash/Edgecombe Billboard Fund had the power to require that the billboards be taken down. That the billboards remained in place was a matter between Southeastern Advertising, Inc., and the billboard companies.

As I said in my letter to your general counsel dated August 14, 1984, I am not aware that I have violated the Federal Campaign Act in any way. I would like to correct whatever misunderstandings there are at the earliest opportunity. What I need to have is an understanding of what it is that has led your general counsel to the conclusions that he apparently has reached.

I look forward to hearing from you.

Yours very truly,

*James R. Faller*

JRT/sta

cc: Stephen H. Mims, Esq.

88040673536

JAMES R. TROTTER  
Attorney at Law  
Post Office Box 8048  
Rocky Mount, North Carolina 27804  
(919) 733-5811

6cc# 8018  
mims  
RECEIVED  
OFFICE OF THE REC  
COMMISSION SECRETARY

85 JUL 15 P2:49

July 11, 1985

Mr. John Warren McGarry  
Chairman  
Federal Election Commission  
Washington, D.C. 20463

Attention: Stephen H. Mims, Esq.

Re: MUR 1736 - Nash/Edgecombe Billboard Fund and James R.  
Trotter, as treasurer

Dear Mr. McGarry:

Reference is made to my letter to you dated July 2, 1985.

In light of explanations given to and matters discussed with me  
by Stephen H. Mims, Esq., by telephone, it appears that pre-probable  
cause conciliation may be timely. Accordingly, request is made for the  
same.

Yours very truly,

*James R. Trotter*  
James R. Trotter

JRT/sta

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 15, 1985

Elliott Schulder, Esquire  
Covington & Burling  
1201 Pennsylvania Avenue, N.W.  
P.O. Box 7566  
Washington, D.C. 20044

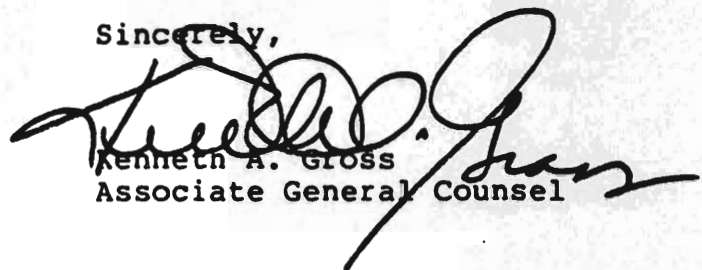
RE: MUR 1736  
Helms for Senate Committee  
Mark L. Stephens, as treasurer

Dear Mr. Schulder:

This responds to your letter of June 26, 1985, wherein you requested an extension of time in which to respond to the Commission's determination that there is reason to believe your clients violated the Federal Election Campaign Act of 1971, as amended, in the above-captioned matter.

After reviewing the basis for your request, I have decided to grant you the additional 20-day period. You should, therefore, submit your response, no later than July 20, 1985. If you have any further questions regarding this matter, please call Stephen Mims at 523-4143.

Sincerely,

  
Kenneth A. Gross  
Associate General Counsel

88040673533

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P. O. BOX 7566

WASHINGTON, D. C. 20044

TELEPHONE  
(202) 662-6000

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TELEX: 88-883 (COVING WSH)  
TELECOPIER INFORMATION:  
(202) 662-6280  
CABLE: COVING

July 22, 1985

BY HAND

Stephen H. Mims, Esq.  
Federal Election Commission  
Seventh Floor  
1325 K Street, N.W.  
Washington, D.C. 20463

Re: MUR 1736

Dear Mr. Mims:

Enclosed are the original and three copies of the respondents' reply to reason-to-believe findings in the above matter.

Please have the fourth copy date stamped and returned by our messenger.

Sincerely,

  
Elliott Schulder

Enclosures

RECEIVED  
GENERAL COUNSEL  
JUL 22 4:00 PM

88040673539

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )

HELMS FOR SENATE COMMITTEE )  
and MARK L. STEPHENS, as )  
Treasurer. )

MUR 1736

RESPONDENTS' REPLY TO  
REASON-TO-BELIEVE FINDINGS

This is the reply of the Helms for Senate Committee and Mark L. Stephens, as Treasurer, to the Commission's reason-to-believe findings in the above matter.

INTRODUCTION

On July 2, 1984, the Democratic Party of North Carolina initiated this proceeding by filing a written complaint with the Commission. The complaint involved an independent-expenditure project that was being conducted in Nash County, North Carolina, in support of the reelection of Senator Helms. The complaint alleged that certain activities engaged in by Jack C.D. Bailey, including the production and sale of bumper stickers and the placement of billboard and newspaper advertisements, constituted excessive in-kind contributions to the Helms for Senate Committee ("HFS"), resulting in violations of provisions of the Federal Election Campaign Act ("FECA").

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In its response to the complaint, filed on August 15, 1984, HFS submitted a sworn affidavit of its treasurer, Mark Stephens, who attested that Mr. Bailey was not and had never been an officer of HFS, and that the "Finance Steering Committee" of which Mr. Bailey was a member had never met and had never been authorized to collect or expend funds on behalf of HFS. In addition, HFS showed through Mr. Stephens' affidavit that it had never authorized Mr. Bailey's use of the graphics in the billboards or bumper stickers in question; that HFS had not used billboards for political advertising either in the 1978 or the 1984 campaigns; and that the graphics used by Mr. Bailey for his billboards and bumper stickers had been used by the Helms campaign in 1978 -- and thus were available to the general public -- but those graphics were not being used by the Helms campaign in the 1984 election. HFS also showed through Mr. Stephens' affidavit that Mr. Bailey did not consult with the HFS before placing certain newspaper advertisements attached to the complaint.

On November 27, 1984, the Commission voted "to take no action at this time" against HFS and Mr. Stephens. On June 4, 1985, however, the Commission found reason to believe that HFS and Mr. Stephens, as treasurer, violated the FECA.

THE COMMISSION'S REASON-TO-BELIEVE  
FINDING IS CONTRARY TO THE FACTS.

The FECA defines "independent expenditure" as  
an expenditure by a person expressly  
advocating the election or defeat of a

clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate."

2 U.S.C. § 431(17). See 11 C.F.R. § 109.1(a), (b)(4). Expenditures falling within this definition are not subject to the contribution limitations of the FECA.

The General Counsel, in his Factual and Legal Analysis, contends that there is evidence demonstrating "that the expenditures made by Mr. Bailey, the [Nash/Edgecombe] Billboard Fund and Southeastern Advertising, Inc. were in-kind contributions to the Helms for Senate Committee and, as such, exceeded the limitations and prohibitions of the Act" (G.C. Analysis p. 3). On the contrary, we submit that the evidence conclusively shows that the expenditures in question were "independent expenditures," and they provide no basis for any finding that HFS violated the FECA.

1. The General Counsel first relies on an allegation in the Democratic Party's complaint to the effect that Mr. Bailey "was a member of the finance committee of the Helms campaign" (G.C. Analysis p. 3). That allegation, in turn, is based on a newspaper article in the Raleigh News and Observer, attached as Exhibit F to the Democratic Party's complaint. The article named Mr. Bailey as a member of the "finance committee."

As Mr. Stephens averred in his affidavit attached to HFS' response to the complaint, however, the "finance committee" referred to in the article was simply a group of prominent North Carolina supporters of Senator Helms that was formed solely for the purpose of generating publicity for Senator Helms' reelection effort. The group, which was called the North Carolina Finance Steering Committee, never held a meeting, was never authorized by HFS to engage in any fund-raising activities on behalf of the Helms campaign and in fact never engaged in such activities, and was never informed of the plans, projects, or needs of Senator Helms' campaign. Stephens Aff. ¶¶ 5-6.

Moreover, at his deposition in this matter,<sup>1/</sup> Mr. Bailey testified that, although he was aware of a newspaper report stating that he was a member of a committee, he had no recollection of having ever agreed to serve on any committee and never attended any committee meetings (Tr. 34-36).

The General Counsel has pointed to no credible evidence that contradicts the statements in Mr. Stephens' affidavit or in Mr. Bailey's deposition testimony. In light of the sworn evidence on the record before the Commission, we submit that any reliance by the Commission on the unverified,

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<sup>1/</sup> Because the General Counsel's Factual and Legal Analysis, on which the Commission relied in making its reason-to-believe determination, makes substantial reference to Mr. Bailey's deposition testimony, counsel for HFS requested and obtained from Mr. Bailey's lawyers a copy of Mr. Bailey's deposition transcript.

hearsay newspaper account cited in the complaint as a basis for finding reason to believe that Mr. Bailey was connected in an official capacity with HFS or the Helms campaign is totally unjustified.

2. The General Counsel next refers to a meeting hosted by Mr. Bailey on April 6, 1983, to discuss Senator Helms' 1984 campaign (G.C. Analysis p. 4-5). According to Mr. Bailey, Carter Wrenn and Thomas Ellis attended the meeting and addressed those present (Tr. 20-21). Mr. Wrenn analyzed the results of the 1982 elections. Mr. Ellis told the group that if Senator Helms decided to seek reelection he would face a difficult and expensive campaign. The mere presence of Messrs. Ellis and Wrenn at this meeting, which was held prior to Senator Helms' announcement of his candidacy for reelection, has no bearing on the question whether Mr. Bailey's expenditures in support of Senator Helms' reelection constituted in-kind contributions to HFS.

The General Counsel also asserts that Helen Laughrey, who was later named as a member of the so-called "finance committee" referred to above, was introduced at the meeting as the chairman of the Nash County Helms for Senate Committee. As we have shown, the "finance committee" was merely a group of people whose names were used for public relations purposes. Moreover, Mr. Bailey testified that he subsequently was informed by Mrs. Laughery's husband that Mark Stephens had told Mrs. Laughery that if she were to work on Senator Helms' cam-

paigh in Nash County she could not have any contact with Mr. Bailey because of Mr. Bailey's involvement in an independent expenditure project in support of Senator Helms' candidacy (Tr. 41). This testimony, which is fully in accord with Mr. Stephens' affidavit (¶ 11), demonstrates that HFS took great care to avoid any connection with Mr. Bailey's independent expenditure project.

3. The General Counsel describes the agenda for the April 1983 meeting as including "a discussion of the billboard campaign that, in Mr. Bailey's words, was intended to emphasize 'selling the message that "Jesse Helms is Right"'" (G.C. Analysis p. 5). It is curious that the General Counsel's reference to the discussion concerning the billboard campaign makes no mention of Mr. Bailey's unambiguous testimony that he attempted to "sell" the idea of a billboard campaign to Messrs. Ellis and Wrenn, but that they and HFS officials rejected the idea (Tr. 22-23, 38, 42, 71). In addition, the General Counsel's account ignores Mr. Stephens' sworn statement that HFS did not use billboards in the 1978 campaign and had no plans to use them in the 1984 campaign. Stephens Aff. ¶¶ 9-10.

Similarly, although the General Counsel is correct in noting that other plans discussed at the meeting included "producing bumper stickers saying 'Jesse is Right'" (G.C. Analysis p. 5), there is no evidence the HFS had prior knowledge of, or gave prior approval to, production of the bumper stickers. Indeed, Mr. Bailey testified that he had produced

some bumper stickers in advance of the meeting (Tr. 26). Moreover, according to Mr. Bailey, the design for his bumper stickers was based on the bumper stickers used in Senator Helms' 1978 campaign (Tr. 72-73). Mr. Bailey further testified that HFS rejected his idea of using the "Jesse is Right" bumper stickers and did not buy any such bumper stickers from him (Tr. 38, 77, 81).

Mr. Bailey's testimony with respect to the bumper stickers is entirely consistent with Mr. Stephens' affidavit. Mr. Stephens averred that the same graphics used in the bumper stickers referred to in the complaint were used on all campaign materials distributed by the Helms campaign in 1978 and were available to the general public, and that HFS did not use those graphics in the 1984 campaign and "never authorized, encouraged, or otherwise approved Mr. Bailey's use of these 1978 graphics in Nash County in 1983 or thereafter."

4. The General Counsel also states that Mr. Bailey testified that Senator Helms "had seen and approved of the 'Jesse is Right' bumper stickers," and that Mr. Bailey provided a field representative of HFS with samples. (G.C. Analysis p. 6). Mr. Bailey testified that he had a conversation with one of Senator Helms' legislative assistants, who said that he liked the idea and had recommended that the bumper stickers be used in the Helms campaign (Tr. 77).<sup>2/</sup> In addition, Mr. Bailey

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<sup>2/</sup> This assistant wrote a letter to one of Mr. Bailey's employees stating that Senator Helms was pleased with the bumper stickers (FEC Exh. 17).

testified that he sent samples of the bumper stickers to an HFS representative and to other prospective purchasers in an effort to make sales from existing inventory and with the expectation that his company would make a profit on such sales (Tr. 73-76, 80-81). Mr. Bailey further testified, however, that HFS did not buy any bumper stickers from him (Tr. 77, 81). The evidence thus shows that Mr. Bailey produced the bumper stickers without the prior knowledge of either Senator Helms or HFS, and that he thereafter unsuccessfully attempted to convince HFS to purchase his bumper stickers.<sup>3/</sup>

THE COMMISSION'S REASON-TO-BELIEVE  
FINDING IS CONTRARY TO THE FECA.

As noted above, the FECA defines "independent expenditures" as expenditures "made without cooperation or consultation" and "not made in concert with, or at the request or suggestion of" a candidate, his authorized committees or agents. 2 U.S.C. § 431(17). The statute further requires that the expenditure must be one "expressly advocating the election or defeat of a clearly identified candidate." Id.

The FECA's definition of independent expenditures, and related provisions, were enacted in the FECA Amendments of 1976, following the Supreme Court's decision in Buckley v.

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<sup>3/</sup> Although the Democratic Party's complaint makes reference to several newspaper advertisements placed by Mr. Bailey, the General Counsel does not mention such advertisements in his Analysis. We note that Mr. Bailey testified that he did not consult with anyone at HFS prior to placing these advertisements (Tr. 94-95, 98), and that this testimony is entirely in accord with Mr. Stephens' affidavit (¶ 12).

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Valeo, 424 U.S. 1 (1976). In striking down the independent expenditure ceiling provision that Congress had enacted as part of the FECA, the Supreme Court in Buckley observed that "[a]dvocacy of the election or defeat of candidates for federal office is no less entitled to protection under the First Amendment than the discussion of political policy generally or advocacy of the passage or defeat of legislation." Id. at 48 (footnote omitted). Moreover, in concluding that there was a fundamental constitutional difference between independent expenditures and contributions, the Court stated:

Unlike contributions, such independent expenditures may well provide little assistance to the candidate's campaign and indeed may prove counterproductive. The absence of prearrangement and coordination of an expenditure with the candidate or his agent not only undermines the value of the expenditure to the candidate, but also alleviates the danger that expenditures will be given as a quid pro quo for improper commitments from the candidate. Rather than preventing circumvention of the contribution limitations, § 608(e)(1) severely restricts all independent advocacy despite its substantially limited potential for abuse.

Id. at 47.<sup>4/</sup>

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<sup>4/</sup> Other decisions have been equally emphatic that independent expenditures are fully protected by the First Amendment. Thus, in FEC v. NCPAC, No. 83-1032, slip op. at 13, \_\_\_ U.S. \_\_\_ (Mar. 18, 1985), the Supreme Court noted that "[t]he First Amendment freedom of association is squarely implicated" by a statute limiting independent expenditures by political committees. The Court held the statutory limitation unconstitutional, stating that "when the First Amendment is involved, our standard of review is 'rigorous,' Buckley v. Valeo, 424 U.S., at 29, and the effort to link either

(footnote continued)

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When Congress enacted the FECA Amendments of 1976, it was fully mindful of the Buckley decision. The legislative history demonstrates conclusively that Congress intended to comply with Buckley by permitting full latitude for independent expenditures. Indeed, the Conference Report expressly reflected the conferees' agreement, "with respect to the definition of the term 'independent expenditure,' that advocacy of the election or defeat of a candidate or a general request for assistance in a speech to a group of persons by itself should not be considered to be a 'suggestion' that such persons make an expenditure to further such election or defeat. The definition of the term 'independent expenditure' in the conference substitute is intended to be consistent with the discussion of independent political expenditures which was included in Buckley v. Valeo." H.R. Conf. Rep. No. 94-1057, 94th Cong., 2d Sess. 38 (1976). Similarly, the House Report stated:

In the definition of "independent expenditures," the phrase "at the \*\*\* suggestion of \*\*\*" is intended to include direct suggestions made by a candidate or his agent, his campaign manager, his campaign treasurer, or any other person responsible for reporting contributions and expenditures in connection with the campaign of

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(footnote continued)

corruption or the appearance of corruption to independent expenditures by PACs, whether large or small, simply does not pass this standard of review." Id., slip op. at 20. Similarly, in FEC v. Central Long Island Tax Reform Immediately Committee, 616 F.2d 45, 53 (2d Cir. 1980) (en banc), the Court of Appeals emphasized "the firmly established principle that the right to speak out at election time is one of the most zealously protected under the Constitution."

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the candidate. It is not the Committee's intent to hold a candidate responsible for suggestions by persons over whom he does not exercise any control. Further, for example, if a candidate or some other person suggests in a speech to a group of persons that everything possible should be done to defeat the opponent of the candidate, it is not the intent of the Committee that such a reference in a speech be viewed as a "suggestion" for purposes of the definition.

H.R. Rep. No. 94-917, 94th Cong., 2d Sess. 5 (1976).

Neither the Commission's regulations, 11 C.F.R. Part 109, nor its Advisory Opinions in any way support a finding that Mr. Bailey's expenditures were not independent. The basic thrust of the FECA Amendments of 1976 was to prevent avoidance of the FECA's contribution limitations. The uncontradicted evidence here is that neither HFS nor Mr. Bailey had any such intention. The evidence is plain that there was not here present the kind of coordination or control that would convert purportedly "independent expenditures" into "contributions."

No campaign committee can know what all of its supporters might do in the course of a heated campaign. Nor should a candidate or his agents be expected to police free citizens eager to make their views known to the electorate. The General Counsel's approach in this matter, if adopted in campaigns throughout this country, would result in a chilling of political activity unprecedented in the history of the United States. Accordingly, if the FECA is construed so as to penalize HFS for independent activities engaged in by others -- such as Mr. Bailey -- over whom HFS had no control, then the

statute as so construed would operate to deny both political committees and individuals their rights under the First Amendment and the due-process clause of the Fifth Amendment.

Moreover, the General Counsel's distorted construction of the FECA would lead to the entire structure of contribution limitations being declared unconstitutionally void for vagueness under the Fifth Amendment's due-process clause.

Vague laws may not only "trap the innocent by not providing fair warning" or foster "arbitrary and discriminatory application" but also operate to inhibit protected expression by inducing "citizens to 'steer far wider of the unlawful zone' . . . than if the boundaries of the forbidden areas were clearly marked." Grayned v. Rockford, 408 U.S. 104, 108-109 (1972), quoting Baggett v. Bullitt, 377 U.S. 360, 372 (1964), quoting Speiser v. Randall, 357 U.S. 513, 526 (1958). "Because First Amendment freedoms need breathing space to survive, government may regulate in the area only with narrow specificity." NAACP v. Button, 371 U.S. at 433.

Buckley v. Valeo, supra, 424 U.S. at 41 n.48.

Accordingly, we believe that the Commission's reason-to-believe finding is contrary to the FECA, or, alternatively, that the pertinent provisions of the FECA are unconstitutional under the First Amendment and the due-process clause of the Fifth Amendment.

RESPONDENTS' FIRST AMENDMENT AND  
DUE PROCESS RIGHTS HAVE BEEN VIOLATED  
IN THIS PROCEEDING.

The Supreme Court has recognized that the political activities that are subject to regulation by the Commission

under the FECA lie at the core of the First Amendment. See, e.g., FEC v. NCPAC, No. 83-1032, slip op. at 12, \_\_\_ U.S. \_\_\_ (Mar. 18, 1985). In enacting the FECA Congress structured the enforcement provisions of the Act, 2 U.S.C. § 437g, with a view toward assuring that the due process rights of respondents in Commission investigations would be protected. See H.R. Rep. No. 917, 94th Cong., 2d Sess. 4 (1976). We submit that respondents' First Amendment and due process rights have been violated in this proceeding.

In responding to the Democratic Party's complaint, HFS established through Mr. Stephens' affidavit that there was no basis for any finding that HFS had violated any provision of the FECA. Indeed, the Commission on November 27, 1984, voted not to take any action against HFS at that time and proceeded to investigate further. As we have shown above, the results of that investigation -- particularly Mr. Bailey's testimony -- fully support HFS' position that it engaged in no violation of the law. Nevertheless, the General Counsel purported to rely on Mr. Bailey's testimony in recommending that the Commission find reason to believe that HFS had engaged in violations of the FECA. The General Counsel's account of Mr. Bailey's testimony, however, is, as demonstrated above, blatantly inaccurate. As a result of the General Counsel's distorted representations concerning the record of this proceeding the Commission made its erroneous reason-to-believe determination.

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Although the reason-to-believe determination is a preliminary stage of the statutory enforcement process, such a determination is likely to chill the exercise by a respondent of the basic rights of speech and association guaranteed by the First Amendment. In these circumstances, therefore, due process requires, as a matter of fundamental fairness, that the Commission's reason-to-believe determination be predicated on the evidence of record. Here, the General Counsel's grossly distorted presentation to the Commission deprived respondents of their constitutional right to be treated fairly by the Commission in this proceeding. Thus, quite apart from the lack of any evidence to support the reason-to-believe finding and the General Counsel's erroneous view of the scope of the independent expenditure provision of the FECA, the General Counsel's defective presentation of this case to the Commission constitutes a blatant abridgment of respondents' rights under the First Amendment and the due-process clause of the Fifth Amendment that itself warrants dismissal of this frivolous complaint.

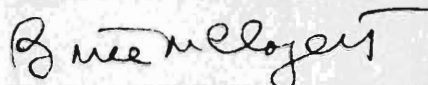
#### CONCLUSION

The facts of record compel the conclusion that the complaint against HFS is without merit because the monies expended by Mr. Bailey in support of Senator Helms' reelection constituted "independent expenditures" within the meaning of the FECA and the Commission's regulations. If the FECA is construed so as to treat expenditures of the sort involved here

as contributions, then the statute as so construed is constitutionally defective. Furthermore, the General Counsel's distorted presentation to the Commission deprived respondents of their First Amendment and due process rights.

Accordingly, the Commission should dismiss the complaint.

Respectfully submitted,



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P.O. Box 7566  
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Attorneys for Respondents

July 22, 1985

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**SOUTHEASTERN ADVERTISING, INC.**

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

RECEIVED AT THE FEC  
GCC# 8337.  
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August 14, 1985

Stephen H. Mims, Esquire  
Federal Election Commission  
7th Floor, 1325 K Street, NW  
Washington, D. C. 20463

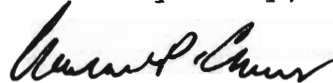
Re: MUR 1736

Dear Mr. Mims:

Please be advised that due to the continuing expenses in connection with the above matter, both Southeastern Advertising and J. C. D. Bailey have elected to proceed without representation by counsel. Mr. Jeff D. Batts, Attorney At Law, Rocky Mount, NC, had represented these parties in connection with this matter but his services have been ended.

Please advise us directly of any future activity in this matter. Thank you very much for your assistance.

Yours very truly,



Cleveland P. Cherry  
Corporate Secretary

CPC/dte

cc: J. C. D. Bailey

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BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED  
OFFICE OF THE FEC  
COMMISSION SECRETARY

In the Matter of

Helms for Senate Committee  
Mark L. Stephens, as treasurer  
Nash/Edgecombe Billboard Fund  
James R. Trotter, as treasurer  
Southeastern Advertising, Inc.  
Jack C.D. Bailey;

MUR 17365 AUG 23 P 5:26

**SENSITIVE**

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On July 2, 1984, the North Carolina Democratic Party filed a complaint with the Commission that alleged numerous violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by an individual, Jack C.D. Bailey, a close corporation held by Mr. Bailey, Southeastern Advertising, Inc., the Helms for Senate Committee, and the Nash County Jesse Helms for Senate Committee. 1/ The complainant alleged that certain billboard advertisements placed by Mr. Bailey and the Nash/Edgecombe Billboard Fund ("the Billboard Fund"), bumper stickers prepared by Southeastern Advertising, Inc., and personal newspaper advertisements placed by Mr. Bailey were in-kind contributions to the Helms for Senate Committee. Because the estimated value of these advertisements exceeded the limitations and prohibitions of the Act, the complainant further asserted violations of 2 U.S.C. § 441a(a)(1)(A), and § 441b(a).

1/ The Nash County Jesse Helms for Senate Committee was not made a respondent because the committee was, in fact, the Nash/Edgecombe Billboard Fund. This point is discussed in greater length infra.

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An essential element of the complainant's allegations is that Mr. Bailey's relationship with the Helms for Senate Committee was such that any "independent" effort undertaken by him to influence Senator Helms' re-election would be considered an in-kind contribution due to the operation of 11 C.F.R. § 109.1.2/ Factual allegations presented in the complaint cite Mr. Bailey's membership in the finance committee established by the Helms campaign. Mr. Bailey's participation in such a panel would, the complainant argued, provide him with information regarding the campaign's "plans, projects, or needs" thus disqualifying him from being able to make independent expenditures.3/ Because these expenditures should be viewed as having been "coordinated" with the candidate, the complainant further alleged violations of 2 U.S.C. § 441d by Mr. Bailey and the Nash/Edgecombe Billboard Fund, arising from their failure to state whether the advertisements had been authorized by Senator Helms.

Accordingly, any expenditures made by Mr. Bailey, individually or as part of a committee of which he was a member would be viewed as coming under these regulatory provisions disqualifying expenditures as independent expenditures.

2/ An expenditure not qualifying under this Section [as an independent expenditure] shall be a contribution in-kind to the candidate and an expenditure by the candidate.

3/ See 11 C.F.R. § 109.1(b)(4).

On November 27, 1984, the Commission voted to find reason to believe (1) Southeastern Advertising, Inc., violated 2 U.S.C. § 441b(a); (2) Jack C.D. Bailey violated 2 U.S.C. § 441b(a) in his capacity as President of Southeastern Advertising, Inc.; (3) Jack C.D. Bailey violated 2 U.S.C. § 441a(a)(1)(A) and § 441d in his individual capacity; and (4) the Nash/Edgecombe Billboard Fund, and James R. Trotter, as its treasurer, violated 2 U.S.C. §§ 434(b), 441a(a)(1)(A)<sup>4/</sup> and 441d. The Commission did not accept the General Counsel's recommendation to find reason to believe the Helms for Senate Committee and Mark L. Stephens, as its treasurer, violated 2 U.S.C. §§ 434(b), 441b(a) and 441a(f), but decided, rather, to take no action at that time against the Helms Campaign.

Subpoenas to Mr. Bailey, Southeastern Advertising Inc., and the Nash/Edgecombe Billboard Fund were approved and issued. Depositions were taken of Mr. Bailey and Mr. Trotter during February and March, 1985.

During the course of our investigation, it became apparent that the Nash/Edgecombe Billboard Fund and Mr. James L. Trotter, as its treasurer, violated 2 U.S.C. § 441b(a) by accepting corporate contributions from Southeastern Advertising, Inc.

<sup>4/</sup> The Nash/Edgecombe Billboard Fund has not made any direct contributions to any candidates for federal office and is thus not a multicandidate political committee under 2 U.S.C. § 441a(a)(4).

Specifically, it appears that many of the costs associated with placing and maintaining the four billboard advertisements were paid by Southeastern Advertising, Inc., on behalf of the Billboard Fund which has not repaid Southeastern Advertising, Inc.

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Facts obtained during the investigation show that the Billboard Fund did not make any payments for the signs after June, 1984, (although they remained in place through the election), despite the fact that the billboards were paid for by Southeastern Advertising, Inc., and stated "Paid for by Nash/Edgecombe Billboard Fund, James R. Trotter, Treasurer ...." Although Mr. Trotter testified he had not made any subsequent payments, he acknowledged they were due but did not know how much was owed. Mr. Bailey testified that he was aware of the Fund's refusal to pay Southeastern but indicated he did nothing to collect the past due amounts or terminate the contacts but, rather, continued to authorize additional payments by Southeastern Advertising. The records obtained by this Office indicate the amount paid by Southeastern during this period was approximately \$10,319.

The investigation has also revealed that Mr. Bailey organized the Nash/Edgecombe Billboard Fund and that he placed the initial billboard advertisements personally, then had the

Billboard Fund "assume responsibility"<sup>5/</sup> for making the monthly payments.<sup>6/</sup>

On the basis of the General Counsel's Office recommendation, the Commission on June 4, 1985, found reason to believe the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer, also violated 2 U.S.C. § 441b(a) by knowingly accepting contributions from Southeastern Advertising, Inc., that were prohibited by the Act.

On July 8, 1985, the Office of General Counsel received a response from the Billboard Fund in which the Fund took issue with the Commission's finding and reiterated its earlier position with regards to the findings made on November 27, 1984, (Attachment 1). In its response, the Fund's treasurer expressed the belief that the Commission's most recent notification precluded a pre-probable cause conciliation request. The staff person assigned to this matter telephoned the treasurer to explain the meaning of the notification indicating that if the Fund wished to have the Commission consider pre-probable cause conciliation, the request should be made. The treasurer was further informed that it might be possible that negotiations

<sup>5/</sup> Although there was no written contract setting forth the Billboard Fund's liability, both Mr. Trotter and Mr. Bailey have stated that that was their understanding. The only contracts we have seen for the billboards were between Southeastern Advertising, Inc., and the various sign owners.

<sup>6/</sup> The record shows that billings for rental of the billboard space were sent directly to Southeastern Advertising which paid them immediately and then, in turn billed the Billboard Fund.

might not begin, however, until further investigation was completed. On July 15, 1985, this Office received a request for pre-probable cause conciliation. (Attachment 2).

The General Counsel's Office is of the view, for the reasons explained below, that pre-probable cause conciliation negotiations with the Nash/Edgecombe Billboard Fund are, at this time, premature, but recommends that the Commission consider the request timely filed and enter negotiations directed towards conciliation after further investigation into the central allegations in this matter are concluded.

As previously noted, the Commission on November 27, 1984, also voted to take no action "at this time" against the Helms for Senate Committee and its treasurer, Mark L. Stephens. During the course of the investigation into the allegations regarding the other respondents in this matter, the General Counsel's Office has taken testimony and reviewed evidence which it believes demonstrates that the expenditures made by Mr. Bailey, the Billboard Fund and Southeastern Advertising, Inc. were in-kind contributions to the Helms for Senate Committee and, as such, exceeded the limitations and prohibitions of the Act.

Jack C.D. Bailey, the complainant argues, was a member of the finance committee of the Helms campaign. According to a newspaper article that appeared in the August 6, 1983, edition of the News and Observer, Raleigh, N.C., (included as an exhibit to the complaint) Claude Allen, press secretary for the Helms for

Senate Committee, announced the formation of the committee. Two of the names announced by Mr. Allen were Jack C.D. Bailey and Helen Laughrey, both principal participants in the organization and activity of the Nash/Edgecombe Billboard Fund.

Prior to that time, according to our investigation, Mr. Bailey undertook his first efforts to organize a committee that would promote Senator Helms' candidacy for re-election. On April 6, 1983, Mr. Bailey hosted a meeting at another of his corporations's headquarters<sup>7/</sup> at which about 30 people attended. Mr. Bailey announced as the purpose of the meeting a discussion of Senator Helms' 1984 campaign and that Mr. Thomas Ellis and Mr. Carter Wrenn of the National Congressional Club would be in attendance.<sup>8/</sup> Both of these individuals, according to Mr. Bailey, attended the meeting and answered questions from the group. Mr. Wrenn also purportedly provided a short analysis of the 1982 elections and suggested what might have been the reason for certain conservative candidates not having done well. Mr. Ellis, on the other hand, told the group what he believed Senator's Helms' chances would be in a race against Governor Hunt, emphasizing some of the difficulties the Senator might face

<sup>7/</sup> The meeting was held at the offices of Franchise Enterprises, a corporate interest of Mr. Bailey's separate from Southeastern Advertising, Inc. Franchise Enterprises holds over 60 Hardees restaurant franchises and has as business purpose the management of those interests.

<sup>8/</sup> Mr. Ellis and Mr. Wrenn were both closely related to the Helms campaign effort and served in various capacities as agents of the campaign. See MUR's 1503 and 1792.

and the expectations that the campaign would be expensive. Both Mr. Ellis and Mr. Wrenn remained closely affiliated with the Helms for Senate Committee during the 1984 election.

During the meeting Ms. Helen Laughrey, also later named as a member of the finance committee, was introduced as the chairman of the Nash County Jesse Helms for Senate Committee.

The agenda for the meeting scheduled a discussion of the billboard campaign that, in Mr. Bailey's words, was intended to emphasize "selling the message that 'Jesse Helms is Right.'" According to Mr. Bailey, other plans were also included in that evenings' agenda including: (1) "flooding" newspapers with letters to the editors in order to keep Senator Helms' name in front of the public in a positive way in order to "offset the liberal influence of the editorial page"; (2) encouraging company employees to support conservative candidates in corporate publications; (3) placing messages on corporate stationery, encouraging the reader to "vote for" or "support" Jesse Helms; (4) producing bumper stickers saying "Jesse is Right;" (5) carrying messages to the fundamentalist churches to encourage their members to register to vote in order to "offset [the] large black registration" effort undertaken by the "liberals," and (6) setting up a telephone bank and headquarters for the

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Republican campaign in order to determine who might be willing to work in the campaign.<sup>9/</sup>

Mr. Bailey has also provided testimony that Senator Helms had seen and approved of the "Jesse is Right" bumper stickers and suggested that Bailey send some to Carter Wrenn. Bailey's contacts with the Helms campaign also included providing John Scheipers, Field Representative of Helms for Senate, with samples of the bumper stickers.

Based upon the recommendation of the General Counsel's Office the Commission on June 4, 1985, found reason to believe the Helms for Senate Committee and Mark L. Stephens as its treasurer, violated 2 U.S.C. §§ 434(b) and 441a(f).

On July 22, 1985, the Office of General Counsel received a lengthy response from Counsel for the Helms for Senate Committee and its treasurer, Mark L. Stephens. This Office is presently reviewing that response and is re-examining the deposition transcript of Mr. Bailey in light of the response. (It appears from the response that counsel obtained a copy of Mr. Bailey's transcript from Mr. Bailey and that it takes issue with this Office's reading of the transcript.)

Because it appears that additional testimony may be necessary in this matter, we are not presently prepared to make

<sup>9/</sup> The phone bank was later established in the headquarters in Rocky Mount for Republican candidates including "Martin for Governor, Reagan for President and Helms for Senate."

additional recommendations. Additional recommendations will be forthcoming soon.

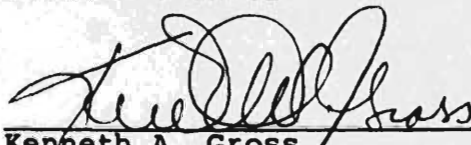
RECOMMENDATION

1. Deny the request to enter into pre-probable cause conciliation made by the Nash/Edgecombe Billboard Fund and its treasurer, James L. Trotter, at this time.
2. Approve and send the attached letter.

Charles N. Steele  
General Counsel

August 23, 1985  
Date

BY:

  
Kenneth A. Gross  
Associate General Counsel

Attachments

1. Response by the Nash/Edgecombe Billboard Fund.
2. Request by the Nash/Edgecombe Billboard Fund for for pre-probable cause conciliation.
3. Response by the Helms for Senate Committee.
4. Proposed letter to the Nash/Edgecombe Billboard Fund.

DEBS #84

Attachments to 8/23/85  
G.L. Report

have been removed from this position in the Public Record File either because they duplicate documents located elsewhere in this file, or because they reflect exempt information.

For Attachment 1 see #43  
2 #44  
3 #46  
4 #50  
         

880406735666

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 1736  
Helms for Senate Committee )  
Mark L. Stephens, as treasurer )  
Nash/Edgecombe Billboard Fund )  
James R. Trotter, as treasurer )  
Southeastern Advertising, Inc. )  
Jack C.D. Bailey )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 28, 1985, the Commission decided by a vote of 6-0 to take the following actions in MUR 1736:

1. Deny the request to enter into pre-probable cause conciliation made by the Nash/Edgecombe Billboard Fund and its treasurer, James L. Trotter, at this time.
2. Approve and send the letter attached to the General Counsel's Report signed August 22, 1985.

Commissioners Aikens, Elliott, Harris, Josefiak, McDonald and McGarry voted affirmatively in this matter.

Attest:

8-29-85

Date

Jody C. Ransom

for Marjorie W. Emmons  
Secretary of the Commission

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

Fri., 8-23-85, 5:25  
Mon., 8-26-85, 4:00  
Wed., 8-28-85, 4:00



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 6, 1985

James R. Trotter, Esquire  
Post Office Box 8048  
Rocky Mount, North Carolina 27804

RE: MUR 1736  
Nash/Edgecombe  
Billboard Fund  
James R. Trotter, as  
treasurer

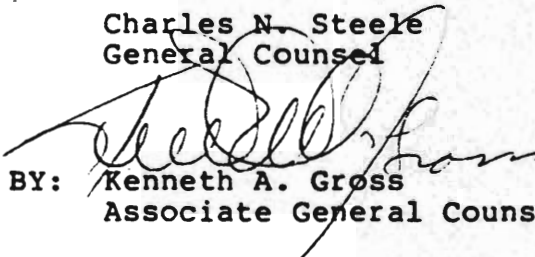
Dear Mr. Trotter:

Your letter of July 11, 1985, containing a request for conciliation prior to a finding of probable cause has been received.

Because factual discovery in this matter is still proceeding, the Commission is unable to propose a conciliation agreement at the present time. When discovery has been completed, the Office of General Counsel will contact you for discussion of the terms of conciliation. If you have any questions, please contact Stephen H. Mims, the attorney assigned to this matter, at (202) 523-4143.

Sincerely,

Charles N. Steele  
General Counsel

BY:   
Kenneth A. Gross  
Associate General Counsel

J. C. D. Bailey  
Post Office Box 1028  
Rocky Mount, North Carolina 27801

RECEIVED THE FEC  
GEC# 8607  
85 SEP 24 17:32  
1726

September 20, 1985

REGISTERED MAIL  
RETURN RECEIPT REQUESTED

Stephen H. Mims, Esq.  
Federal Election Commission  
Seventh Floor  
1325 K Street, N.W.  
Washington, D. C. 20463

Dear Mr. Mims:

On behalf of Mr. J. C. D. Bailey of Rocky Mount, North Carolina, I herewith notify the Federal Election Commission that Mr. Bailey will be conducting his own personal independent campaign on behalf of the candidacy of David B. Funderburk, Professor of Government, Campbell University, and former United States Ambassador to Romania, to succeed John East as North Carolina's representative in the United States Senate. Mr. Bailey has not, and will not, condone or authorize the use of his name in connection with Mr. Funderburk's official campaign committee or any committee associated therewith which are subject to the restraints of the Federal Election Campaign Act.

Mr. Bailey has no knowledge of Mr. Funderburk's or anyone else's plans, projects or needs in connection with the campaign and does not intend to, and will not, seek such knowledge. Any expenditures which he may make will be in accordance with his personal wishes and plans and not with the cooperation or consultation with the candidate or any authorized committee or agent of the candidate and will not be made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

In the event the foregoing is not clear to you, let me reiterate that Mr. Bailey intends to conduct an independent campaign for such candidate as he may endorse.

Very truly yours,

*Cleveland P. Cherry*

Cleveland P. Cherry  
Attorney At Law

CPC/dte

J. C. D. Bailey  
Post Office Box 1828  
Rocky Mount, North Carolina 27801

GCC 9295  
RECEIVED BY THE FEC  
mims  
85 DEC 27 AM 11:44  
MYR 1736

December 24, 1985

Mr. Stephen H. Mims  
Federal Election Commission  
Seventh Floor  
1325 K Street, N. W.  
Washington, D. C. 20463

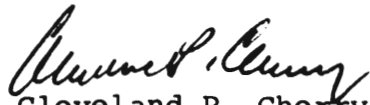
Re: J. C. D. Bailey

Dear Mr. Mims:

Reference is made to my letter to you dated September 20, 1985, notifying the Federal Election Commission that Mr. Bailey would conduct an independent campaign on behalf of David B. Funderburk to succeed John East as Senator from North Carolina. The Commission is herewith advised that Mr. Bailey has not begun any such campaign and, after reviewing the matter, has decided not to run an independent campaign on behalf of Mr. Funderburk.

Mr. Bailey will work with the official Funderburk campaign and will do so within the applicable laws governing such campaigns.

Very truly yours,

  
Cleveland P. Cherry  
Attorney At Law

CPC/dte

85 DEC 27 P 3:32

RECEIVED  
GENERAL COUNSEL

52

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

SENSITIVE  
COMMISSION SECRETARY

CC MAY 7 P2:38

May 7, 1986

MEMORANDUM

TO: THE COMMISSION  
FROM: CHARLES N. STEELE  
GENERAL COUNSEL *CNS*  
SUBJECT: BRIEF IN MUR 1736

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 as they relate to Southeastern Advertising, Inc., and Jack C.D. Bailey, as its president. (A separate General Counsel's Report has been prepared making recommendations regarding pre-probable cause conciliation with the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer and a recommendation that the Commission take no further action against the Helms for Senate Committee and Mark L. Stephens, as its treasurer.) A copy of the brief and letter is attached.

The brief and letter was mailed on May 7, 1986. Following receipt of the respondent's reply to the notice, this Office will make a further report to the Commission.

Attachment

Brief and cover letter to Southeastern Advertising.



**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

May 7, 1986

Jeff D. Batts, Esquire  
P.O. Box 4847  
Rocky Mount, N.C. 27803-4847

Re: MUR 1736  
Southeastern Advertising, Inc.  
and Jack C.D. Bailey

Dear Mr. Batts:

Based upon a complaint filed with the Commission on July 2, 1984, and information supplied by your clients, the Commission determined on November 27, 1984, that there was reason to believe that your clients, Southeastern Advertising, Inc., and Jack C.D. Bailey, as its president, had violated 2 U.S.C. § 441b(a), and that Jack C.D. Bailey, in his individual capacity, had violated 2 U.S.C. §§ 441a(a)(1)(A) and 441d, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"), and instituted an investigation of this matter.

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

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen (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 General Counsel, if possible.) The General Counsel's brief and any brief that you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

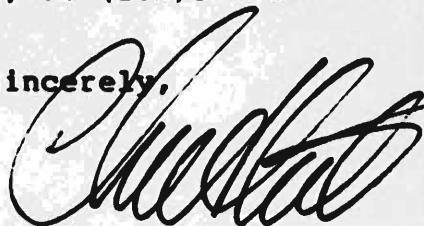
If you are unable to file a responsive brief within fifteen days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant extensions beyond twenty (20) days.

Page 2  
Jeff D. Batts, Esq.

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty (30), but not more than ninety (90), days to settle this matter through a consiliation agreement.

Should you have any questions, please contact Stephen Mims, the attorney assigned to this matter, at (202)376-8200.

Sincerely,



Charles N. Steele  
General Counsel

Enclosure  
Brief

88040673573

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Southeastern Advertising, Inc. and ) MUR 1736  
Jack C.D. Bailey, as president, and)  
Jack C.D. Bailey in his individual )  
capacity )

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

On July 2, 1984, the North Carolina Democratic Party filed a complaint with the Federal Election Commission ("Commission" or "FEC") that alleged numerous violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the complainant alleged that certain billboard advertisements placed by an individual, Jack C. D. Bailey ("Bailey") and a committee known to the complainant as the Nash County Jesse Helms for Senate Committee<sup>1/</sup> were in-kind contributions to the Helms for Senate Committee ("Committee"). The complainant alleged the value of these in-kind contributions exceeded the limitations of 2 U.S.C. § 441a(a)(1)(A) and that the Committee failed to report the receipt of the in-kind contributions in violation of 2 U.S.C. § 434(b).

Another aspect of the alleged violations by the Committee dealt with activities undertaken by Bailey individually. Newspaper advertisements in which Bailey attacked Senator Helms'

<sup>1/</sup> The Nash County Jesse Helms for Senate Committee was not made a respondent in this matter because it appears, in fact, that the billboards were partially paid for by the Nash/Edgecombe Billboard Fund ("the Fund"). This matter is discussed in greater detail, infra.

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opponent, Governor James Hunt, were also, according to the complaint, in-kind contributions made on the Committee's behalf. Finally, the complaint alleged that bumper stickers prepared by Bailey's closely-held corporation, Southeastern Advertising, Inc., ("Southeastern") were in-kind contributions by Bailey and Southeastern in violation of 2 U.S.C. § 441b(a). (Bailey is also President of Southeastern Advertising, Inc.) The complainant further suggested that Bailey, because of his alleged relationship to the Committee, acted in cooperation, consultation and/or coordination with the Committee. Thus, the complainant concluded, the Committee accepted excessive and prohibited in-kind contributions.

An essential element of the complainant's allegations was that Bailey's relationship with the Committee was such that any "independent" effort undertaken by him to influence Senator Helms' re-election would be considered an in-kind contribution due to the provisions of Section 109.1 of the Commission's Regulations.

An expenditure not qualifying under this Section [as an independent expenditure] shall be a contribution in-kind to the candidate and an expenditure by the candidate.

The complainant suggested that Bailey's membership in the Committee's finance committee, as reported by a local newspaper, would provide Bailey with information regarding the candidate's "plans, projects, or needs," thus disqualifying him from being eligible to make independent expenditures. See 11 C.F.R. § 109.1(a) and (b)(4). Thus, any expenditures made by Bailey or

Southeastern that did not indicate they had been authorized by Senator Helms would violate the notice requirements of 2 U.S.C. § 441d. Furthermore, because of Bailey's relationship to the Committee, expenditures by the Fund could not be regarded as independent expenditures since Bailey allegedly had an active role in the formation of and expenditures by the Fund. Thus, the billboard advertisements also failed to carry the necessary notice, namely whether or not the advertisements were authorized by Senator Helms.

On November 27, 1984, the Commission voted to find reason to believe that Southeastern Advertising, Inc. and Jack C.D. Bailey, as its president, violated 2 U.S.C. § 441b(a). The Commission also voted to find reason to believe that Mr. Bailey, in his individual capacity, violated 2 U.S.C. §§ 441a(a)(1)(A) and 441d.

During the course of its investigation, the Office of General Counsel reviewed evidence that showed, that Southeastern Advertising, Inc., paid over \$10,319 in billings owed by the Fund for rent on billboards. (The Fund's bank records show that but for Southeastern's advances, the monthly bills submitted by the sign owners would not have been paid.)

Mr. Trotter, the Fund's treasurer, has asserted that the Fund refused to pay Southeastern's invoices because the billboards did not carry the proper disclaimer notice required by 2 U.S.C. § 441d. Despite the treasurer's "protest" over the disclaimer,

however, he did nothing to have the billboards removed or to force Southeastern to remove the name of the Fund from the billboards. Southeastern, on the other hand, failed to undertake any serious effort to collect the amounts owed by the Fund.

## II. Factual and Legal Analysis

### A. Bailey Was Instrumental In Forming the Fund and Directing Its Activities

On April 6, 1983, as part of an effort to assist Senator Helms' possible bid for reelection to the Senate, Bailey hosted a meeting to discuss his plans and objectives. According to Mr. Bailey, about 30 people accepted his invitation to attend the meeting. Among these in attendance were Mr. Trotter, Thomas Ellis and Carter Wrenn of the Congressional Club and Mark L. Stephens. Bailey stated that Messrs. Wrenn and Ellis answered questions from the group and Mr. Wrenn also provided a brief analysis of the 1982 elections and suggested possible reasons for certain conservative candidates not having fared well in that election. Mr. Bailey stated that Mr. Ellis' comments focused upon what he viewed Senator Helms' chances might be in a possible race against Governor James Hunt, emphasizing some of the difficulties the Senator might face. Although Mr. Bailey said Mr. Stephens was also present, he could not recall whether or not he addressed the group.

Bailey's agenda for the meeting scheduled a discussion of the billboard campaign that, in Mr. Bailey's words, was intended

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to emphasize "selling the message that 'Jesse Helms is Right!'" Other plans were discussed, including sending letters to newspapers supporting Senator Helms, organizing company employees to vote for Senator Helms, placing messages on corporate stationary and publications encouraging support for the Senator, as well as organizing a telephone bank and headquarters to enlist volunteers into the campaign. Bailey's plans also included carrying his message to the fundamentalist churches in order to "offset [the] large black registration effort undertaken by the 'liberals,' and to produce and distribute bumperstickers also displaying the message "Jesse is Right."

From the evidence obtained, it appears that a number of Mr. Bailey's plans were carried out. Specifically, four billboard advertisements were placed in and around Rocky Mount, North Carolina, and Bailey placed advertisements in local newspapers questioning Governor Hunt's position on the "gay rights" issue (a central theme of the Helms campaign). Bailey through Southeastern, also produced bumper stickers and attempted to sell them to the Committee, the Congressional Club, numerous local Republican Party organizations and truck stops.

Each of the four billboards, until the complaint was filed in this matter, failed to state, however, that they were paid for by the Fund or whether or not they were authorized by a candidate. Indeed, on all but one billboard, notices read they

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were paid for by the Nash County Jesse Helms for Senate Committee, thus carrying an implication that they were part of the Helms campaign.

In his deposition testimony, Mr. Trotter said he informed Southeastern, through Bailey, that he would not honor any more invoices from Southeastern until the disclaimer notices were changed. Bailey, according to Trotter, "readily agreed." Trotter further noted, however, that the changes were unacceptable in that they were not legible. Subsequent changes to the notices were never made.

It is the view of the General Counsel that, under the facts in this matter, the responsibility for assuring compliance with the requirements of 2 U.S.C. § 441d rested with the Fund, not Bailey. The Commission's finding of reason to believe that Bailey violated 2 U.S.C. § 441d was in part based upon the complainant's characterization of Bailey's role in the Helms campaign and the contention that Bailey was completely responsible for the billboard advertisements.

As this brief has already noted, although the billboards were the result of Bailey's encouragement, they were, nevertheless, ultimately placed by the Nash/Edgecombe/Billboard Fund, a political committee under the Act.<sup>2/</sup> Insofar as the newspaper

<sup>2/</sup> The fact that a dispute later arose between the Fund and Southeastern over whether the Fund would honor Southeastern's invoices does not change this view.

advertisements are concerned, Bailey has admitted that he paid for them, and the advertisements reflected that fact. If, as the complainant alleged, Bailey was working in cooperation with the Helms campaign (See 11 C.F.R. §§ 109.1(a) and(b)(4), supra) more would have been required of the notice under 2 U.S.C. § 441d than a statement that they had been paid for by Bailey.

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The Office of General Counsel had deposed Mr. Bailey and has considered other materials and statements made during the course of the investigation and is of the view that there are insufficient facts upon which a conclusion could be drawn demonstrating that Bailey had a relationship with the Helms campaign that would show that he acted with the knowledge of the candidate's "plans, projects or needs" or that he acted in coordination with or at the suggestion of the Helms campaign. What the facts show, however, is that Bailey repeatedly tried to influence the course of the Helms campaign, not that it cooperated with him or accepted his suggestions. The General Counsel is prepared to recommend, on the basis of the foregoing, that the Commission determine that there is no probable cause to believe that Jack C.D. Bailey violated 2 U.S.C. § 441d.

B. Southeastern Advertising, Inc., At The Direction of Its President, Jack C.D. Bailey, Made In-Kind Contributions to the Fund In Violation of 2 U.S.C. § 441b(a)

As previously mentioned, Southeastern paid all of the invoices from the sign owners and then routinely billed the Fund

for the exact amount. Southeastern did not at any time in its dealing with the Fund, invoice an amount greater than its cost. Southeastern continued to pay invoices subsequent to the Fund's refusal to pay and did not undertake any significant effort to collect past due amounts from the Fund or terminate the billboard contracts. The evidence obtained by the Office of General Counsel shows the amounts paid by Southeastern on the Fund's behalf to be in excess of \$10,000.

On the basis of the foregoing, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that Southeastern Advertising, Inc., and its President, Jack C.D. Bailey, violated 2 U.S.C. § 441b(a).

C. Bailey, By Assuming the Billboard Fund's Liabilities to Southeastern, Violated 2 U.S.C. § 441a(a)(1)(C)

An examination of the documentary evidence obtained from Mr. Bailey and Southeastern included a notation in Southeastern's records that Bailey had personally assumed the \$ 10,319 liability of the Fund to Southeastern. By doing so, Bailey has personally made a contribution to the Fund that exceeded the annual contribution limitation of 2 U.S.C. § 441a(a).

III. RECOMMENDATIONS

1. The General Counsel recommends that the Commission determine that there is probable cause to believe that Southeastern Advertising, Inc., and Jack C.D. Bailey, as its president, violated 2 U.S.C. § 441b(a).

2. The General Counsel recommends that the Commission determine that there is probable cause to believe that Jack C.D. Bailey, in his individual capacity, violated 2 U.S.C. § 441a(a).

3. The General Counsel recommends that the Commission determine that there is no probable cause to believe that Jack C.D. Bailey violated 2 U.S.C. § 441d.

6 May 1986  
Date

  
Charles M. Steele  
General Counsel

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

SENSITIVE

00 MAY 7 AM:42

In the Matter of

Helms for Senate Committee,  
Mark L. Stephens, as its treasurer,  
The Nash/Edgecombe Billboard Fund and  
James R. Trotter, as treasurer

MUR 1736

GENERAL COUNSEL'S REPORT

I. BACKGROUND

A. The Helms for Senate Committee and its treasurer

On July 2, 1984, the North Carolina Democratic Party filed a complaint with the Federal Election Commission ("Commission" or "FEC") that alleged numerous violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the complainant alleged that certain billboard advertisements placed by an individual, Jack C. D. Bailey ("Bailey") and a committee known to the complainant as the Nash County Jesse Helms for Senate Committee<sup>1/</sup> were in-kind contributions to the Helms for Senate Committee ("Committee"). The complainant alleged the value of these in-kind contributions exceeded the limitations of 2 U.S.C. § 441a(a)(1)(A) and that the Committee failed to report the receipt of the in-kind contributions in violation of 2 U.S.C. § 434(b).

<sup>1/</sup> The Nash County Jesse Helms for Senate Committee was not made a respondent in this matter because it appears, in fact, that the billboards were partially paid for by the Nash/Edgecombe Billboard Fund ("the Fund"). This matter is discussed in greater detail, infra.

Another aspect of the alleged violations by the Committee dealt with activities undertaken by Bailey individually. Newspaper advertisements in which Bailey attacked Senator Helms' opponent, Governor James Hunt, were also, according to the complaint, in-kind contributions made on the Committee's behalf. Finally, the complaint alleged that bumper stickers prepared by Bailey's closely-held corporation, Southeastern Advertising, Inc., ("Southeastern") were in-kind contributions by Bailey and Southeastern in violation of 2 U.S.C. § 441b(a). The complainant further suggested that Bailey, because of his alleged relationship to the Committee, acted in cooperation, consultation and/or coordination with the Committee. Thus, the complainant concluded, the Committee accepted excessive and prohibited in-kind contributions.

An essential element of the complainant's allegations was that Bailey's relationship with the Committee was such that any "independent" effort undertaken by him to influence Senator Helms' re-election would be considered an in-kind contribution due to the provisions of Section 109.1 of the Commission's Regulations.

An expenditure not qualifying under this Section [as an independent expenditure] shall be a contribution in-kind to the candidate and an expenditure by the candidate.

The complainant suggested that Bailey's membership in the Committee's finance committee, as reported by a local newspaper,

would provide Bailey with information regarding the candidate's "plans, projects, or needs," thus disqualifying him from being eligible to make independent expenditures. See 11 C.F.R.

§ 109.1(a) and (b)(4). Thus, any expenditures made by Bailey or Southeastern that did not indicate they had been authorized by Senator Helms would violate the notice requirements of 2 U.S.C. § 441d. Furthermore, because of Bailey's relationship to the Committee, expenditures by the Fund could not be regarded as independent expenditures since Bailey allegedly had an active role in the formation of and expenditures by the Fund. Thus, the billboard advertisements also failed to carry the necessary notice, namely whether or not the advertisements were authorized by Senator Helms.

During the course of its investigation, the General Counsel's Office deposed Mr. Bailey and Mr. James R. Trotter, treasurer of the Fund. Documentary evidence obtained from Mr. Bailey and the Fund had been previously examined.

On the basis of information obtained from Bailey, Trotter and the Fund and a review of the response to the complaint from the Committee, the Commission voted on June 4, 1985, to find reason to believe the Committee and Mr. Stephens, as its treasurer, violated 2 U.S.C. §§ 434(b) and 441a(f).

B. The Nash/Edgecombe Billboard Fund and its treasurer

On July 11, 1985, the Nash/Edgecombe Billboard Fund ("Fund") and its treasurer, James R. Trotter, requested an opportunity to

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enter into pre-probable cause conciliation negotiations. On August 28, 1985, the Commission approved a recommendation by the Office of General Counsel to deny the Fund's request at that time, pending further investigation by this Office. To date, only the Fund has requested conciliation prior to a finding of probable cause.

The Office of General Counsel has completed its investigation in this matter and has prepared a brief stating its position with respect to whether or not there is probable cause to believe Southeastern Advertising Inc., and Jack C.D. Bailey (as as individual and as president of Southeastern Advertising, Inc.) violated the Act. The attached proposed conciliation agreement includes, therefore, admissions of violations of 2 U.S.C. §§ 441b(a) and 441d.

**II. FACTUAL AND LEGAL ANALYSIS - THE HELMS FOR SENATE COMMITTEE**

The evidence obtained by the Office of General Counsel does not support the conclusion that Bailey's relationship to the Committee was sufficient to sustain any inferences that he was authorized to act on behalf of the Committee or that he knew of the candidate's plans, projects, goals or needs.

In a newspaper article that appeared in the August 6, 1983, edition of the News and Observer, Raleigh, N.C., Claude Allen, press secretary to the Committee, announced the formation of a finance committee of the Helms campaign. One of the names announced by Mr. Allen was Jack C. D. Bailey.

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Prior to that time, Mr. Bailey had been active in his efforts to organize a committee directed towards promoting Senator Helms' candidacy for re-election. On April 6, 1983, as part of this effort, Bailey hosted a meeting to discuss his plans and objectives. According to Mr. Bailey, about 30 people accepted his invitation to attend the meeting. Among these in attendance were Mr. Trotter, Thomas Ellis and Carter Wrenn of the Congressional Club and Mark L. Stephens. Bailey stated that Messrs. Wrenn and Ellis answered questions from the group and Mr. Wrenn also provided a brief analysis of the 1982 elections and suggested possible reasons for certain conservative candidates not having fared well in that election. Mr. Bailey stated that Mr. Ellis' comments focused upon what he viewed Senator Helms' chances might be in a possible race against Governor James Hunt, emphasizing some of the difficulties the Senator might face. Although Mr. Bailey said Mr. Stephens was also present, he could not recall whether or not he addressed the group.

Bailey's agenda for the meeting scheduled a discussion of the billboard campaign that, in Mr. Bailey's words, was intended to emphasize "selling the message that 'Jesse Helms is Right!'" Other plans were discussed, including sending letters to newspapers supporting Senator Helms, organizing company employees to vote for Senator Helms, placing messages on corporate stationary and publications encouraging support for the Senator,

as well as organizing a telephone bank and headquarters to enlist volunteers into the campaign. Bailey's plans also included carrying his message to the fundamentalist churches in order to "offset [the] large black registration effort undertaken by the 'liberals,' and to produce and distribute bumperstickers also displaying the message "Jesse is Right.'"

From the evidence obtained, it appears that a number of Mr. Bailey's plans were carried out. Specifically, four billboard advertisements were placed in and around Rocky Mount, North Carolina, and Bailey placed advertisements in local newspapers questioning Governor Hunt's position on the "gay rights" issue (a central theme of the Helms campaign). Bailey, through Southeastern, also produced bumper stickers and attempted to sell them to the Committee, the Congressional Club, numerous local Republican Party organizations and truck stops.

It thus appeared during the investigation that Bailey had established contact with the Committee that may have given him access to key individuals during the campaign. For example, our review disclosed the possibility that Senator Helms had personally approved the bumper stickers proposed by Bailey and suggested he contact Mr. Wrenn at the Congressional Club regarding their purchase. Bailey's testimony, however, stated that he was not able to generate interest either from the Committee or any other source to sell many of the stickers.

In the Committee's response to the reason to believe notification, it states that the steering committee to which Bailey had been named, "never held a meeting, was never authorized by [the Committee] to engage in any fundraising activities on behalf of the Helms campaign and in fact never engaged in such activities, and was never informed of the plans, projects, or needs of Senator Helms' campaign." Response at 4.

In preparing the Committee's response, its counsel obtained from Mr. Bailey a copy of his deposition transcript. The Committee points out that Bailey admitted he never attended any committee meeting and, in fact, could not recall having agreed to serve on the committee. Response at 4. In an earlier affidavit submitted in response to the complaint, Mr. Stephens stated that the finance committee "was simply a group of prominent North Carolina supporters of Senator Helms that was formed solely for the purpose of generating publicity for Senator Helms reelection effort." Had Bailey attended any meetings of the committee, or had the committee ever met and performed any function in the campaign, his membership in that committee could have formed the basis for an argument in favor of the presumption against independent expenditure efforts by Bailey. The General Counsel's Office does not believe, however, that the evidence obtained during the course of this investigation supports such a conclusion.

Other contacts between Bailey and those associated with the Helms campaign included Mr. Stephens, and Messrs. Wrenn and Ellis. The evidence of such contacts, however, is limited to the period prior to Senator Helms' declaration of candidacy. As previously noted, Bailey's meeting of potential Helms supporters was held in April, 1983, long before the Committee came into existence. While it is true that Bailey apparently had some conversations with other Committee officials during the campaign, it appears that the more significant of those was limited to Bailey's efforts to sell bumper stickers to the Committee and to get the Committee to adopt some of his ideas about the way in which the campaign should be run. This office has not obtained sufficient evidence to support a contention that Bailey had any inside connection through which he learned of campaign strategy or other plans, projects, goals or needs. In fact, according to Bailey, he was isolated from such contacts as soon as the Committee learned of his activities. Thus, in our view, Bailey had at best, one-way relationship with the Committee limited to his efforts to influence the Committee.

It is thus the view of the Office of the General Counsel that the evidence available does not warrant further Commission action.

**III. FACTUAL AND LEGAL ANALYSIS - THE NASH EDGECOMBE BILLBOARD FUND**

On November 27, 1984, the Commission found reason to believe, inter alia, that the Fund had violated 2 U.S.C.

§ 441a(a)(1)(A). This finding was based upon the conclusion that Jack C.D. Bailey, as an organizer of the Fund, enjoyed a close relationship with the Helms for Senate Committee. If that was so, the Fund would have been precluded from making independent expenditures. See 11 C.F.R. § 109.1(c).

Our analysis of the Fund's activities follows that set forth in Section II, supra. For the reasons discussed there regarding the Helms for Senate Committee, the Office of General Counsel also expresses the view that the evidence available does not warrant further action against the Fund regarding a violation of 2 U.S.C. § 441a(a)(1)(A).

**IV. DISCUSSION OF CIVIL PENALTY - THE NASH/EDGEcombe BILLBOARD FUND**

In our report to the Commission on August 23, 1985, we noted that during the course of the investigation we learned that Southeastern Advertising, Inc. paid approximately \$10,319 to the owners of the billboards that displayed the Fund's message despite the Fund's failure to honor Southeastern's invoices. Mr. Trotter advances the argument that the Fund's refusal to make the payments to Southeastern was due to Southeastern's failure to correct the disclaimer notice on the billboards. Southeastern's president, Jack C.D. Bailey, authorized the continuing payments despite the Fund's failure to pay Southeastern. (Bailey, according to his and Trotter's deposition, organized the Fund and selected the message to be displayed on the billboard and took an active role in the Fund's activities.)

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The Office of General Counsel does not believe therefore, as we have stated earlier, that the Fund can claim that it was unaware of the prohibited expenditures made by Southeastern. An additional facet of the violation is the fact that Southeastern billed the Fund for the exact amount owed the billboard owners for rent. Because Southeastern only charged the Fund its cost, Southeastern cannot claim that its dealings with the Fund were in any way commercially reasonable. Under the circumstances, the General Counsel's Office is of the view that the proposed civil penalty be equal to one half of the amount paid by Southeastern for rent on the billboards that was not subsequently reimbursed by the Fund. We have proposed therefore, a civil penalty of \$5,500. This penalty considers the additional circumstance of the failure to display the proper § 441d notification. Neither the Fund or Bailey or Southeastern undertook any serious effort, in our view, to bring the billboards into compliance with the Act.

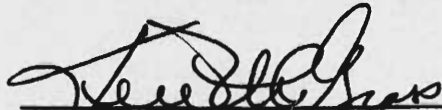
RECOMMENDATIONS

1. Take no further action against the Helms for Senate Committee and Mark L. Stephens, as its treasurer, regarding violations of 2 U.S.C. § 434(b) and 441a(f).
2. Take no further action against the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer, regarding a violation of 2 U.S.C. § 441a(a)(1)(A).
3. Enter into conciliation negotiations, prior to a finding of probable cause to believe, with the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer.
4. Approve the attached proposed conciliation agreement to the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer.

5. Approve the attached letters.

Charles N. Steele  
General Counsel

5/7/86  
Date

BY:   
Kenneth A. Gross  
Associate General Counsel

Attachments

1. Response of the Helms for Senate Committee.
2. Proposed letter to the Helms for Senate Committee.
3. Proposed cover letter and conciliation agreement to the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer.

88040673593

Attachments to 5/7/86  
G.C. Rpt

have been removed from this position in the Public Record File either because they duplicate documents located elsewhere in this file, or because they reflect exempt information.

For Attachment 1 see #46  
2 #57  
3 #56

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )

Helms for Senate Committee )

Mark L. Stephens, as treasurer )

The Nash/Edgecombe Billboard Fund and )

James R. Trotter, as treasurer )

MUR 1736

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 9, 1986, the Commission decided by a vote of 5-1 to take the following actions in MUR 1736:

1. Take no further action against the Helms for Senate Committee and Mark L. Stephens, as its treasurer, regarding violations of 2 U.S.C. § 434(b) and 441a(f).
2. Take no further action against the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer, regarding a violation of 2 U.S.C. § 441a(a)(1)(A).
3. Enter into conciliation negotiations, prior to a finding of probable cause to believe, with the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer.
4. Approve the proposed conciliation agreement to the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer, as recommended in the General Counsel's Report signed May 7, 1986.
5. Approve the letters attached to the General Counsel's Report signed May 7, 1986.

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

Attest:

5-9-86

Date

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



**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

May 15, 1986

James R. Trotter, Esquire  
P.O. Box 8448  
Rock Mount, N.C. 27804

RE: MUR 1736  
Nash/Edgecombe Billboard Fund  
and James R. Trotter, as its  
treasurer

Dear Mr. Trotter:

On November 27, 1984, the Commission found reason to believe that the Nash/Edgecombe Billboard Fund ("Fund") and you, as its treasurer, violated 2 U.S.C. §§ 434(b), 441a(a)(1)(A) and 441d. Subsequent to those finding and as the result of the investigation into this matter, the Commission, on June 4, 1985, voted to find reason to believe the Fund and you, as treasurer, violated 2 U.S.C. § 441b(a). The Commission, on May 9, 1986, voted to take no further action regarding a violation of 2 U.S.C. § 441a(a)(1)(A), after considering the circumstances of this matter. At your request, the Commission also determined on May 9, 1986, to enter into negotiations directed towards reaching a conciliation agreement in settlement of the remaining issues in this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the proposed agreement, please sign and return it, 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 reaching a mutually satisfactory conciliation agreement, please

James R. Trotter, Esquire  
Page 2

contact Stephen H. Mims, the attorney assigned to this matter at  
(202) 376-8200.

Sincerely,

Charles N. Steele  
General Counsel

BY:   
Kenneth A. Gross  
Associate General Counsel

Enclosures

88040673597

56



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 15, 1986

Elliott Schulder, Esquire  
Covington & Burlington  
P.O. Box 7566  
Washington, D.C. 20044

RE: MUR 1736  
Helms for Senate Committee and  
Mark L. Stephens, as treasurer

Dear Mr. Schulder:

On June 4, 1985, the Commission found reason to believe that your clients, the Helms for Senate Committee and Mark L. Stephens, as its treasurer, had violated 2 U.S.C. §§ 434(b) and 441a(f), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission determined to take no further action and on May 9, 1986, closed the file as it pertains to your clients.

The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days of your receipt of this letter.

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.

If you have any questions, please direct them to Stephen Mims, the attorney assigned to this matter at (202) 376-8200.

Sincerely,

*Joan D. Aikens*  
Joan D. Aikens  
Chairman

**SOUTHEASTERN ADVERTISING, INC.**

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

RECEIVED AT THE FEC  
GCC 500

86 MAY 16 P2:00

May 13, 1986

CERTIFIED MAIL

Mr. Stephen Mims  
Mr. Charles N. Steele  
Federal Election Commission  
Seventh Floor  
1325 K Street, N.W.  
Washington, D. C. 20463

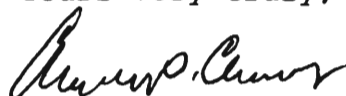
Re: MUR 1736  
Southeastern Advertising, Inc.  
and J. C. D. Bailey

Gentlemen:

Reference is made to Mr. Steele's letter dated May 7, 1986, in connection with the above matter. You have been previously notified that, due to the costs involved in this matter, Southeastern Advertising, Inc. and J. C. D. Bailey elected to proceed without counsel. Since your letter stated that your office is prepared to recommend that the Commission find probable cause to believe a violation has occurred, both Southeastern Advertising and Mr. Bailey will need time in which to determine whether to employ counsel and, if new representation is sought, time for such party to familiarize himself with this matter. Accordingly, on behalf of Southeastern Advertising and J. C. D. Bailey, I request that an extension be granted until June 13, 1986, a total of 35 days from May 9, 1986, the date your letter was received.

Please let me know whether the foregoing is satisfactory.

Yours very truly,

  
Cleveland P. Cherry  
Corporate Secretary

CPC/dte

cc: J. C. D. Bailey

6 MAY 16 P3:17

RECEIVED  
FEC  
MAY 16 1986

58

88040673599

JAMES R. TROTTER  
APARTMENT 21, 521 WADE AVENUE  
RALEIGH, NORTH CAROLINA 27605

FEC  
16 JUN 5 A10: 53

June 3, 1986

Stephen H. Mims, Esq.  
Federal Election Commission  
1325 K Street, N. W.  
Washington, D.C. 20463

16 JUN 5 P3:33

RECEIVED

Re: MUR 1736  
Nash/Edgecombe Billboard Fund

Dear Mr. Mims:

Mr. Gross' letter dated May 15, 1986, was delayed in reaching me. It was addressed to me in Rocky Mount, where I normally am on the weekends, instead of Raleigh, where I work during the week. Hence my delay in responding to you.

As previously indicated, I would like to engage in negotiations leading to a conciliation agreement. However, after thinking about Mr. Gross' letter and the proposed conciliation agreement accompanying it, I am concerned that the time that will be required to reach agreement may be such that it will be unfair to Governor Martin for me to continue to act in my own behalf in this matter. Consequently, I have asked Jim Gale, a long time friend and lawyer whom I much admire, to act for me. You will find Jim to be a very bright and likeable person and should enjoy getting to know and working with him. You should hear from him shortly.

Yours very truly,

*James R. Trotter*

JRT/sta  
Enclosure

59

380406736000

## SOUTHEASTERN ADVERTISING, INC.

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

JUN 9 4:44

June 5, 1986

## CERTIFIED MAIL

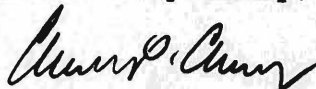
Federal Election Commission  
Seventh Floor  
1325 K Street, N. W.  
Washington, D. C. 20463Re: MUR 1736  
Southeastern Advertising, Inc.  
and J. C. D. Bailey

Gentlemen:

In response to your letter dated May 7, 1986, I have enclosed ten copies of a letter from J. C. D. Bailey responding to the brief of the General Counsel. By copy of this letter I am sending three copies of the letter to the Office of the General Counsel.

Please let me know if additional papers or other matters are necessary. Also, please let me know what actions, if any, should be undertaken by Mr. Bailey or Southeastern Advertising, Inc. at this time.

Yours very truly,

Cleveland P. Cherry  
Corporate Secretary

CPC/dte

Enclosures

cc: ~~Mr.~~ Stephen Mims  
Mr. Charles N. Steele

**SOUTHEASTERN ADVERTISING, INC.**

1313 NORTH CHURCH STREET • P. O. BOX 312  
ROCKY MOUNT, N. C. 27801 • (919) 977-3149

June 3, 1986

Secretary of the Commission  
Federal Election Commission  
Seventh Floor  
1325 K Street, N.W.  
Washington, D. C. 20463

Re: MUR 1736  
Southeastern Advertising, Inc.  
and J. C. D. Bailey

Gentlemen:

In response to a letter dated May 7, 1986, from Charles N. Steele, General Counsel, I herewith submit this letter as a brief on behalf of myself, individually, and as President of Southeastern Advertising, Inc. ("Southeastern") and on behalf of Southeastern, a corporation. The Secretary of Southeastern has previously, by letter dated May 13, 1986, requested an extension of time in which to respond to Mr. Steele's letter and brief. This extension was confirmed by telephone conversation on May 23, 1986.

I had previously employed Jeff D. Batts, attorney at law, in connection with this matter but, due to the expense involved, I have terminated Mr. Batts' involvement in this matter and am submitting this letter and brief on my behalf and on behalf of Southeastern.

In addressing and responding to Mr. Steele's brief, I certainly agree with the General Counsel's recommendation that the Commission determine that there is no probable cause to believe that I, individually, violated 2 U.S.C. § 441d as set forth in Recommendation No. 3 on page 9.

Insofar as the Office of the General Counsel's recommendations No. 1 and 2 that there is probable cause to believe that Southeastern and I, as its President, violated 2 U.S.C. § 441b(a) and that I, individually, violated 2 U.S.C. § 441a(a) are concerned, I direct the Commission's attention to the record as a whole, including my deposition, and respectfully point out that the record will not support such a finding of probable cause.

The basis for the General Counsel's recommendations centers upon the rental of four billboards carrying the message that "Jesse Helms is Right!", the payment of rentals of those boards by Southeastern and the subsequent assumption of responsibility for payment of the unpaid rentals by me.

Secretary of the Commission  
Federal Election Commission  
Page Two  
June 3, 1986

98040673603

Pages 42 through 72 of my deposition in this matter, particularly pages 54 and 55, clearly show the manner in which the billboard rentals were meant to be handled, to-wit, the Nash/Edgecombe Billboard Fund ("The Fund") wanted to rent billboard space. The Fund requested Lewis Advertising and Southeastern to contact the billboard companies to rent the space. Initially, Lewis Advertising was going to handle the account (page 51). It was then decided that Southeastern would handle the account (page 51). A contract had to be signed with the billboard companies in order to secure the space. This is true in connection with any type of billboard advertising. Southeastern signed the contracts and became legally obligated to pay the rentals. Southeastern was dependent upon the Fund to pay these rentals back to Southeastern. A question arose between the Fund and Southeastern in connection with the disclaimers on the billboards. Regardless of the outcome of this question, Southeastern was legally responsible for paying the rentals to the billboard companies and paid them. I, in turn, paid Southeastern contingent upon Southeastern's collection from the Fund (page 63). The applicable statute of limitations has not yet run and I still have the right to institute legal proceedings to collect from the Fund.

All of the facts and circumstances in this matter show that legally binding contracts were entered between Southeastern and the billboard companies, that Southeastern did not collect from its customer (The Fund), that Southeastern was legally bound to pay the billboard contracts and did so, that Southeastern could not, and has not yet, collected from its customer (The Fund) due to a question regarding the disclaimers on the boards and that I paid Southeastern but I still have the right to go against the Fund for payment. It is not unusual for a company or an individual to advance services, goods, etc. to a political campaign, be dependent upon the campaign for repayment, not receive payment and have to pursue individuals for payment. At this point, an account has been paid which may not be recoverable due to the disclaimers on the billboards but that issue has not been resolved.

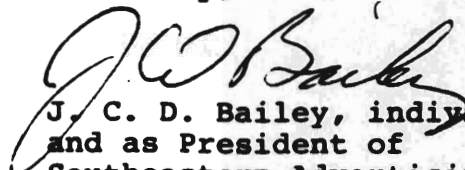
It is also very difficult for me to understand how the General Counsel can take the position that both Southeastern and I paid the funds in question and thereby violated the law. Logic would seem to dictate that either Southeastern made the payment or I did but not both. An extension of this line of reasoning would make a bank which loaned me money to pay the account guilty of a violation of the law.

Secretary of the Commission  
Federal Election Commission  
Page Three  
June 3, 1986

I also request the Commission to consider the reason why the Fund stopped paying Southeastern for the billboard. The fact is that the Fund was making the billboard payments as agreed to Southeastern and Southeastern was making the payments to the billboard companies until the Federal Election Commission, in acting upon an inquiry which it received, raised a question regarding the sufficiency of the disclaimers on the billboards. When this Complaint was made to the Fund, James R. Trotter, Treasurer of the Fund, stopped paying Southeastern and, consequently, Southeastern had to continue to pay the billboard companies under its contracts with them and without the offsetting income from the Fund.

I ask the Commission to consider the foregoing and respectfully submit that neither I, J. C. D. Bailey, nor Southeastern Advertising, Inc. have violated either 2 U.S.C. § 437a(a) or § 437b(a).

Sincerely,

  
J. C. D. Bailey, individually  
and as President of  
Southeastern Advertising, Inc.

JCDB/dte

cc: Office of General Counsel



**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

June 5, 1986

Mr. Cleveland P. Cherry  
Corporate Secretary  
Southeastern Advertising, Inc.  
1313 North Church Street  
P.O. Box 312  
Rocky Mount, NC 27801

RE: MUR 1736  
Southeastern Advertising, Inc. and  
Jack C.D. Bailey

Dear Mr. Cherry:

This responds to your letter of May 13, 1986, in which you requested an extension of time to file a response to the General Counsel's brief recommending that the Commission find probable cause to believe that Southeastern Advertising, Inc., and Jack C.D. Bailey violated the Act.

Your request for a 20-day extension is granted. A responsive brief should, therefore, be filed no later than June 13, 1986. Should you have any questions regarding this matter, please contact Stephen Mims, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lawrence M. Noble", is written over the typed name.

Lawrence M. Noble  
Deputy General Counsel

88040673605

SMITH HELMS MULLISS & MOORE  
ATTORNEYS AT LAW  
RALEIGH, NORTH CAROLINA

JUN 9 8:56

GREENSBORO OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 21927  
GREENSBORO, N.C. 27420

STREET ADDRESS  
500 NCNS BUILDING  
101 WEST FRIENDLY AVENUE  
GREENSBORO, N.C. 27401

TELEPHONE 919/378-1480  
TELECOPIER 919/378-9558

CARY OFFICE  
EDINBURGH CENTER  
SUITE 104  
117 EDINBURGH SOUTH  
CARY, N.C. 27511

TELEPHONE 919/467-7703

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RALEIGH, N.C. 27611

STREET ADDRESS  
318 WEST EDENTON STREET  
RALEIGH, N.C. 27603

TELEPHONE 919/828-8207

CHARLOTTE OFFICE  
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POST OFFICE BOX 31247  
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STREET ADDRESS  
227 NORTH TRYON STREET  
CHARLOTTE, N.C. 28202

TELEPHONE 704/372-9810  
TELECOPIER 704/334-8467  
TELEX 872460

TAMPA OFFICE  
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POST OFFICE BOX 1842  
TAMPA, FLORIDA 33601

STREET ADDRESS  
PLAZA ON THE MALL  
SUITE 1812  
201 EAST KENNEDY BLVD.  
TAMPA, FLORIDA 33602  
TELEPHONE 813/225-1993

June 6, 1986

Kenneth A. Gross, Esq.  
Associate General Counsel  
Federal Election Commission  
Washington, D.C. 20463

RE: MUR 1736  
"Nash/Edgecombe Billboard Fund  
and James R. Trotter, as its  
Treasurer"

Dear Mr. Gross:

As Mr. Trotter advised Mr. Mims of your offices by letter of June 3, I have been asked to represent Mr. Trotter in connection with the above referenced matter. I enclose your form "Designation of Counsel," which has been executed by Mr. Trotter.

I now have your letter of May 15, 1986, enclosing a proposed Conciliation Agreement. Mr. Trotter is not able to sign the Agreement in its current form; however, I reaffirm his desire to engage in good faith discussions in an effort to finalize an acceptable agreement. I believe that agreement on some initial guidelines will facilitate our further discussions.

As a predicate to my further comments, I reaffirm what Mr. Trotter has earlier noted in his correspondence with your offices. We proceed on Mr. Trotter's individual behalf, neither he nor I having authority to speak for other individuals or for any organization. The reference by both parties to the "Nash/Edgecombe Billboard Fund" and to Mr. Trotter as its "Treasurer" has been for convenience and does not represent any acquiescence that this "Fund" appellation, used to denominate a

Kenneth A. Gross, Esq.

June 6, 1986

page 2

bank account, signifies any legally cognizable entity for which Mr. Trotter is responsible or from which he derives any authority.

Since I have just been engaged in this matter, I do not profess a present full factual understanding. However, my initial file review indicates that many terms in the proposed Conciliation Agreement are substantially at odds with Mr. Trotter's position expressed in his letter of August 14, 1984. I presently further believe that these terms may vary substantially with a fair and reasonable construction of facts disclosed by your investigation and the application of the law to those facts.

Deleted. See 2 USC § 437 g(a)(4)(B)(i)

38040673607

Kenneth A. Gross, Esq.  
June 6, 1986  
page 3

Deleted. See 24 USC § 437g (a)(4)(B)(i).

I look forward to your reply and the opportunity of working with your offices.

With warmest personal regards, I remain

Very truly yours,  
SMITH HELMS MULLISS & MOORE

  
James L. Gale

cc: James R. Trotter, Esq.

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1736

NAME OF COUNSEL: James L. Gale

ADDRESS: Smith Helms Mulliss & Moore  
Post Office Box 27525  
Raleigh, North Carolina 27611

TELEPHONE: (919) 828-8207

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.

6/4/86  
Date

James R. Trotter  
Signature

RESPONDENT'S NAME: James R. Trotter

ADDRESS: Apt. 21, 521 Wade Avenue  
Raleigh, North Carolina 27605

HOME PHONE: (919) 733-5811

BUSINESS PHONE: \_\_\_\_\_

SMITH HELMS MULLISS & MOORE  
ATTORNEYS AT LAW  
RALEIGH, NORTH CAROLINA

GREENSBORO OFFICE  
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GREENSBORO, N.C. 27420

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TELEPHONE 919/828-8207

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CHARLOTTE, N.C. 28202

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TELEX 572480

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TAMPA, FLORIDA 33601

STREET ADDRESS  
PLAZA ON THE MALL  
SUITE 1512  
201 EAST KENNEDY BLVD.  
TAMPA, FLORIDA 33602

TELEPHONE 813/228-9993

July 2, 1986

Thomas Whitehead, Esq.  
Office of General Counsel  
Federal Election Commission  
Washington, D.C. 20463

RE: MUR 1736

Dear Tom:

As I advised by telephone yesterday, I have obtained a copy of Mr. Trotter's deposition, but without exhibits. I renew our continuing request that you return without further delay materials delivered to you by Mr. Trotter in response to your Agency's subpoena.

The deposition transcript I received does not have appended to it any of the deposition exhibits referred to. I am informed by the reporter Faye Stevens that the originals of the documents were returned to you with the original of the deposition transcript. She has no documents from which copies can be made. In any event, I reconfirm my understanding that the materials were furnished to you for your selective copying and with the further understanding that they would be returned. This agreement would not be superseded by making any of the documents deposition exhibits. My initial review of the deposition transcript further reflects that that not all of the materials furnished by Mr. Trotter were made exhibits to the deposition. I do not believe your position is in any way prejudiced by your return of the originals in conformity with your agreement. We agree that copies may be substituted for any original made an exhibit to Mr. Trotter's deposition. We request the expedient return of all originals.

*Remainder of p. 1, all of pp 2 and 3,  
part of p. 4 deleted per 2 USC 5437 g(a)(4)(B)(i).*

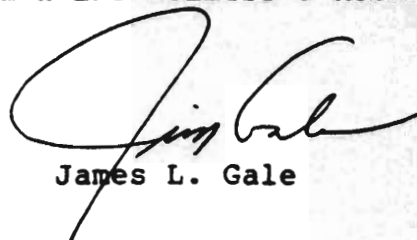
Thomas Whitehead, Esq.  
July 2, 1986  
page 4

88040673611  
In summary, I renew our request that we be given our original documentation. I have attempted to delineate some of the matters which need to be resolved as a predicate for any final conciliation agreement. Mr. Trotter has continued to strive at all times to comply with the letter and spirit of the federal election laws. After being fully advised on the facts underlying your investigation, we are ready to proceed expeditiously to facilitate, if possible, a conciliation agreement consistent with this record. I hope this letter will assist our efforts.

Mr. Trotter joins me in sending best wishes to Steve Mims for a speedy recovery.

Very truly yours,

SMITH HELMS MULLISS & MOORE



James L. Gale

cc: James R. Trotter, Esq.

P.S. Tom,

I just received your telephone message that deposition exhibits are on their way. I mail this in my event, if it may serve a purpose & clarify our positions.

63



**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

July 3, 1986

James L. Gale, Esquire  
Smith, Helms, Mullis & Moore  
Post Office Box 27525  
Raleigh, N.C. 27611

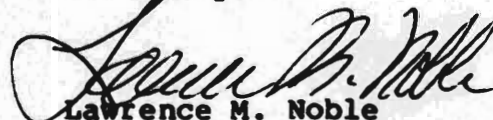
RE: MUR 1736  
Nash Edgecombe Billboard  
Fund and James R. Trotter,  
as its Treasurer

Dear Mr. Gale:

Pursuant to an agreement reached during a telephone conversation with Thomas J. Whitehead of this Office, we are herewith returning the originals of documents furnished by your client, James L. Trotter during the ongoing investigation of Nash Edgecombe Billboard Fund in MUR 1736.

If you have any further questions, please contact Thomas J. Whitehead, his telephone is (202) 376-8200.

Sincerely,

  
Lawrence M. Noble  
Deputy General Counsel

Enclosures

88040673612

64

BEFORE THE FEDERAL ELECTION COMMISSION

**SENSITIVE**

In the Matter of )

Helms for Senate Committee )  
Mark L. Stephens, as treasurer )  
The Nash/Edgecombe Billboard Fund )  
and James R. Trotter, as )  
treasurer )

MUR 1736

CC JUL 3 P2:16

SECRETARY

**GENERAL COUNSEL'S REPORT**

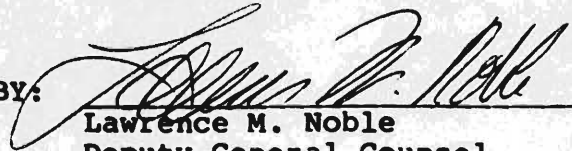
On May 9, 1986, the Commission authorized the commencement of conciliation with respondents The Nash/Edgecombe Billboard Fund and James R. Trotter, as treasurer, in the above-captioned Matter prior to a finding of probable cause to believe. The Office of General Counsel has concluded that an extension of the conciliation period by an additional thirty days would facilitate the conclusion of a satisfactory settlement with the Respondents.

Charles N. Steele  
General Counsel

Date

7/3/86

BY:

  
Lawrence M. Noble  
Deputy General Counsel

38040673613

SMITH HELMS MULLISS & MOORE  
ATTORNEYS AT LAW  
RALEIGH, NORTH CAROLINA

GREENSBORO OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 21927  
GREENSBORO, N.C. 27420

STREET ADDRESS  
500 NCNB BUILDING  
101 WEST FRIENDLY AVENUE  
GREENSBORO, N.C. 27401

TELEPHONE 919/378-1450  
TELECOPIER 919/379-9558

CARY OFFICE  
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CARY, N.C. 27511

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318 WEST EDENTON STREET  
RALEIGH, N.C. 27603

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CHARLOTTE OFFICE  
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STREET ADDRESS  
227 NORTH TRYON STREET  
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TELECOPIER 704/334-8467  
TELEX 572460

TAMPA OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 1842  
TAMPA, FLORIDA 33601

STREET ADDRESS  
PLAZA ON THE MALL  
SUITE 1512  
201 EAST KENNEDY BLVD.  
TAMPA, FLORIDA 33602

TELEPHONE 813/229-1993

11 July 1986

Mr. Thomas J. Whitehead  
Federal Elections Commission  
Washington, D.C. 20463

Re: MUR-1736  
Nash Edgcombe Billboard Fund and  
James Trotter, as its Treasurer

Dear Tom:

The originals of the documents submitted by Mr. Trotter were received in our offices on July 8.

Thank you for your attention to our request.

With warmest personal regards, I remain

Very truly yours,

SMITH HELMS MULLISS & MOORE

*James L. Gale*  
James L. Gale *ah*

JLG/dth

cc: James R. Trotter

RECEIVED AT THE FEC

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**SENSITIVE**  
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OFFICE OF THE FEC  
COMMISSION SECRETARY

86 SEP 30 A 9:25

September 30, 1986

MEMORANDUM

TO: The Commission  
FROM: Charles N. Steele  
General Counsel *CNS*  
SUBJECT: Brief in MUR 1736

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 as they relate to the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer. A copy of the brief and a letter notifying respondents of the General Counsel's intent to recommend a finding of probable cause was mailed on September 29, 1986. Following receipt of their reply to the brief, this Office will make a further report to the Commission.

Attachment

Brief and cover letter to the Nash/Edgecombe  
Billboard Fund and James R. Trotter, as its treasurer

38040673615



**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

September 29, 1986

James L. Gale, Esquire  
Smith Helms Mulliss & Moore  
P.O. Box 27525  
Raleigh, NC 27611

RE: MUR 1736  
Nash/Edgecombe Billboard  
Fund and James R. Trotter,  
as its Treasurer

Dear Mr. Gale:

Based upon a complaint filed with the Commission on July 2, 1984, and information supplied by your clients, the Commission determined, on November 27, 1984, that there was reason to believe that your clients, the Nash/Edgecombe Billboard Fund, and James R. Trotter, as its Treasurer, had violated 2 U.S.C. §§ 434(b), 441(a)(1)(A) and 441d. Subsequent to the initiation of the Commission's investigation into this matter the Commission, on June 4, 1985, further found reason to believe your clients also violated 2 U.S.C. § 441b(a). On May 9, 1986, the Commission voted to take no further action regarding a possible violation of 2 U.S.C. § 441a(a)(1)(A).

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

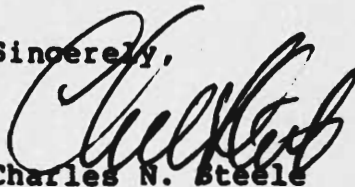
Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen (15) days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies, if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief that you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

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

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty (30), but not more than ninety (90), days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Thomas Whitehead, the attorney, assigned to this matter, at (202) 376-5690.

Sincerely,

  
Charles N. Steele  
General Counsel

Enclosure  
Brief

38040673617

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Nash/Edgecombe Billboard Fund and ) MUR 1736  
James R. Trotter, as its treasurer )

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

On July 2, 1984, the North Carolina Democratic Party filed a complaint with the Federal Election Commission ("Commission" or "FEC") that alleged numerous violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the complainant alleged that certain billboard advertisements placed by an individual, Jack C. D. Bailey ("Bailey") and a committee known to the complainant as the Nash County Jesse Helms for Senate Committee<sup>1</sup>/ were in-kind contributions to the Helms for Senate Committee ("Committee"). The complainant alleged the value of these in-kind contributions exceeded the limitations of 2 U.S.C. § 441a(a)(1)(A) and that the Committee failed to report the receipt of the in-kind contributions in violation of 2 U.S.C. § 434(b).

Another aspect of the alleged violations by the Committee dealt with activities undertaken by Bailey individually. Newspaper advertisements in which Bailey attacked Senator Helms'

<sup>1</sup>/ The Nash County Jesse Helms for Senate Committee was not made a respondent in this matter because it appears, in fact, that the billboards were partially paid for by the Nash/Edgecombe Billboard Fund ("the Fund"). This matter is discussed in greater detail, infra.

opponent, Governor James Hunt, were also, according to the complaint, in-kind contributions made on the Committee's behalf. Finally, the complaint alleged that bumper stickers prepared by Bailey's closely-held corporation, Southeastern Advertising, Inc., ("Southeastern") were in-kind contributions by Bailey and Southeastern in violation of 2 U.S.C. § 441b(a). The complainant further suggested that Bailey, because of his alleged relationship to the Committee, acted in cooperation, consultation and/or coordination with the Committee. Thus, the complainant concluded, the Committee accepted excessive and prohibited in-kind contributions.

An essential element of the complainant's allegations was that Bailey's relationship with the Committee was such that any "independent" effort undertaken by him to influence Senator Helms' re-election would be considered an in-kind contribution due to the provisions of Section 109.1 of the Commission's Regulations.

An expenditure not qualifying under this Section [as an independent expenditure] shall be a contribution in-kind to the candidate and an expenditure by the candidate.

The complainant suggested that Bailey's membership in the Committee's finance committee, as reported by a local newspaper, would provide Bailey with information regarding the candidate's "plans, projects, or needs," thus disqualifying him from being eligible to make independent expenditures. See 11 C.F.R. § 109.1(a) and (b)(4). Thus, any expenditures made by Bailey or

Southeastern that did not indicate they had been authorized by Senator Helms would violate the notice requirements of 2 U.S.C. § 441d. Furthermore, because of Bailey's relationship to the Committee, expenditures by the Fund could not be regarded as independent expenditures since Bailey allegedly had an active role in the formation of and expenditures by the Fund. Thus, the billboard advertisements also failed to carry the necessary notice; namely, whether or not the advertisements were authorized by Senator Helms.

On November 27, 1984, the Commission voted to find reason to believe the Fund and its treasurer had violated 2 U.S.C. §§ 434(b), 441a(a)(1)(A) and 441d. During the course of its investigation, information was obtained that indicated that a further possible violation had occurred by the Fund's acceptance of corporate contributions from Southeastern Advertising, Inc. Thus, on June 4, 1985, the Commission found reason to believe the Fund and its treasurer had also violated 2 U.S.C. § 441b(a) by knowingly accepting corporate contributions.

During the course of its investigation, the General Counsel's Office deposed Mr. Bailey and Mr. James R. Trotter, treasurer of the Fund. Documentary evidence obtained from Mr. Bailey and the Fund had been previously examined.

The depositions and documentary evidence showed, however, that Southeastern Advertising, Inc., paid over \$10,000 in billings owed by the Fund for rent on billboards. The Fund's

bank records show that but for Southeastern's advances, the monthly bills submitted by the sign owners would not have been paid. (The General Counsel does not find persuasive Mr. Trotter's explanation for the failure of the Fund to pay Southeastern's invoices, namely that he did not approve of an amended disclaimer notice placed on the billboards subsequent to receiving a copy of the complaint).

Despite the treasurer's "protest" over the disclaimer, he did nothing to have the billboards removed or to force Southeastern to remove the name of the Fund from the billboards, nor did Southeastern undertake any real effort to collect the amounts owed by the Fund.

## II. Factual and Legal Analysis

During the course of its investigation, the Commission concluded that it would take no further action against the Fund and its treasurer regarding a possible violation of 2 U.S.C. § 441a(a)(1)(A). Thus, following its May 9, 1986, decision the remaining issues confronting the Fund and its treasurer were limited to (1) a determination whether the Fund and its treasurer violated 2 U.S.C. § 441d and (2) whether the Fund and its treasurer accepted contributions prohibited by 2 U.S.C. § 441b, and failed to report those in-kind contributions in violation of 2 U.S.C. § 434(b).

A. The Fund Failed to Provide A Proper Disclaimer on the  
Billboard Advertisements in Violation of 2 U.S.C. § 441d

Section 441d(a) of the Act requires that:

Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or solicits any contribution through any ... outdoor advertising facility ... such communication -

\* \* \*

(3) if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

[Emphasis added.]

At the time the complaint was filed in this matter, none of the four billboards identified the Fund as having paid for the message nor did they state whether or not the communication was authorized by any candidate or candidate's committee. Rather, the notices read:

1. U.S. 64 & Tarboro Street: "This Billboard Is Political Advertising Paid For By J.C.D. Bailey. Contributions To Keep In Place Will Be Appreciated. Call Southeastern Advertising, Inc. (977-3149) P.O. Box 312, Rocky Mount, N.C."

2. U.S. 301 By-Pass: "This Billboard Is Political Advertising Paid For By Nash County Jesse Helms for Senate Committee, Helen Laughrey, Chairperson. Contributions To Keep This In Place Will Be Appreciated. Call Southeastern Advertising (977-3149) P.O. Box 312, Rocky Mount, N.C."
3. N.C. 97 East: (Same as No. 2).
4. U.S. 64 West: "This Billboard Is Political Advertising Paid For By Nash County Jesse Helms For Senate Committee, J.C.D. Bailey, Chairman. Contributions To Keep This In Place Will Be Appreciated, Call Southeastern Advertising, Inc. (977-3149) P.O. Box 312, Rocky, Mount, N.C."

8 8 0 4 0 6 7 3 6 2 3

Mr. Trotter the Fund's treasurer, testified that upon receipt of the complaint he notified Mr. Bailey that the Fund would not honor any further invoices from Southeastern until the disclaimers on each billboard were changed. Although, according to Mr. Trotter, Mr. Bailey "readily agreed to make the changes," he apparently never did so. Trotter at 53. Thus, the billboards continued to display the defective disclaimers in violation of 2 U.S.C. § 441d(a).

The General Counsel's Office is prepared, therefore, to recommend that the Commission find probable cause to believe that the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer, violated 2 U.S.C. § 441d(a).

**B. The Fund Knowingly Accepted Contributions From**  
**Southeastern Advertising, Inc., in violation of 2 U.S.C. § 441b**

Section 441b(a) states in relevant part that:

It is unlawful for any ... corporation whatever ... to make a contribution or expenditure in connection with any election at which ... a Senator ... [is] to be voted for, or in connection with any primary election ... held to select [a candidate for Senate], or for any ... political committee, or other person knowingly to accept or receive any contribution prohibited by this section....

As previously mentioned, Southeastern paid all of the invoices from the sign owners and then routinely billed the Fund for the exact amount. Southeastern did not at any time in its dealing with the Fund, invoice an amount greater than its cost. Southeastern continued to pay invoices subsequent to the Fund's refusal to pay and did not undertake any significant effort to collect past due amounts from the Fund or terminate the billboard contracts. The evidence obtained by the Office of General Counsel shows the amounts paid by Southeastern on the Fund's behalf to be in excess of \$10,000.

The General Counsel does not find persuasive the respondents' claim that a violation did not occur because they had no control over Southeastern's continued payments for the billboards, despite the Fund's refusal to honor Southeastern's invoices. Respondents' claim is without merit because, as was

discussed earlier, Southeastern's principal, Jack C.D. Bailey, was the original promoter of the Fund and he played an active role in directing the Fund's affairs. Indeed, the disclaimer on two of the four billboards identified Bailey as either having paid for the message or as an Officer of the "Nash County Jesse Helms for Senate Committee," an organization that was, in fact the Nash/Edgecombe Billboard Fund. Bailey's role in the organization and direction of the Fund cannot be overlooked when considering the Fund's claim that it had no control over Southeastern's decision to continue to pay for the billboards despite the Fund's refusal to honor Southeastern's invoices. In fact, each of the billboards solicited funds to defray the cost of the billboards and asked that they be sent to Southeastern. That Bailey was active in the Fund's activities is further evidenced by documents provided the Commission by Southeastern and Mr. Bailey that included ledger sheets with the names of those persons who were supporters of the Fund and who promised to support the Fund and the dates of their contributions.

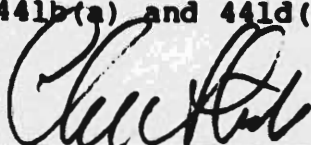
The General Counsel does not view the facts of this case as supporting a claim that the Fund had no control over Southeastern's conduct in paying for the billboards or that the relationship between the two organizations were "at arms length." The General Counsel believes the Fund was at all times aware of Southeastern's conduct and thus knowingly accepted prohibited corporate in-kind contributions.

Thus, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that the Nash/Edgecombe Billboard Fund and James R. Trotter, as treasurer, violated 2 U.S.C. § 441b(a), and that the Fund and its treasurer violated 2 U.S.C. § 434(b) by failing to report the receipt of the in-kind contributions.

**III. General Counsel's Recommendations**

1. Find probable cause to believe that the Nash/Edgecombe Billboard Fund, and James R. Trotter, as its treasurer, violated 2 U.S.C. §§ 434(b) and 441b(a) and 441d(a).

20 Sept 1966  
Date

  
Charles N. Steele  
General Counsel

88040673626

**SENSITIVE**

BEFORE THE FEDERAL ELECTION COMMISSION  
Washington, D.C. 20463

RECEIVED  
OFFICE OF THE FEC  
COMMISSION SECRETARY

86 SEP 23 AIO: 15

In the Matter of )  
Southeastern Advertising, Inc. )  
and Jack C.D. Bailey, )  
individually and as its )  
President, )  
Respondents. )

MUR 1736

**EXECUTIVE SESSION**

**SEP 30 1986**

**GENERAL COUNSEL'S REPORT**

**BACKGROUND**

On May 7, 1986, the Office of General Counsel sent its brief stating the position of the General Counsel regarding his intention to recommend that the Commission find probable cause to believe that Southeastern Advertising, Inc., and Jack C. D. Bailey, individually and as its President ("respondents") violated 2 U.S.C. § 441b(a), 441a(a)(1)(A), and that the Commission determine that there is no probable cause to believe Mr. Bailey violated 2 U.S.C. § 441d. (Attachment 1).

On June 9, 1986, this Office received a letter from Mr. Bailey intended as a response to the General Counsel's brief. (Attachment 2). This Office has reviewed Mr. Bailey's letter and has concluded that no new argument, factual or legal, has been raised by the respondents. Respondents claim that it was the Fund that instigated efforts to negotiate with Southeastern and the owners of the billboards for rental of the space. Bailey's assertions in this regard ignore the fact that the idea to place the billboards was his and that it was Bailey who organized, promoted and affected the direction of the Fund. Indeed, examination of the disclaimer originally placed on the billboards


shows that in two of the four advertisements Bailey was identified as either having paid for the space, or as an officer of the Nash County Jesse Helms for Senate Committee, an organization which has been shown to have in fact been the Nash/Edgecombe County Billboard Fund. The fact that Southeastern may have placed itself in a position of liability on the contracts with the owners of the billboards, is itself irrelevant to consideration of the relationship between Mr. Bailey, Southeastern, and the Fund. Bailey's argument represents the facts in this matter only in the light most favorable to his position that Southeastern merely acted as a vendor of services and ignores the substantial factual background demonstrating that Southeastern's principal, Bailey was actively involved in the Fund's activities. It comes as little surprise, therefore, that Bailey and Southeastern did not force the issue of the Fund's refusal to pay Southeastern's invoices or to take the steps necessary to correct the disclaimers.

Bailey's assertion that he may sometime in the future pursue the Fund for its failure to pay Southeastern is disingenuous at best. No contracts existed between the Fund and Southeastern for the billboards. If Southeastern were to bring suit against the Fund for collection of the amounts allegedly due, factual consideration would be given to the very issue involved in this case, namely Bailey's role in the Fund. The General Counsel's Office does not believe the facts in this case demonstrate the

Recommendations

1. Find probable cause to believe that Southeastern Advertising, Inc. and Jack C. D. Bailey, as its President, violated 2 U.S.C. § 441b(a).
2. Find probable cause to believe that Jack C. D. Bailey violated 2 U.S.C. § 441a(a).
3. Find no probable cause to believe that Jack C. D. Bailey violated 2 U.S.C. § 441d.
4. Approve and send the attached proposed conciliation agreement.

22 Sept 1986  
Date

  
\_\_\_\_\_  
Charles N. Steele  
General Counsel

Attachments

1. Respondents Reply
2. Proposed Conciliation Agreement and cover letter

usual or normal "arms-length" relationship found between a political committee and a vendor of services that would support Bailey's claim that "it is not unusual for a company or individual to advance services, goods, etc. to a political campaign, be dependent upon the campaign for repayment, not receive payment and have to pursue individuals for payment." Reply at 2. Indeed, perhaps it was Bailey's realization of this fact that led to his decision to personally pay Southeastern the amount due from the Fund. In any event, the position of the General Counsel remains the same as it was stated in the General Counsel's brief.

DISCUSSION OF CIVIL PENALTY

38040673630

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Attachments to 9-22-86  
G.C. Rpt

have been removed from this position in the Public Record File either because they duplicate documents located elsewhere in this file, or because they reflect exempt information.

For Attachment 1 see #60  
2 #70  
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\_\_\_\_\_  
\_\_\_\_\_

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Southeastern Advertising, Inc. )  
and Jack C.D. Bailey, ) MUR 1736  
individually and as its )  
President. )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of September 30, 1986, do hereby certify that the Commission decided by a vote of 4-1 to take the following actions in MUR 1736:

1. Find probable cause to believe that Southeastern Advertising, Inc. and Jack C.D. Bailey, as its President, violated 2 U.S.C. § 441b(a).
2. Find probable cause to believe that Jack C.D. Bailey violated 2 U.S.C. § 441a(a).
3. Find no probable cause to believe that Jack C.D. Bailey violated 2 U.S.C. § 441d.
4. Approve and send the proposed conciliation agreement and letter attached to the General Counsel's report dated September 22, 1986.

Commissioners Aikens, Harris, Josefiak, and McGarry voted affirmatively for the decision; Commissioner Elliott dissented; Commissioner McDonald was not present.

Attest:

10-1-86

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 6, 1986

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Mr. Cleveland P. Cherry  
Corporate Secretary  
Southeastern Advertising, Inc.  
P.O. Box 312  
Rocky Mount, NC 27801

RE: MUR 1736  
Southeastern Advertising, Inc. and  
Jack C.D. Bailey

Dear Mr. Cherry:

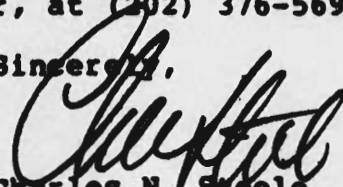
On September 30, 1986, the Commission determined there is probable cause to believe that Southeastern Advertising, Inc., violated 2 U.S.C. § 441b(a) by making prohibited in-kind contributions to the Nash/Edgecombe Billboard Fund, and that Jack C.D. Bailey, as President of Southeastern Advertising, Inc., violated 2 U.S.C. § 441b(a) by consenting to the making of the prohibited in-kind contributions. Furthermore, the Commission has determined that there is probable cause to believe that Jack C.D. Bailey, in his individual capacity, violated 2 U.S.C. § 441a(a)(1)(C) by personally assuming the liabilities of the Nash/Edgecombe Billboard Fund owed to Southeastern Advertising, Inc. Finally, the Commission has determined that there is no probable cause to believe that Jack C.D. Bailey violated 2 U.S.C. § 441d.

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

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

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Thomas Whitehead, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

  
Charles N. Steele  
General Counsel

Enclosure  
Conciliation Agreement

38040673634

SMITH HELMS MULLISS & MOORE  
ATTORNEYS AT LAW  
RALEIGH, NORTH CAROLINA

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TELECOPIER 919/378-9558

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117 EDINBURGH SOUTH  
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TELEPHONE 919/467-7703

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RALEIGH, N.C. 27611

STREET ADDRESS  
318 WEST EDENTON STREET  
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TELEPHONE 919/828-8207

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CHARLOTTE OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 31247  
CHARLOTTE, N.C. 28231

STREET ADDRESS  
227 NORTH TRYON STREET  
CHARLOTTE, N.C. 28202

TELEPHONE 704/372-8510  
TELECOPIER 704/334-8467  
TELEX 872480

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TAMPA, FLORIDA 33601

STREET ADDRESS  
PLAZA ON THE MALL  
SUITE 1512  
201 EAST KENNEDY BLVD.  
TAMPA, FLORIDA 33602

TELEPHONE 813/226-1893

October 7, 1986

Thomas J. Whitehead, Esq.  
Federal Elections Commission  
Washington, DC 20463

Re: MUR 1736

Dear Mr. Whitehead:

This follows and hopefully complies with the substance of our conversation of October 6, requesting an extension of time.

On October 6, 1986 we received the brief stating the position of the General Counsel on the legal and factual issues in this case. This brief recommends that the Commission find probable cause to believe that a violation of the Act has occurred. We are unable to file a responsive brief within the required fifteen days and hereby respectfully request the Commission for an extension of twenty (20) days in which to file the brief. If the Commission grants the extension of time, the responsive brief would be due on or before November 10, 1986.

Thank you for your prompt attention to this matter. With kindest regards I am

Sincerely,

SMITH HELMS MULLISS & MOORE

*Charles N. Anderson, Jr.*

Charles N. Anderson, Jr.

CNA:pm

cc: James L. Gale  
James R. Trotter

# SOUTHEASTERN ADVERTISING, INC.

BOX 312 • DIAL 977-3149 • ROCKY MOUNT, NORTH CAROLINA 27802-0312



CCC#1301

48:5

October 16, 1986

Mr. Thomas Whitehead  
Federal Election Commission  
Washington, DC

Re: MUR 1736  
Southeastern Advertising, Inc.  
and Jack C. D. Bailey

Dear Mr. Whitehead:

Reference is made to our telephone conversation on Thursday, October 16, 1986. Jack C. D. Bailey, President of Southeastern Advertising, Inc., is out of the country and will not return until the latter part of the month. I will review the contents of your letter and the proposed conciliation agreement with him when he returns and we will be back in touch with you.

If we need to take any additional action at this time, please advise.

Yours very truly,

Cleveland P. Cherry  
Corporate Secretary

CPC/dte

cc: Jack C. D. Bailey

72



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 20, 1986

Charles N. Anderson, Jr., Esquire  
Smith, Helms, Mulliss, & Moore  
Attorneys at Law  
Post Office Box 27525  
Raleigh, North Carolina 27611

RE: MUR 1736  
Nash/Edgecombe Billboard  
Fund and James R. Trotter  
as its treasurer

Dear Mr. Anderson:

This will acknowledge the belated receipt of your letter dated October 7, 1986 in which you request a twenty (20) day extension of time in which to respond to the brief of the General Counsel in the above referenced matter. I have reviewed your request and agree to the requested extension. Accordingly, your response will be due on November 10, 1986.

If you have any questions, please contact Thomas J. Whitehead, Assistant General Counsel assigned to this matter at (202) 376-8200.

Sincerely,

Charles N. Steele  
General Counsel

By:   
Lawrence M. Noble  
Deputy General Counsel

88040673637

SMITH HELMS MULLISS & MOORE  
ATTORNEYS AT LAW  
RALEIGH, NORTH CAROLINA

CCC#1736  
Slaps - Whitehead

GREENSBORO OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 21927  
GREENSBORO, N.C. 27420

STREET ADDRESS  
800 NCNB BUILDING  
101 WEST FRIENDLY AVENUE  
GREENSBORO, N.C. 27401

TELEPHONE 919/378-1450  
TELECOPIER 919/378-9558

CARY OFFICE  
EDINBURGH CENTER  
SUITE 104  
117 EDINBURGH SOUTH  
CARY, N.C. 27511

TELEPHONE 919/467-7703

MAILING ADDRESS  
POST OFFICE BOX 27825  
RALEIGH, N.C. 27611

STREET ADDRESS  
316 WEST EDENTON STREET  
RALEIGH, N.C. 27603

TELEPHONE 919/828-8207

CHARLOTTE OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 31247  
CHARLOTTE, N.C. 28231

STREET ADDRESS  
227 NORTH TRYON STREET  
CHARLOTTE, N.C. 28202

TELEPHONE 704/372-9510  
TELECOPIER 704/334-8467  
TELEX 572460

TAMPA OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 1842  
TAMPA, FLORIDA 33601

STREET ADDRESS  
PLAZA ON THE MALL  
SUITE 1812  
201 EAST KENNEDY BLVD.  
TAMPA, FLORIDA 33602

TELEPHONE 813/229-1993

November 9, 1986

Ms. Marjorie Emmons,  
Commission Secretary  
Federal Election Commission  
999 E Street, Northwest  
Washington, DC 20001

Re: MUR 1736

Dear Ms. Emmons:

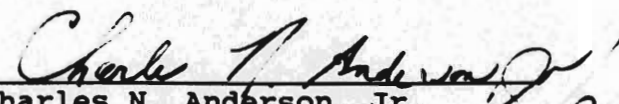
Enclosed please find ten (10) copies of James R. Trotter's Brief in opposition to the General Counsel's Brief dated September 29, 1986. The enclosed Brief sets forth James R. Trotter's position on the factual and legal issues involved the above referenced matter.

By copy of this letter I am forwarding three (3) copies of the Brief to Charles Steele, General Counsel, Federal Election Commission.

Please acknowledge your receipt of the Brief by calling me at this office. If I can be of any assistance in this matter, please feel free to contact me.

Sincerely,

SMITH HELMS MULLISS & MOORE

  
Charles N. Anderson, Jr.

CNA:pm

Enclosures

cc: James R. Trotter  
Charles Steele, General Counsel

RECEIVED  
OFFICE OF THE  
GENERAL COUNSEL

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BEFORE THE FEDERAL ELECTION COMMISSION

MUR 1736

In the Matter of )  
 )  
Nash/Edgecombe Billboard Fund and ) BRIEF IN OPPOSITION TO  
 ) A FINDING OF  
James R. Trotter as its Treasurer ) PROBABLE CAUSE

James R. Trotter, pursuant to 2 U.S.C. Section 437g(a)(3), submits this Brief in response to General Counsel's Brief on September 29, 1986, urging a finding of probable cause.

PRELIMINARY STATEMENT

In this matter staff members of the General Counsel are seeking to expand the reach of the federal election laws to prohibit expressions of political beliefs protected by the First Amendment. A statement cannot be unlawful simply because it is political.

Involved are four billboards in Nash and Edgecombe Counties, North Carolina paid for by a group of individuals who subscribe to the beliefs expressed on the billboards.

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The billboards were first posted at a time when there was not a pending political campaign but at a time when a political campaign that later materialized was anticipated. The last billboard was first posted on June 1, 1983, well in advance of the November, 1984 North Carolina senatorial election.

Photographs of the billboards are attached as Appendix "A." The billboards' copy does not: (1) mention any public office; (2) seek votes for a candidate for public office; (3) seek votes against a candidate for public office; or (4) seek contributions to a candidate for public office. There is simply an expression of a commonly held political belief.

The billboards contain factually inaccurate attribution statements. The first aspect of this matter involves those legends. While admittedly inaccurate, the statements were not unlawful.

When the inaccurate attribution statements were discovered by the group sponsoring the billboards, the group attempted to correct the statements by notifying the advertising agency with whom they were doing business that payments for the billboards would be discontinued until appropriate attribution statements were posted. A copy of the letter to the advertising agency is attached as Appendix "B".

The advertising agency - a corporation - made no copy changes and nevertheless allowed the billboards to stay in place while it assumed payments to the billboard owners. The advertising agency was owned by one of the members of the group. This member did not control or have authority to bind

the group. The second aspect of this matter involves an attempt by General Counsel staff members to characterize the payments made by the advertising agency as unlawful corporate contributions to the group. This characterization is factually unsupported and cannot be authorized in law.

In short, there can be no finding of probable cause.

#### STATEMENT OF THE CASE

On July 2, 1984, during the heat of the Jesse Helms - Jim Hunt senatorial campaign, the North Carolina Democratic Party, through its Chairman, filed with the Commission a complaint directed at various activities allegedly undertaken by Jack C. D. Bailey ("Bailey") and his closely-held corporation, Southeastern Advertising, Inc. ("Southeastern"). Present respondents were not mentioned in the complaint. On the basis of newspaper accounts, the complaint asserted in essence that Bailey held or once held a responsible position with the Helms Campaign Committee, disqualifying him from independent expenditures. His statements were therefore asserted as contributions-in-kind to Senator Helms. The complaint's sharpest focus was on a newspaper advertisement run by Bailey concerning alleged controversial contributions to Hunt by gay activists at or about the same time as press statements by the official Helms committee on the same controversial contributions. Present respondents were not associated with these newspaper advertisements or several other acts complained of against Bailey.

While not its central focus, the complaint did refer to the display of four billboards in Nash and Edgecombe Counties, each with the central message "Jesse Helms is Right." These billboards are the exclusive focus of staff's charges against these respondent - "The Nash/Edgecombe County Billboard Fund" ("the Group").

The Group consists of Edgecombe and Nash County citizens who collectively undertook at shared expense to display the "Jesse Helms is Right" message on four billboards. Southeastern, owned but not managed by Bailey, served as the advertising agency to secure display of the Group's message. James R. Trotter ("Trotter") collected and disbursed shared payments, but otherwise does not represent the Group. On August 11, 1983, Trotter, while not conceding his obligation to do so, reported to the Federal Election Commission his periodic receipt and disbursement of funds through a bank account in the name of the "Nash/Edgecombe County Billboard Fund." Timely reports have been continuously filed since August, 1983 and several were on file at the time of the Democratic Party complaint.

On July 16, 1984, the Group was notified in writing of the Democratic Party's complaint and the Commission's inquiry. The Group then advised Southeastern that the Group would make no further payments for billboard displays until the legend on the messages was changed to state correctly the sponsors of the message and was changed to delete any invitation for payments by others. Southeastern nevertheless continued paying billboard owners for the messages.

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The Commission on November 27, 1984, determined there to be reason to believe that the "Fund" and Trotter as its "Treasurer" had violated 2 U.S.C. Sections 434(b), 441a(a)(1)(A) and 441d. Investigation followed. On June 4, 1985, the Commission found reason to believe that Trotter and the "Fund" further violated 2 U.S.C. Section 441b(a) because Southeastern's payments constituted a corporate contribution. On May 9, 1986, the Commission voted to take no further action regarding any alleged violation of 2 U.S.C. Section 441a(a)(1)(A). The General Counsel's staff now urges the Commission to find probable cause to believe that the "Nash/Edgecombe Billboard Fund," and "James R. Trotter, as its Treasurer," violated 2 U.S.C. Sections 434(b), 441b(a) and 441d(a).

#### STATEMENT OF FACTS

In the spring of 1983, a group of fellow townsmen met to discuss informally how they might communicate their support for Senator Jesse Helms. Helms was not at this time a declared senatorial candidate. At his own expense, Bailey had previously displayed on Tarboro Street in Rocky Mount a billboard message that "Jesse Helms is Right." Several citizens wished to display similar billboard messages on a shared cost basis and agreed each to make monthly payments to display three more billboards in the same format as the Tarboro Street billboard as well as assuming payment for the Tarboro Street billboard. Trotter agreed to collect and deposit individual monthly payments and to disburse funds to pay charges for the billboard messages. Bailey, who owned Southeastern, arranged for the design,

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placement and maintenance of the billboards. Southeastern contracted with sign owners for leases of billboard space. Bailey, a businessman of substantial means, owned Southeastern but conducted his primary business through the unrelated corporation Franchise Enterprises.

No formal arrangement for sharing costs of the billboard messages has been effectuated. The group has never selected a collective designation. There has been no election of officers and no general agent was appointed. Trotter's sole authority was to collect, deposit, and disburse individual payments. Trotter segregated funds in a separate banking account requiring some designation. To avoid any suggestion that the billboard displays were in concert, consultation or cooperation with Senator Helms, his agents or his authorized committees, Trotter selected and used the name "Nash/Edgecombe Billboard Fund" for the banking account.

Four billboards were erected. Copies of the messages are appended as Exhibit "A". The messages have never been affiliated with Helms or his committee. Helms had not declared his senatorial candidacy when the billboards were first or last erected. The contract for the last erected of the four billboards became effective June 1, 1983. The billboard messages did not: (1) expressly advocate the election or defeat of a clearly identified candidate; (2) communicate an expression such as "vote," "vote for," "elect," "election," "support," "cast your ballot for," or "Jesse Helms for" any public office; (3) communicate "vote against," "defeat," or "reject" anyone for any

public office; or (4) solicit contributions for any candidate. The communication was only that "Jesse Helms is right" and the way in which it was felt that he was right, that is to say: (i) "he protects the free enterprise system;" (ii) "he has reduced your taxes;" (iii) "he protects the farmer;" and (iv) "he protects the taxpayer and helps the farmer." Jesse Helms was not identified either as a Senator or as a candidate for public office.

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Trotter was not an officer or designated agent for the individuals. Specifically, he was not "Treasurer" of any formal committee. The Group did not then and does not now concede that sharing the costs of the political expressions constitutes a "political action committee" required to file reports with the Federal Election Commission. Trotter nevertheless cautiously elected to report these activities to the Commission on its standard form 3x. Trotter signed these reports on the signature line marked "Treasurer." However, in his first report of August 11, 1983, he stressed that he was not acknowledging any obligation to file.

There were no written contracts between the group and Southeastern. The verbal understanding was that Trotter would receive periodic invoices from Southeastern for the billboard displays, and that he would then pay those invoices from the account where monthly payments from the individuals were deposited. This was the procedure followed until July 24, 1984.

Southeastern entered into written contracts with billboard companies, Whiteco Metrocom and Glasgo Sign. Bailey's

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deposition states clearly that he signed the contracts as an officer and agent of Southeastern and not as any agent of the Group. The contracts were exclusively between Southeastern and the two billboard owners. Deposition of Jack C.D. Bailey at 46. There was a separate contract for each of the four billboards--three with Whiteco Metrocom and one with Glasgo Sign Service. Southeastern was the obligee on each. Southeastern affixed the appellation "Nash County Jesse Helms for Senate Campaign" on each contract for its convenience, merely to identify its advertising accounts with the individuals. The Group never dealt directly with the billboard companies. Glasgo Sign and Whiteco Metrocom billed Southeastern. Southeastern paid the bill to the sign owners and then in turn billed the Group through Trotter. Until July 24, 1984, Trotter honored the invoices. Bailey had intended that Southeastern realize a profit on its advertising; the profit, however, was never realized because the Group, in July, 1984, terminated its agreement to pay Southeastern. There is no evidence that the Group was ever informed of the details of Southeastern's contracts with the billboard owners and whether the invoices reflected only the sign owners charges.

Each of the four billboards had a small legend beneath the primary message. None of the legends correctly designated the Fund as sponsor. Although, in fact, the Fund members intended to solicit no funds, as a carry-over of the Tarboro Street copy Bailey had used before the group assumed payment, each legend

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solicited payments towards the cost of the message.<sup>1</sup>

On or about July 16, 1984, Trotter was notified of the Democratic Party's complaint and of the General Counsel's staff's claim that the Group, because of the legends, may have violated the Federal Elections Campaign Act. Trotter then for the first time read the attribution legends on the billboards and noted that they stated that the billboards were being paid for by sources other than the "Nash/Edgecombe Billboard Fund" and solicited monies when, in fact, the group did not intend to solicit monies from anyone for any purpose. By way of letter to Southeastern dated July 24, 1984, (Appendix "B"), Trotter advised Southeastern that the legends were inappropriate, requested a corrected legend, and indicated that no further payments would be made by the Group until the correction in legends was made. Trotter subsequently ceased mailing monthly

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<sup>1</sup> The attribution legends on the four billboards read as follows:

TARBORO STREET LEGEND: "This Billboard Is Political Advertising Paid For By J.C.D. Bailey. Contributions to keep This In Place Will Be Appreciated. Call Southeastern Advertising, Inc. (977-3149) P.O. Box 312, Rocky Mount, N.C."

HIGHWAY 301 AND HIGHWAY 97 LEGENDS: "This Billboard Is Political Advertising Paid For By Nash County Jesse Helms For Senate Committee, Helen Laughery Chairperson. Contributions To Keep This In Place Will Be Appreciated. Call Southeastern Advertising (977-3149) P.O. Box 312, Rocky Mount, N.C."

U.S. HIGHWAY 64 WEST LEGEND: "This Billboard Is Political Advertising Paid For By Nash County Jesse Helms For Senate Committee, J.C.D. Bailey, Chairman. Contributions To Keep This In Place Will Be Appreciated. Call Southeastern Advertising, Inc., (977-3149) P.O. Box 312, Rocky Mount, N.C."

statements to the individuals and ceased collections. While Trotter continues to hold some collected payments, he refuses to disburse these to Southeastern.

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Southeastern failed to implement the Group's request to modify the legends. Southeastern apparently made no effort to modify or terminate its contracts with Whiteco Metrocom and Glasgo Sign. The billboards remained in place after July 24, 1984, and Southeastern paid the billboard companies in accordance with its contracts with them. Southeastern made these payments without the advice, consent or knowledge of anyone in the Group, except Bailey. Southeastern continued to bill the Group through Trotter but the Group abided by its position expressed in Trotter's letter of July 24, 1984. Southeastern on several occasions after July 24, 1984, demanded reimbursement. The Group refuses to pay since it is not obligated to do so. While Bailey or Southeastern apparently expect ultimate payment, the Group has agreed to no further payment and acknowledges no debt owed to Southeastern. Southeastern ledger sheets indicate it paid \$10,319.00 for which it was not reimbursed.

#### STATEMENT OF THE ISSUES

Respondents respectfully submit the following issues for the Commission's determination:

- 1.) Has staff demonstrated clear and convincing fact that the billboard messages were anything other than First Amendment expressions wholly outside the scope of the sections on which staff urges a finding of probable cause?

2.) May the Commission find probable cause of a violation of 2 U.S.C. Section 441d simply because a group of individuals collectively sharing the costs of a political statement not expressly advocating the election of a candidate displayed a factually inaccurate but lawful legend?

3.) May the Commission find probable cause of an illegal corporate contribution and substantially extend the scope of federal election laws because a group of individuals collectively sharing the costs of a political statement not expressly advocating the election of a candidate refuse to reimburse a corporate advertising intermediary for invoices paid by the corporation but not authorized by the individuals?

#### SUMMARY OF ARGUMENT

There is no fact or law supporting a finding of probable cause. The investigation focuses exclusively on collective expressions of political thought. This investigation will be concluded at the friction point between the First Amendment's vigilant protection of unfettered expression of political ideas and General Counsel staff's efforts to infringe such freedoms by unwarranted expansion of the federal election laws.

The First Amendment affords--indeed the healthy democratic process depends on--full protection of the collective expression of political thought by pooling of resources to amplify voices. The First Amendment stands as a constant guardian against overly zealous regulatory infringement of speech. The Courts have accordingly insisted that the federal election laws be confined to narrow boundaries. These boundaries demand clear and cogent

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factual premises and strict legal construction. General Counsel staff instead urge an unwarranted expansion of the election laws, premised on inference rather than fact.

General Counsel's staff is unquestionably motivated by unwarranted and compounded inferences arising from the Democratic Party's complaint. The primary gravamen of that complaint is in no way factually related to these respondents. Staff would imagine a conspiracy that does not exist. Its position floats on a tenuous reed of suspicion. Suspicions and charges without basis in fact cannot be allowed to penalize collective First Amendment expressions.

General Counsel urges a finding of probable cause on three violations. Respondents are charged with soliciting "contributions" without the display of a proper disclaimer, in violation of 2 U.S.C. Section 441d. While the legends may have been factually inaccurate, they were not unlawful. Respondents are further charged with accepting (2 U.S.C. Section 441b(a)) and failing to report (2 U.S.C. Section 434(b)) a corporate contribution arising from respondents' failure to reimburse Southeastern for its payments after the group instructed Southeastern to correct the legends. Factually, such payments cannot be imputed to these defendants. In any event, no corporate "expenditure" or "contribution" within the meaning of the federal election laws was made or accepted. Per force, there can be no finding of the failure to report a "contribution."

General Counsel staff's position fails initially since there is no evidence to support these allegations. Further, the violations hinge on an unwarranted expansion of the Act's critical terms. The argument below demonstrates:

a. The messages were a display of a shared political view not expressly advocating the election or defeat of any candidate. Payments for the messages were then neither "contributions" or "expenditures" and were outside the election laws;

b. The attribution legends, while factually inaccurate, were not unlawful. The message was not an "expenditure." Any solicitation of funds was only for the billboard message. Since the message was outside of the election laws, there was no solicitation of a "contribution."

c. Having instructed Southeastern to correct the factually inaccurate but lawful legends, and having refused to reimburse Southeastern for its subsequent payment, these individuals cannot now be charged with receiving and failing to report an illegal corporate "contribution:"

(1) Southeastern's payment was for its own account and was not requested, accepted or endorsed by the individuals and was not a donation or gift to or on behalf of any obligation of these individuals; and

(2) In any event, since the message did not expressly advocate the election or defeat of a candidate for office, Southeastern's payments

were not "expenditures" or "contributions"  
governed by the federal election laws.

In short, the billboard messages and any payments for these messages were first and foremost political expressions squarely within the ambit of core First Amendment freedoms and wholly outside the legitimate sphere of regulation of the federal election laws.

#### ARGUMENT

#### I. The Commission's Inquiry Must Carefully Adhere to the Proper Interplay Between the Election Laws and The First Amendment's Protection of Unfettered Political Expression.

Accepting General Counsel staff's expansive construction of federal election laws to restrain the pooling of funds to amplify political voices would raise serious constitutional issues. F.E.C. v. National Conservative Political Action Committee, 470 U.S. \_\_\_, \_\_\_, 105 S. Ct. 1459, 1468 (1985). The landmark decision in Buckley v. Valeo, 424 U.S. 1, 96 S. Ct. 612 (1976), made clear that regulating the political process is necessary and proper but only if the Act is construed consistently with the First Amendment's broadest protection of political expression in order to "assure [the] unfettered interchange of ideas for the bringing about of political and social changes desired by the people." Id. at 13-14, 96 S. Ct. at 632 (quoting Roth v. United States, 354 U.S. 476, 484, 77 S. Ct. 1304, 1308 (1957)). Indeed, "there is practically universal

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agreement that a major purpose of that Amendment was to protect the free discussion of governmental affairs. . . . of course includ[ing] discussions of candidates . . . ." Mills v. Alabama, 384 U.S. 214, 218, 86 S. Ct. 1434, 1437 (1966). These notions are, "consistent with the firmly established principle that the right to speak out at election time is one of the most zealously protected under the Constitution." F.E.C. v. Central Long Island Tax Reform Immediately Committee, 616 F.2d 45, 53 (2d Cir. 1980).

The Act may be justified only by a showing of some substantial government interest. F.E.C. v. Massachusetts Citizens for Life, Inc., 769 F.2d 13, 22 (1st Cir. 1985), prob. juris. noted, 106 S. Ct. 783 (1986). It follows that an asserted violation of the Act must stand on a solid factual premise. Regulations must be confined to narrow limits. When the First Amendment is involved, the standard of review is "rigorous." National Conservative Political Action Committee, 470 at U.S. ,105 S. Ct. at 1479.

Staff's construction of facts cannot abide this rigorous standard of proof. Further, the facts, even as alleged, invade no policy protected by the federal election laws. The legitimate public interest supporting the Act is the elimination of the appearance and reality of corrupting candidates for office. Buckley, 424 U.S. at 25-26, 96 S. Ct. at 637-638. "The purposes of the Act are to limit spending in federal election campaigns and to eliminate the actual or perceived pernicious influence over candidates for elective office that wealthy

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individuals or corporations could achieve by financing the political war chests of those candidates." Orloski v. F.E.C. 795 F.2d 156, 163 (D.C. Cir. 1986). There is no connection between the messages now in question and any candidate. The political message was openly displayed. Expressions cannot be chilled or restrained simply because they are political. Restricting all payments to publicize commonly held views about a particular senator does not further the public interests in open political debate. F.E.C. v. National Conservative Political Action Committee, 470 U.S. at \_\_\_\_, 105 S. Ct. at 1470. A general "distrust" of such an enterprise of speakers is not a sufficient link with the purposes of the Act to support regulation. Id.

To confine the Act to its acceptable limits, Buckley made clear that construction of the terms "expenditures" and "contributions" have constitutional significance. Staff's factual deficiencies are compounded by their efforts to extend the application of those terms beyond their permissible constitutional boundaries. The asserted finding of probable cause must fail in fact and in law.

II. Since the Billboard Message Was Itself Outside the Ambit of the Election Laws, the Attribution Legend Was Lawful, Even if Factually Inaccurate.

There can be no violation of the federal election laws simply because the attribution legends were factually inaccurate.

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Section 441d applies only to "expenditures" or solicitation of "contributions" within the Act. General Counsel's staff urges a finding of probable cause that respondents violated 2 U.S.C. Section 441d(a) because the four billboards solicited "contributions", incorrectly identified who paid for the message and did not disclaim that the communication was authorized by any candidate or candidate's committee. General Counsel's Brief at 5-6.<sup>2</sup> There must be a finding of no probable cause since the message itself was neither a "contribution" or "expenditure" since it contained no terms of express advocacy. Any solicitation was not for "contributions" but for payment related exclusively to this protected message. The attribution legend is not controlled by Section 441d and, therefore, even if factually inaccurate is not unlawful.

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<sup>2</sup> Pages 2-3 of the General Counsel's Brief dwell on Bailey's supposed relationship with the candidate Jesse Helms. These allegations do not pertain to these respondents. General Counsel's staff correctly limits its allegation against these respondents to a violation of 2 U.S.C. Section 441d(a)(3) which refers to communications not authorized by a candidate, an authorized political committee of a candidate, or its agents. The group of citizens that pooled their money to communicate their support for Jesse Helms acted completely independent of Senator Helms, his authorized political committee, and/or any of his agents. The group was not controlled by and was not the alter-ego of Bailey. Accordingly, even if Bailey were disqualified from independent expenditures, the group was not. In fact, staff has shown no fact associating Bailey with the candidate Helms and has raised only inferences that Bailey was disqualified from making First Amendment expressions. While this brief is not on Bailey's independent behalf, the entire controversy is built on a factually unproven relation between Bailey and the candidate Senator Helms.

Section 441d(a) of the Act provides that:

Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or solicits any contribution through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing or any other type of general public political advertising, such communication-- (3) If not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidates' committee.

2 U.S.C. Section 441d(a) (emphasis added). The requirement of an "expenditure" or a solicitation of a "contribution" is carried forward in the Regulations. 11 CFR 110.4(a)(2).

The critical terms "expenditure" and "contribution" are both defined terms within the Act and each has been judicially narrowed. To be an "expenditure" the message must contain terms of express advocacy. A "contribution" addresses payments made to allow others to speak for political purposes or in connection with a political candidate or election. The billboard messages here were neither.

The Act defines an "expenditure" as including "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. . . ." 2 U.S.C. Section 431(9)(A)(i). The phrase "for the purpose of influencing any election" is both ambiguous and undefined.

Buckley, 424 U.S. at 76-77, 96 S. Ct. at 662. To save the Act from unconstitutional vagueness and chilling of First Amendment

expressions, the Buckley Court narrowed the Act's application. "[W]e construe 'expenditures' . . . to reach only funds used for communication that expressly advocates the election or defeat or a clearly identified candidate. This reading is directed precisely to that spending that is unambiguously related to the campaign of a particular federal candidate." Id. at 80, 96 S. Ct. at 664. Furthermore, "this construction would restrict the application of [the Act] to communications containing express words of advocacy of election or defeat, such as 'vote for,' 'elect,' 'support,' 'cast your ballot for,' 'Smith for Congress,' 'vote against,' 'defeat,' 'reject.'" Id. at 45 n.52, 96 S. Ct. at 647 n.52.

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The required language of advocacy must be express and not implied. FEC v Central Long Island Tax Reform Immediately Committee, 616 F.2d 45 (2d Cir. 1980). Staff's assertion to the contrary has been squarely rejected. In Central Long Island, the F.E.C. brought a civil action to enforce compliance with the Section 441d disclaimer provisions. The John Birch Society, Inc. published a quarterly bulletin in which the Society was identified as the publisher. The bulletin set forth positions with respect to certain economic and tax issues, the voting records of all members of Congress on specific legislation concerning these issues, and a commentary reflecting the Society's views as to the merits of the bills identified. No mention was made of any particular federal election, the political affiliation of any congressmen, or the name or views of any electoral opponent of any Congressman. Id. at 49. The

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Court noted the requirement of "express advocacy" in Section 441d was incorporated in response to Buckley. The Court therefore concluded that Section 441d could not apply to the Society's conduct because the bulletin did not call for anyone's election or defeat. The court squarely rejected the F.E.C.'s position that advocacy of a candidate can be implied rather than expressed. The F.E.C. has urged that the bulletins at issue were not disseminated for the limited purpose of merely informing the public about the voting record of a government official so that the Act should reach statements "for the purpose, express or implied, of encouraging election or defeat." Id. at 53. The message on the "Jesse Helms is Right" billboards was clearly then not an "expenditure" since it contained no words of express advocacy.

Payments to display the message were likewise not "contributions" and solicitations for payment were not solicitations for "contributions." The Act defines "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. . . ." 2 U.S.C. Section 431(8)(A)(i). Regulations likewise require that the contribution be "for the purpose of influencing an election." 11 CFR Section 110.7(a)(1).

In addition to being "for the purpose of influencing any election," a "contribution" relates to one's payments to others to allow such others to speak. Buckley, 424 U.S. at 20, 96 S. Ct. at 635. It follows that payments for one's own speech is

regulated only if such payment independently is an "expenditure"-  
-that is, contains words of express advocacy.

As with the term "expenditure" the Buckley Court held that the word "contribution" must be narrowly defined to meet constitutional requirements. The Court noted that lower courts had given "contributions" a narrow meaning in contexts not directly at issue in Buckley. Id. at 24 n.24, 98 S. Ct. at 637 n.24. In general, "contributions" are those funds provided to a candidate, a political party or a campaign committee either directly or indirectly through an intermediary and dollars given to another person or organization that are earmarked for political purposes. Id. at 78, 96 S.Ct. at 663. Here, the billboard messages solicited no such payments.

United States v. National Committee for Impeachment, 469 F.2d 1135 (2d Cir. 1972), was one significant case cited by Buckley which narrowed the phrase "contribution made for the purpose of influencing." In National Committee, the Government brought an action against a committee which had paid for publication of certain advertisements containing requests for contributions and calling for the impeachment of President Nixon. The Court construed the words "made for the purpose of influencing" to limit "expenditures" and "contributions" to payments made with the authorization or consent, express or implied, or under the control, direct or indirect, of a candidate or his agents, or to committees soliciting contributions or making expenditures the major purpose of which is the nomination or election of candidates. Id. at 1141.

Thus, as expenditure limitations have the "express advocacy" requirement, "contributions" must be directed to the nomination or election of candidates--an element non-existent in the billboard messages here.

Payments do not become "contributions" simply because they are made jointly by groups of individuals in order to express common political views. California Medical Association v. F.E.C., 453 U.S. 182, 197 n.17, 101, S. Ct. 2712, 2722 n.17 (1981). The key element in a "contribution" is that the transformation of the payment into political debate involves speech by someone other than the contributor. Buckley, 424 U.S. at 21, 96 S. Ct. at 636.

In stark contrast to these limited definitions of "contribution" and "expenditure," the group of North Carolina citizens pooled their resources to make a direct communication of a shared political view that "Jesse Helms is right." Such collective speech to amplify the voices of a group of citizens is entitled to full First Amendment protection and falls clearly without the scope of the Act. F.E.C. v. National Conservative Political Action Committee, 470 U.S. \_\_\_\_, \_\_\_\_, 105 S. Ct. 1459, 1468 (1985).

Factually inaccurate legends are illegal only if they are in connection with an "expenditure" or a "contribution". These legends do not come within the Act's regulations of "expenditures", because the message was not an "expenditure." Equally the legend does not fall within the Act simply because payment by others was solicited. Rather than soliciting

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"contributions" as that term has been judicially and statutorily defined, the message only invited others to add their voice to the collectively held political view. No payment was sought for any election, any candidate or any committee of a candidate.

In sum, the message itself never fell within the ambit of the Act since it contained no terms of express advocacy. Since the message was unregulated, invitations for sharing the costs of the message are also outside the Act. No Section 441d violation has been demonstrated. The legends were legal, even if factually inaccurate.

III. No Illegal Corporate Contribution Can Be Found Since The Corporate Payment Was Not On Behalf Of Or Authorized By the Citizens' Group And Any Payment Was Not In Any Event For A Message Regulated By The Act.

General Counsel's staff asserts that the group of citizens knowingly ran afoul of 2 U.S.C. Section 441b and 434(b) because Southeastern continued payments for the billboard messages after it was instructed by the group to terminate the factually inaccurate, but lawful, attribution legends. The message was entirely lawful and protected. Had the legend been corrected as requested by the group, the display would have been wholly in conformity with fact and law. Corporate payment for the message did not make its display lawful.

No probable cause can be found first since the asserted violation is premised on inferences unsupported by fact. To prove a violation, staff must demonstrate: (a) that the group knew of the payments by Southeastern; and (b) that Southeastern

made the payments on behalf of the group and the group accepted the payments. There is no such evidence. Secondly, assertion of a violation necessarily but errantly assumes that the Act extends to corporate payments made for a political expression containing no term of express advocacy. Since the Act cannot apply to the message, Southeastern's payment cannot be an imputed "contribution."

a. Southeastern made independent payments unauthorized by and not chargeable to respondents.

Southeastern's payments were unknown to and not chargeable to respondents. The group terminated its verbal contract with Southeastern; Southeastern independently chose to continue or failed to terminate its own contract with the various billboard sign owners. Its payments were for its own business account.

Notwithstanding inferences and unsupported conclusions to the contrary in General Counsel staff's Brief, the facts support no proposition that the group of citizens communicating their belief that "Jesse Helms is Right" accepted or received any contribution from Southeastern prohibited by Section 441b. The group has no responsibility for or control over Southeastern's contracts with the billboard owners. In reality two contractual relationships existed: one between Southeastern and the billboard owners, the other between the group and Southeastern. Trotter's letter terminated the contract between the group and Southeastern. Southeastern, bound by its own written contracts with the billboard owners, chose to honor its obligations under those contracts. The group was unrelated in any way to either

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Southeastern or the billboard owners. Having instructed Southeastern to correct the legends, it was in no position to interfere with the contract between Southeastern and the billboard owners.

These two separate and independent contractual transactions cannot be factually disputed. Bailey testified that he entered into contracts with the various sign owners as an agent for Southeastern and that this transaction created a contractual agreement between Southeastern Advertising and the billboard owners. Bailey at 46. While he noted the existence of the name "Nash County Jesse Helms for Senate Committee" on the printed contract between Southeastern and the billboard companies, he further indicated that this addition was merely conveniently to identify Southeastern's account. Southeastern, and not the group, was legally obligated to the billboard owners for rental under the written contracts. Thus there existed a contractual obligation between the billboard owners and Southeastern wholly independent of the group. Southeastern's payment was exclusively for its own contractual commitment.

Bailey further testified that from the Spring of 1983 until July 24, 1984, the common way of doing business was that Southeastern paid its obligations to the sign owners under the various contracts and in turn, Southeastern billed the group through Trotter. Bailey at 54-55. Bailey indicated his intent that Southeastern realize a profit from the billboard displays. Bailey at 56. This profit motive clearly manifests the absence of any motive to "contribute."

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Staff's position mistakenly relies on the critical assumption that the group had the power to terminate Southeastern's contracts with the sign owners or that Bailey possessed the power to control the group. General Counsel's Brief, page 7-8. There is no evidence supporting this critical assumption. Even though Southeastern's majority shareholder is Bailey, and Bailey may have initiated the first billboard message, it is wholly improper to leap to a conclusion that Trotter or others had control over Southeastern's decision to pay for the billboards after it failed to terminate binding written contracts following Trotter's letter of July 24, 1984. Staff's brief further asserts that the group knowingly accepted Southeastern's payment. To the contrary, the group refused to ratify the payments. Trotter refused to release monies held by him.

Staff, in short, appears to imagine a conspiracy that does not exist. The group had no powers to enjoin further displays. The Commission certainly did following the complaint. The group should be imputed evil motive for a failure to act beyond its control.

What Southeastern paid, it paid for its own account. These payments cannot be attributed to the group.

b. There is no legal basis on which to consider a gift by Southeastern to the group.

Manifestly, a "contribution" bespeaks a gift of funds. A debt may be the subject of a gift to the debtor only under

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narrow facts. In Re Estate of Russell, 385 Pa. 557, 565, 123 A.2d 705, 709 (1956); Annot., 63 A.L.R. 2d 259 (1959). There are no facts here to support the finding of any gift.

To establish a violation of Section 441b, the staff must at a minimum prove donative intent by Southeastern to deliver to the group something of value and the group's acceptance of that thing of value. Elyachar v. Gerel Corp., 583 F. Supp. 907, 910 (S.D. N.Y. 1984). The unchallenged deposition testimony of Bailey is entirely inconsistent with Southeastern's donative intent. Bailey steadfastly maintains that the \$10,000.00 balance remains due and owing. Bailey at 68, 87. Trotter confirmed Bailey's repeated payment demands. Trotter at 63. For there to have been a delivery of a gift, the purported "debt" had to be forgiven, and the creditor must execute a receipt, deed, written assignment, or similar instrument. In re Estate of Russell, 385 Pa. at 567, 123 A.2d at 713-14. Trotter's refusal to pay over collected funds is squarely at odds with the group's acceptance of a gift. Staff's position then is both factually inaccurate and at odds with general principles of common law. As will be demonstrated, in all events, the corporate payments fall outside the ambit of the federal election laws.

c. Southeastern's payments were not "contributions" since they were for a message not regulated by the federal election laws.

As earlier indicated, the message, "Jesse Helms is Right," is a fully protected message outside the regulations of

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"contributions" and "expenditures." Even if the Commission could overlook the factual inadequacies of staff's tying Southeastern's payments to the group, Southeastern's payments nevertheless and not precluded by the federal election laws.

Southeastern's direct payment for the message does not come within the election laws simply because Southeastern is a corporation. A corporation may make statements fully entitled to First Amendment protection. Pacific Gas & Electric Co. v. Public Utilities Commission of California, \_\_ U.S. \_\_, 106 S.Ct. 903, 907 (1986). Section 441b(a) in any event provides limits on the regulation of "expenditures" and "contributions" by a corporation which cannot here be satisfied.

These limitations are three. First, as discussed earlier both terms are specifically defined in Section 431 and are limited to those made for the purpose of "influencing any election." Second, both terms are further modified in Section 441b(a) by the phrase "in connection with any election." 2 U.S.C. 441b(a) and Section 441b(b)(2). Finally, the terms must be further narrowed consistent with judicial construction. Corporate payments for a message containing no express term of advocacy and not in connection with an election must remain outside the scope of the Act.

The recent case of Orloski v. F.E.C., 795 F.2d 156 (D. C. Cir. 1986) is instructive. In Orloski, the Court reviewed the F.E.C.'s method for determining whether corporate funding of an event sponsored by an incumbent congressman is illegal under the Act. The Court noted that the F.E.C. interpreted the Act to

mean that corporate funding of events sponsored by congressmen who are candidates for re-election is not prohibited by Section 441b(a) if those events are "non-political." The F.E.C. adopted a bright line test to distinguish between "political" and "non-political" congressional events. An event is "non-political" if there is an absence of any communications expressly advocating the nomination, election or defeat of a Congressional candidate, and there is no solicitation of campaign contributions. Id. at 160. The Court upheld the F.E.C.'s interpretation and found it consistent with the Buckley Court's requirement of express advocacy in Sections imposing limitations on expenditures. Id. at 166-67. Similarly, corporate expenditures to fund billboard communications should be subject to the prohibitions of Sections 441b(a) if and only if the communication contains words of express advocacy. Since the billboards at issue contain no such terms, Section 441b should not apply to make these corporate "expenditures" to be imputed to the group as corporate "contributions."

The application of Section 441b to the current controversy is further unwarranted under the holding in F.E.C. v. Massachusetts Citizens for Life, 769 F.2d 13 (1st Cir. 1985), prob. juris. noted, \_\_\_\_ U.S.\_\_\_\_, 106 S.Ct. 783 (1986). That appeal presented the question of whether 441b may constitutionally prohibit the publication by a non-profit ideological organization of a newsletter containing the voting records of federal candidates on particular issues of interest to the organization's members. The newsletter in question

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typically contained information about the organization's activities, solicitations for volunteers and contributions, material on political, administrative, judicial, and legislative developments, and appeals to members to contact legislators and express their support of the anti-abortion issue. Id. at 15. Unlike the billboard messages at issue here, the newsletter in Massachusetts for Life expressly advocated the election of clearly identified candidates within the meaning of Buckley. Id. at 20. Nevertheless, the Court held that the Act was unconstitutional as applied to the organization, and stated:

We must conclude that the F.E.C. has offered no substantial Government interest in prohibiting MCFL's expenditures for publication of its Special Election Editions. We therefore hold that the application of Section 441b to indirect, uncoordinated expenditures by a non-profit ideological corporation expressing its views of political candidates violates the organization's First Amendment Rights.

Id. at 23. Similarly, Section 441b may not be applied to a message that "Jesse Helms is Right" even if some of the cost is paid by a corporation.

d. There was no failure to report a corporate contribution.

In summary, there was no illegal corporate contribution in violation of Section 441b for two independent reasons: 1.) Southeastern's payments factually cannot be imputed to these respondents; and 2.) in any event, Southeastern's payments were exclusively for a message containing no express term of advocacy and were unaffiliated with a candidate. The payments were neither "contributions" nor "expenditures" under the election laws.

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The General Counsel asks for a finding of probable cause of a violation of 2 U.S.C. Section 434(b) for failure to report the receipt of this corporate contribution. Since there was no such contribution, there can be no failure to report it.

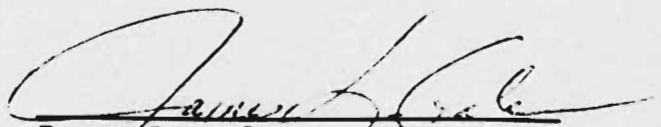
#### CONCLUSION

The First Amendment must control over an unwarranted expansion of the federal election laws. This investigation concerns activity in connection with the display of political messages containing no express terms advocating election or defeat of a candidate for public office. Critically, any payment or solicitation for payment, whether individually or corporately, related exclusively to that message. No monies were sought for a candidate or intermediary to engage in separate political activity. Accordingly, the matters under investigation concern no "expenditure," "contribution" or the solicitation of "contributions."

To the extent that General Counsel suspicions that Bailey or Southeastern were disqualified from the protection of the limited construction of the Act's terms by reason of some assumed but unproven association with the candidate, there is absolutely no factual premise for imputing this disqualification to respondents. They therefore respectfully urge a finding of no probable cause.

Respectfully submitted this 10<sup>th</sup> day of November, 1986.

SMITH HELMS MULLISS & MOORE



James L. Gale  
Charles N. Anderson, Jr.  
316 West Edenton Street  
Post Office Box 27525  
Raleigh, North Carolina 27611  
Telephone: (919) 828-8207

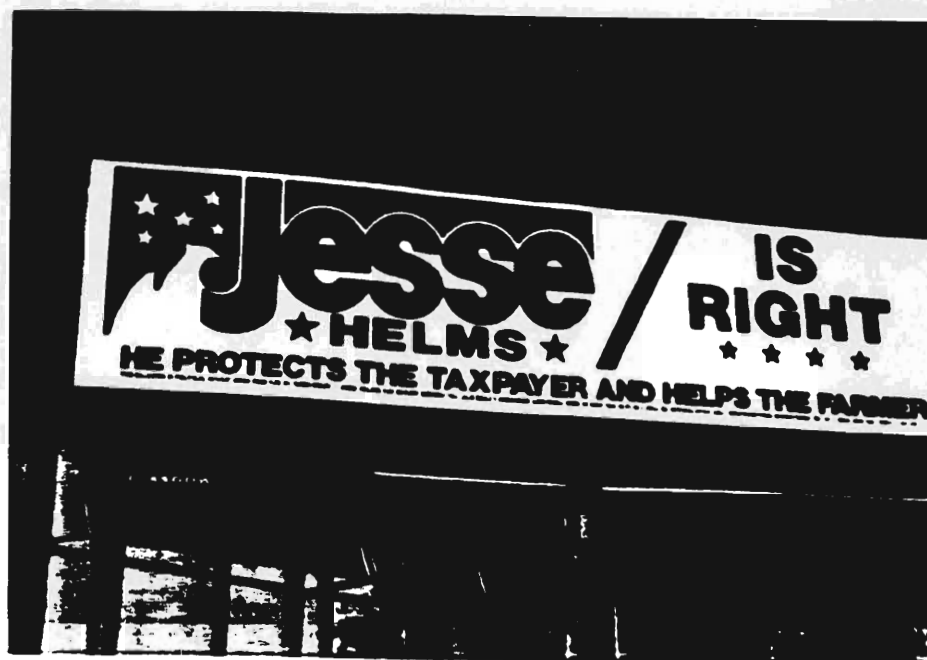
38040673670

TARRBORO STREET BILLBOARD



88040673671

U.S. HIGHWAY 64 BILLBOARD



88040673672

HIGHWAY 97 BILLBOARD



HIGHWAY 301 BILLBOARD



88040673673

JAMES R. TROTTER  
ATTORNEY AT LAW  
POST OFFICE BOX 226  
106 SOUTH FRANKLIN STREET  
ROCKY MOUNT, NORTH CAROLINA 27801

AREA CODE 919  
977-1363  
977-1194

July 24, 1984

Southeastern Advertising, Inc.  
P.O. Box 312  
Rocky Mount, North Carolina 27801

Gentlemen:

Since May 1983, Nash/Edgecombe Billboard Fund has been receiving and paying invoices submitted by you. It is my understanding that the invoices were for the costs of installing and maintaining "Jesse Helms Is Right" billboards on Tarboro Street, U.S. Highway 64 West, U.S. 301 South and N.C. 97 East.

This morning I inspected each of these billboards to determine the appropriateness of the attribution legends displayed. I did so in response to a complaint made to the Federal Election Commission by David E. Price, Jr., Executive Director of North Carolina Democratic Party, a copy of which was sent to me with a letter advising that Nash/Edgecombe Billboard Fund and I, as its Treasurer, may have violated the Federal Elections Campaign Act because of the attribution legends on the billboards.

My inspection revealed that none of the attribution legends on the billboards attributed payment for the billboards to Nash/Edgecombe Billboard Fund. If the payments that have been made to you by Nash/Edgecombe Billboard Fund were for these billboards, as I believe, the legends are inappropriate and must be changed, at once.

The attribution legend that should be displayed on each billboard that is being paid for by Nash/Edgecombe Billboard Fund is as follows:

"Paid For By Nash/Edgecombe Billboard Fund, James R. Trotter, Treasurer. Not Authorized By Senator Helms Or Any Authorized Committee Of Senator Helms"

Please have the attribution legends that are now displayed on all billboards being paid for by Nash/Edgecombe Billboard Fund removed or covered and the above legend displayed in their places, at once. If this is not to be done at once please so advise me.

Southeastern Advertising, Inc.

July 24, 1984

Page 4

Nash/Edgecombe Billboard Fund will not honor invoices from you for the billboards until the foregoing changes are made and I have inspected the changes and found them to be satisfactory.

Yours very truly,

*James R. Jett*

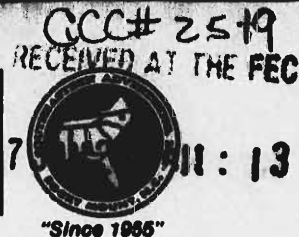
JRT/sta

88040673675

74

# SOUTHEASTERN ADVERTISING, INC.

BOX 312 • DIAL 977-3149 • ROCKY MOUNT, NORTH CAROLINA 27802-0312



January 16, 1987


Mr. Tom Whitehead  
Federal Election Commission  
Washington, DC 20463

Re: Southeastern Advertising  
Incorporated and  
Jack C. D. Bailey  
MUR 1736

Dear Mr. Whitehead:

I have enclosed an executed Conciliation Agreement as per our negotiations and conversations. Please let me know if you have any questions.

Yours very truly,



Cleveland P. Cherry  
Corporate Secretary

CPC/dte

cc: J. C. D. Bailey

Enclosure

- JAN 21 8:42

75

88040673676

**SENSITIVE**

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )

Southeastern Advertising, Inc. )

and Jack C.D. Bailey, individually )

and as its President )

MUR 1736

APR 17 1964 9:37

**GENERAL COUNSEL'S REPORT**

**I. BACKGROUND**

Attached is a conciliation agreement which has been signed by Jack C.D. Bailey in his individual capacity and as President of Southeastern Advertising, Inc. in settlement of violations of 2 U.S.C. §§ 441a and 441b respectively.

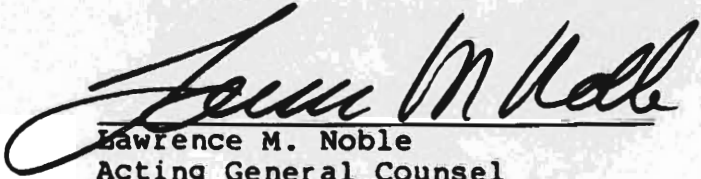
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**II. RECOMMENDATIONS**

1. Accept the proposed conciliation agreement submitted by Southeastern Advertising, Inc. and Jack C.D. Bailey, individually and as president of Southeastern Advertising, Inc.
2. Approve and send the attached letter.
3. Close the file as it pertains to these respondents.

Date

4/15/87

  
Lawrence M. Noble  
Acting General Counsel

**Attachments:**

- I. Signed conciliation agreement
- II. Proposed letter to Respondent

88040673678



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20461

MEMORANDUM TO: LAWRENCE M. NOBLE  
ACTING GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JERYL L. WARREN *JW*

DATE: APRIL 20, 1987

SUBJECT: COMMENTS ON MUR 1736 - GENERAL COUNSEL'S REPORT  
SOUTHEASTERN ADVERTISING, INC.  
SIGNED APRIL 15, 1987

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

Attachment:  
copy of vote sheet

BALLOT



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

SENSITIVE

DATE & TIME TRANSMITTED: Friday, April 17, 1987, 12:00

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

RETURN TO COMMISSION SECRETARY BY Tuesday, April 21, 1987, 4:00

SUBJECT: MUR 1736 - General Counsel's Report  
Southeastern Advertising, Inc.  
Signed April 15, 1987

97 APR 20 11:45

COMM. SECRETARY

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

COMMENTS: For the record

DATE: 4-20-87 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.

77

38040673680

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Southeastern Advertising, Inc. ) MUR 1736  
and Jack C.D. Bailey, individually )  
and as its President )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 21, 1987, the Commission decided by a vote of 5-1 to take the following actions in MUR 1736:

1. Accept the proposed conciliation agreement submitted by Southeastern Advertising, Inc. and Jack C.D. Bailey, individually and as president of Southeastern Advertising, Inc., as recommended in the General Counsel's Report signed April 15, 1987.
2. Approve and send the letter, as recommended in the General Counsel's Report signed April 15, 1987.
3. Close the file as it pertains to these respondents.

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

Attest:

4-22-87

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission

78

Received in the Office of Commission Secretary: Fri., 4-17-87, 9:37  
Circulated on 48 hour tally basis: Fri., 4-17-87, 12:00  
Deadline for vote: Tue., 4-21-87, 4:00

/jw/

38040673691



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

May 13, 1987

James L. Gale, Esquire  
Smith Helms Mulliss & Moore  
P.O. Box 27525  
Raleigh, NC 27611

RE: MUR 1736  
Nash/Edgecombe Billboard  
Fund and James R. Trotter,  
as its Treasurer

Dear Mr. Gale:

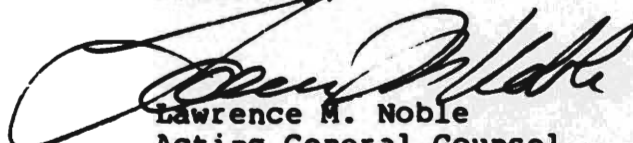
On May 5, 1987, the Commission determined that there is probable cause to believe that the Nash/Edgecombe Billboard Fund and James R. Trotter as its treasurer violated 2 U.S.C. § 441d(a) by failing to include the appropriate disclaimer on certain billboard advertisements. It also voted to take no action with respect to 2 U.S.C. §§ 441b and 434.

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

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

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Thomas Whitehead, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

  
Lawrence M. Noble  
Acting General Counsel

Enclosure  
Conciliation Agreement

# SOUTHEASTERN ADVERTISING, INC.

BOX 312 • DIAL 977-3149 • ROCKY MOUNT, NORTH CAROLINA 27802-0312



RECEIVED AT THE FEC

NOV 1 10:00

May 29, 1987

Mr. Tom Whitehead  
Federal Election Commission  
Washington, DC 20463

Re: Southeastern Advertising  
Incorporated and  
Jack C. D. Bailey  
MUR 1736

87 JUN 1 P 3:24

RECEIVED  
GENERAL INVESTIGATIVE  
DIVISION

Dear Mr. Whitehead:

I have enclosed a check in the amount of \$3,500.00 in payment of the amount agreed upon as per our Conciliation Agreement. Please send me an executed copy of the Conciliation Agreement upon receipt of these funds.

As soon as I receive the executed copy of the Conciliation Agreement, I will consider this matter at a close unless I hear from you further.

Yours very truly,

Cleveland P. Cherry  
Corporate Secretary

CPC/dte

cc: J. C. D. Bailey

Enclosure

83

38040673683

**SOUTHEASTERN ADVERTISING CO., INC.**

P.O. BOX 312  
ROCKY MOUNT, NORTH CAROLINA 27801

DATE	INVOICE	AMOUNT

66-867  
531

N<sup>o</sup> 5163

PAY AMOUNT Three thousand five hundred and no/100 DOLLARS

CHECK NO.  
**5163**

TO THE ORDER OF

Federal Election Comm

DATE	GROSS AMT.	DISCOUNT	CHECK AMOUNT
5-26-87			3500.00

SOUTHEASTERN ADVERTISING CO., INC.

PEOPLES BANK & TRUST COMPANY — ROCKY MOUNT, NORTH CAROLINA 27801

*J. C. Bailey*

⑈005163⑈ ⑆053108674⑆ 00 2051645⑈

6 CC 3512

**MEMORANDUM**

TO: Debra A. Reed

TO: Cecilia Lieber

FROM: Cecilia Lieber

FROM: Debra A. Reed

CHECK NO. 5163 (a copy of which is attached) RELATING

TO MUR 1736 AND NAME Southeastern Ad. Inc.

WAS RECEIVED ON 6-1-87. PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

1 ✓ BUDGET CLEARING ACCOUNT (#95F3875.16)

1 / CIVIL PENALTIES ACCOUNT (#95-1099.160)

1 / OTHER

SIGNATURE Retha L. Dixon DATE 6-3-87

83

87 JUN 1 P 3:27

GEN

0673684

**SMITH HELMS MULLISS & MOORE**  
ATTORNEYS AT LAW  
RALEIGH, NORTH CAROLINA

87 JUN 4 4:00

GREENSBORO OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 21927  
GREENSBORO, N.C. 27420

STREET ADDRESS  
500 NCMS BUILDING  
101 WEST FRIENDLY AVENUE  
GREENSBORO, N.C. 27401

TELEPHONE 919/378-1450  
TELECOPIER 919/379-9558

CARY OFFICE  
EDINBURGH CENTER  
SUITE 104  
117 EDINBURGH SOUTH  
CARY, N.C. 27511

TELEPHONE 919/487-7703

MAILING ADDRESS  
POST OFFICE BOX 27525  
RALEIGH, N.C. 27611

STREET ADDRESS  
318 WEST EDENTON STREET  
RALEIGH, N.C. 27603

TELEPHONE 919/828-8207

CHARLOTTE OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 31247  
CHARLOTTE, N.C. 28231

STREET ADDRESS  
227 NORTH TRYON STREET  
CHARLOTTE, N.C. 28202

TELEPHONE 704/372-9510  
TELECOPIER 704/334-8467  
TELEX 572460

TAMPA OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 1842  
TAMPA, FLORIDA 33601

STREET ADDRESS  
PLAZA ON THE MALL  
SUITE 1512  
201 EAST KENNEDY BLVD.  
TAMPA, FLORIDA 33602

TELEPHONE 813/229-1993

June 1, 1987

Lawrence M. Noble, Acting General Counsel  
Federal Election Commission  
Washington, D.C. 20463

RE: MUR 1736

Dear Mr. Noble:

This will acknowledge receipt of your letter, dated May 13, 1987, and received by me via certified mail on May 28, 1987, regarding this matter and the determination of the Commission on May 5, 1987.

I understand the mandatory period of conciliation. Do I correctly understand that the period of 30 to 90 days begins from the date of our receipt of your notice, which would be May 28, rather than from May 13, the date of your letter, or May 5, the date of the Commission's action. I'd appreciate your advices.

I will discuss this matter promptly with my client and will soon be in touch with you.

With warmest personal regards, I remain,

Very truly yours,

SMITH HELMS MULLISS & MOORE

  
James L. Gale

JLG:sbw  
cc: James R. Trotter

87 JUN 4 4:11:33

RECEIVED  
GENERAL COUNSEL

84

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**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

06C

**MEMORANDUM**

**TO:** THE COMMISSIONERS  
STAFF DIRECTOR  
GENERAL COUNSEL

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

**DATE:** JULY 21, 1987

**SUBJECT:** STATEMENT OF REASONS FOR MUR 1736

Attached is a copy of the Statement of Reasons in  
MUR 1736 received in the Commission Secretary Office  
July 21, 1987 at 9:57.

88040673686



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 23, 1987

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Mr. Cleveland P. Cherry  
Corporate Secretary  
Southeastern Advertising, Inc.  
P.O. Box 312  
Rocky Mount, NC 27801

RE: MUR 1736  
Southeastern Advertising, Inc.  
and Jack C.D. Bailey

Dear Mr. Cherry:

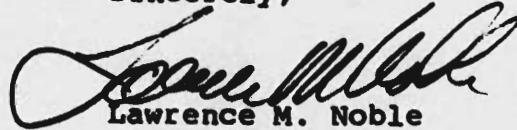
On April 21, 1987, the Commission accepted the conciliation agreement signed by Jack C.D. Bailey, individually and as President of Southeastern Advertising, Inc., in settlement of violations of 2 U.S.C. §§ 441a and 441b, provisions of the Federal Election Campaign Act of 1971, as amended. By the terms of the agreement, the civil penalty is due no later than thirty days from the date of execution by the Commission.

Upon receipt of the civil penalty, the file will be closed in this matter as it pertains to Southeastern Advertising, Inc. and Jack C.D. Bailey, and it will become a part of the public record within thirty days after this matter has been closed with respect to all other respondents involved. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing within 10 days.

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.

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

Sincerely,



Lawrence M. Noble  
Acting General Counsel

Enclosure:  
Conciliation Agreement

88040673688

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )  
Southeastern Advertising, Inc. and ) **MUR 1736**  
Jack C. D. Bailey, as its President )

**CONCILIATION AGREEMENT**

This matter was initiated by a signed, sworn, and notarized complaint by the North Carolina Democratic Party. The Commission has found probable cause to believe that Southeastern Advertising, Inc., and Jack C. D. Bailey, as president of Southeastern Advertising, Inc. ("Respondents") violated 2 U. S. C. §441b(a), by making in-kind corporate contributions to the Nash/Edgecombe Billboard Fund ("the Fund"), and that Jack C. D. Bailey, individually, violated 2 U. S. C. § 441a(a) (1) (A) by personally reimbursing Southeastern Advertising, Inc. for its in-kind corporate contributions. An investigation has been conducted.

NOW, THEREFORE, the Commission and 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.

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

1. Southeastern Advertising, Inc. is a corporation incorporated under the laws of the State of North Carolina.

2. Jack C. D. Bailey is the president of Southeastern Advertising, Inc.

3. The Nash/Edgecombe Billboard Fund is a political committee under 2 U. S. C. § 431(4) (A).

4. The Nash/Edgecombe Billboard Fund placed four billboard advertisements in Nash and Edgecombe counties of North Carolina that were intended to support the candidacy of Senator Jesse Helms.

5. Placement of the billboard advertisements was the idea of Jack C. D. Bailey.

6. Jack C. D. Bailey, through Southeastern Advertising, Inc., arranged for and contracted with the owners of the billboards for placement and payment of rents due for each billboard.

7. Jack C. D. Bailey, through Southeastern Advertising, Inc., contracted with the owners of the billboards to pay rents due on each through the 1984 General Election before the Nash/Edgecombe Billboard Fund was formed.

8. Southeastern Advertising, Inc., invoiced the Nash/Edgecombe Billboard Fund only for costs Southeastern incurred and never added a profit to its invoices to the Nash/Edgecombe Billboard Fund.

9. Southeastern Advertising, Inc. paid \$10,319 for rental of the billboards.

10. The Nash/Edgecombe Billboard Fund has not repaid Southeastern Advertising, Inc. for its expenditures.

11. Jack C. D. Bailey has personally assumed the \$10,319 liability of the Nash/Edgecombe Billboard Fund to Southeastern Advertising, Inc.

12. Notices included in the billboards solicited contributions to defray the costs of displaying the advertisements. Contributors were directed to Southeastern Advertising, Inc.

V. Respondent Southeastern Advertising, Inc. made in-kind contributions to the Nash/Edgecombe Billboard Fund, in violation of 2 U. S. C. § 441b(a).

VI. Respondent Jack C. D. Bailey, as president of Southeastern Advertising, Inc., consented to the making of the in-kind contributions by Southeastern Advertising, Inc., in violation of 2 U. S. C. § 441b(a).

VII. Respondent Jack C. D. Bailey, in his individual capacity, violated 2 U. S. C. § 441a(a) (1) (C) by assuming the liabilities of the Nash/Edgecombe Billboard Fund to Southeastern Advertising, Inc.

VIII. Respondents contend that these were not knowing and willful violations.

IX. Respondents will pay a civil penalty to the Federal Election Commission in the amount of three thousand five hundred dollars (\$3,500.00), pursuant to 2 U. S. C. § 437g(a) (5) (A).


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

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

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

XIII. 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 FEDERAL ELECTION COMMISSION:

  
Lawrence M. Noble  
Acting General Counsel

4/22/87  
Date

FOR THE RESPONDENTS:

Southeastern Advertising, Inc.

  
By: President

1/14/87  
Date

  
J. C. D. Bailey

1/14/87  
Date

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APR 28 1987

SENSITIVE

## BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )

Nash/Edgecombe Billboard Fund and )  
James R. Trotter, as its treasurer )

MUR 1736

## GENERAL COUNSEL'S REPORT

## I. BACKGROUND

On September 29, 1986, the Office of General Counsel sent its brief stating the position of the General Counsel regarding his intention to recommend that the Commission find probable cause to believe that the Nash/Edgecombe Billboard Fund ("the Fund") and James R. Trotter, as its treasurer violated 2 U.S.C. §§ 434(b), 441b(a) and 441d(a).

After being granted an extension of time in which to file a responsive brief, counsel for the Fund filed a responsive brief on November 10, 1986.

## II. LEGAL ANALYSIS

See OGC Brief of September 29, 1986. Essentially, this Office argued that the Fund violated 2 U.S.C. § 441b by accepting corporate contributions from Southeastern Advertising, Inc. ("Southeastern") in the form of payments for four billboard advertisements in Rocky Mount, N.C.; 2 U.S.C. § 434, for failing to report these contributions; and 2 U.S.C. § 441d for failing to include the proper disclaimer on these billboard advertisements.

Respondents have filed an extensive reply brief in which they argue three main points, namely, 1) that the billboard messages are protected by the First Amendment, 2) that 2 U.S.C. § 441d requires a message of express advocacy of the election of a clearly identified candidate; and 3) that there can be no

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GENERAL COUNSEL

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illegal acceptance of a corporate contribution under 2 U.S.C. § 441b by the Fund for refusing to pay Southeastern for the billboard advertisements for the period from June 1984 to October 1984 because the advertisements do not contain any messages which could be considered "express advocacy."

Respondents' argument basically rests on the proposition that there must be a showing of express advocacy of a candidate in order for a contribution to be made within the meaning of the federal election laws.

In support of their argument that the billboard messages are protected by the First Amendment, respondents stress the content of the billboard messages while ignoring the fact that it was the corporate contribution of Southeastern Advertising, Inc. that kept the billboards in place during the period from July, 1984 through October, 1984.

The Supreme Court has consistently upheld a broad ban on corporate contributions in connection with a federal election. National Right to Work Committee, Inc. v. FEC 459 U.S. 197 (1982). See also F.E.C. v. Massachusetts Citizens for Life, Inc. No. 85-701 (U.S. December 15, 1986; hereinafter "MCFL").

Therefore, respondents cannot avail themselves of the protection of the First Amendment for acceptance of the corporate contribution in this matter.

In connection with respondents' statutory arguments, it seems appropriate initially to consider the § 441b violation.

The pertinent statutory provision reads in part:

It is unlawful for ... any corporation whatever, or any labor organization to make a contribution or expenditure in connection with any election at which presidential and vice presidential electors or a Senator or Representative in ... Congress are to be voted for ...,

2 U.S.C. § 441b(a). The term "contribution" is defined under the Federal Election Campaign Act ("the Act") as follows:

(A) the term "contribution" includes-

(i) 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...

2 U.S.C. § 431(8) (A).

There is nothing in the Act or Regulations that stands for the proposition that a corporate contribution in connection with a federal election is prohibited only if such contribution pays for, subsidizes, or otherwise involves a communication which expressly advocates the election or defeat of a clearly identified candidate; it need only be shown that a corporate contribution was made and accepted. In fact, there is no necessity to show that the contribution paid for communications; indeed, contributions which pay for operating expenses are still prohibited under 2 U.S.C. § 441b.

In this matter, Southeastern directly paid for the four billboard messages from July, 1984 through October, 1984, at a time when Senator Jesse Helm was a candidate for reelection.

There is little doubt that the messages were for the purpose of influencing a federal election.<sup>1/</sup>

The messages were placed by a political committee, the Fund, and the payment by Southeastern, through its President J.C.D. Bailey, for the billboards was a corporate contribution to that political committee. The fact that the Fund, through its treasurer, refused to pay Southeastern because it had a dispute the about the "factual content" of the messages does not alter this conclusion. One cannot separate the activities of J.C.D. Bailey from the Fund; indeed he was the prime mover in the inception of the Fund and continued to take an active part in its activities. It was he who put the first billboard in place. The disclaimer on two of the four billboards identified Bailey as having paid for the message or as an officer of the "Nash County Jesse Helms for Senate Committee," an organization that was, in fact, the Nash/Edgecombe Billboard Fund. It cannot be said that the Fund had no control over Southeastern's conduct in paying for the billboards or that the relationship between the two organizations was "at arms length" given the relationship of Bailey to the Fund and the corporation. Therefore, this Office recommends that the Commission find probable cause to believe that the Fund violated 2 U.S.C. § 441b by accepting corporate contributions from Southeastern Advertising and 2 U.S.C. § 434

<sup>1/</sup> The messages are reproduced and appended to Respondents' brief.

for failing to report the acceptance of such in-kind contributions.

Turning to the issue of whether there is probable cause to believe that the Fund violated 2 U.S.C. § 441d, it seems clear that this statutory provision was violated. Respondents take the position that because the billboard messages fail to expressly advocate the election of a clearly identified candidate, there can be no violation of 2 U.S.C. § 441d. This argument ignores the relevance of context and timing to any analysis of express advocacy; more importantly, respondents totally overlook the second aspect of 2 U.S.C. § 441d which requires that there be a proper disclaimer when contributions are being solicited and, here, contributions were being solicited by the inclusion of the following language:

"This Billboard is Political Advertising  
Paid for by J.C.D. Bailey. Contributions  
to Keep This in Place Will Be Appreciated.  
Call Southeastern Advertising, Inc. (979-  
3149) P.O. Box 312, Rocky Mount, N.C."2/

Under 2 U.S.C. § 441d that section the Fund was required to set forth that the communication was not authorized by a candidate or an authorized committee of a candidate. The lack of

2/ In two of the four billboard messages there is the following language: "This Billboard is Political Advertising Paid For by Nash County Jesse Helms for Senate Committee, Helen Laughrey, Chairperson." In the other, there is the following language: "This Billboard is Political Advertising Paid For by Nash County Jesse Helms for Senate Committee, J.C.D. Bailey Chairman." All four appeal for contributions to be sent to Southeastern Advertising, Inc.

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authorization from Senator Helms or his authorized committee was never included in the billboard messages so that § 441d was violated by the Fund for its failure to include this fact.

Therefore, the messages at all times were deficient and in violation of 2 U.S.C. § 441d. This Office recommends that the Commission find probable cause to believe that the Fund violated 2 U.S.C. § 441d(a) for failing to include the proper disclaimer on the billboard advertisements.

### III. DISCUSSION OF CIVIL PENALTY

### IV. RECOMMENDATIONS

1. Find probable cause that the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer, violated 2 U.S.C. §§ 441b, 434, and 441d(a).
2. Approve and send the attached letter and conciliation agreement.

Date

4/15/87

Lawrence M. Noble  
Acting General Counsel

### Attachments

Letter and proposed conciliation agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Nash/Edgecombe Billboard Fund and ) MUR 1736  
James R. Trotter, as its treasurer )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of May 5, 1987, do hereby certify that the Commission decided by a vote of 6-0 to reject the recommendations contained in the General Counsel's April 15, 1987 report on MUR 1736 and instead take the following actions:

1. Find probable cause to believe that the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer, violated 2 U.S.C. § 441d(a), but take no action with respect to 2 U.S.C. §§ 441b and 434.
2. Direct the Office of General Counsel to send an appropriate letter and appropriate conciliation agreement

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

Attest:

5-6-87

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission

FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 1736  
Nash/Edgecombe Billboard Fund )  
and James R. Trotter, as treasurer)

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STATEMENT OF REASONS

On May 5, 1987, the Commission voted to find probable cause to believe that the Nash/Edgecombe Billboard Fund and James R. Trotter, as treasurer, violated 2 U.S.C. §441d(a) by making expenditures to finance communications expressly advocating the election of a federal candidate which failed to state a proper 'disclaimer.' The Commission rejected the recommendation of the Office of General Counsel, however, to find probable cause to believe the Fund violated 2 U.S.C. §§441b and 434, and voted to take no action with respect to those purported violations.

In MUR 1736, the Commission reviewed the allegations that the Fund had knowingly accepted in-kind contributions from a corporation in the form of payments for billboard space by Southeastern Advertising, Inc., in violation of 2 U.S.C. §441b, and had failed to report the acceptance of these contributions, in violation of 2 U.S.C. §434.

The evidence before the Commission indicated that the Fund, upon receiving the complaint in this matter, had directed Southeastern Advertising, Inc., to change the disclaimer on the billboards to conform to the requirements of 2 U.S.C. §441d; that, when the changes were not made to its satisfaction, the Fund informed Southeastern that it would not pay for the billboard advertising; and that Southeastern continued to pay for

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STATEMENT OF REASONS  
MUR 1736  
Page 2

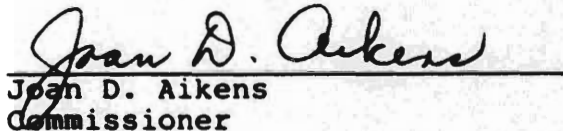
the placement of the billboards despite the refusal of the Fund to reimburse Southeastern.

Based upon this information, Commissioners Josefiak, Aikens and Elliott concluded that the Nash/Edgecombe Billboard Fund had not knowingly accepted in-kind corporate contributions from Southeastern Advertising, Inc., and, consequently, had no obligation to report such contributions. Accordingly, Commissioners Josefiak, Aikens and Elliott voted to reject the recommendation to find probable cause to believe the Fund had violated 2 U.S.C. §§441b and 434, and to take no action as to those alleged violations.

7-21/87

  
Thomas J. Josefiak  
Vice Chairman

7-20-87

  
Joan D. Aikens  
Commissioner


7-20-87

  
Lee Ann Elliott  
Commissioner

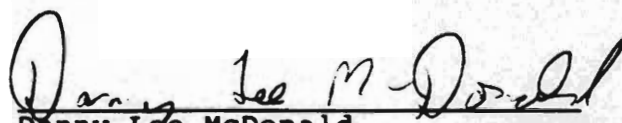
STATEMENT OF REASONS  
MUR 1736  
Page 3

Commissioners Thomas, McDonald and McGarry determined that the above information and other evidence was inconclusive as to the relationship between Nash/Edgcombe Billboard Fund and Southeastern Advertising, Inc. Upon considering the proper ordering of Commission priorities and resources, see Heckler v. Chaney, 470 U.S. 821 (1985), Commissioners Thomas, McDonald and McGarry concluded that no further factual inquiry or action as to the Fund was warranted and, accordingly, voted to reject the recommendation to find probable cause to believe the Fund had violated 2 U.S.C. §§441b and 434, and to take no action as to those alleged violations.


7-20-87

  
\_\_\_\_\_  
Scott E. Thomas  
Chairman

7-21-87

  
\_\_\_\_\_  
Danny Lee McDonald  
Commissioner

7-21-87

  
\_\_\_\_\_  
John Warren McGarry  
Commissioner

6CC # 4275

**SMITH HELMS MULLISS & MOORE**  
ATTORNEYS AT LAW  
RALEIGH, NORTH CAROLINA

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MAIL ROOM

GREENSBORO OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 21927  
GREENSBORO, N. C. 27420  
  
STREET ADDRESS  
500 NCNB BUILDING  
101 WEST FRIENDLY AVENUE  
GREENSBORO, N. C. 27401  
  
TELEPHONE 919/378-1450  
TELECOPIER 919/379-9558

MAILING ADDRESS  
POST OFFICE BOX 27825  
RALEIGH, N. C. 27611

STREET ADDRESS  
318 WEST EDENTON STREET  
RALEIGH, N. C. 27603

TELEPHONE 919/828-8207

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STREET ADDRESS  
227 NORTH TRYON STREET  
CHARLOTTE, N. C. 28202

TELEPHONE 704/372-9510  
TELECOPIER 704/334-8467  
TELEX 572460

CARY OFFICE  
EDINBURGH CENTER  
SUITE 104  
117 EDINBURGH SOUTH  
CARY, N. C. 27511  
  
TELEPHONE 919/467-7703

TAMPA OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 1842  
TAMPA, FLORIDA 33601

STREET ADDRESS  
PLAZA ON THE MALL  
SUITE 1512  
201 EAST KENNEDY BLVD.  
TAMPA, FLORIDA 33602

TELEPHONE 813/229-1010

August 28, 1987

Tom Whitehead, Esquire  
General Counsel's Office  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463

RE: MUR 1736

Dear Tom:

Following our telephone conference of August 25, I enclose as follows:

1. Final Conciliation Agreement, signed by James R. Trotter in behalf of the respondents;
2. Check Number 104 in the amount of Four Hundred Dollars (\$400.00).

I have incorporated the grammatical changes we discussed. While I recognize that you did not at the time of our conversation have authority to accept the four hundred dollar (\$400.00) penalty, I am authorized to commit that the agreement in its present form may be accepted by the Commission and the draft may be negotiated by the Commission upon approval of the Agreement.

Very truly yours,

SMITH HELMS MULLISS & MOORE

  
James L. Gale

JLG:sbw  
Enclosures  
cc: Mr. James R. Trotter

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NASH EDGECOMBE BILLBOARD FUND  
P O BOX 228  
ROCKY MOUNT, NC 27801

104

August 28 19 87

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PAY TO THE ORDER OF Federal Election Commission \$ 400.00

-----Four Hundred and-----00/100 DOLLARS

FIRST  
UNION

First Union National Bank  
Rocky Mount, North Carolina 27801

FOR

⑆053108344⑆ 7538023140⑈ 0104

*James H. Trotter*

3704

CCC # 4275

MEMORANDUM

806

TO: DEBRA A. TRIMIEW

TO: CECILIA LIEBER

FROM: CECILIA LIEBER

FROM: DEBRA A. TRIMIEW

CHECK NO. 104 { A COPY OF WHICH IS ATTACHED } RELATING TO  
FOR 1736 AND NAME Nash/Edgcombe Billboard Fund and  
(Whitehead) James H. Trotter, as treasurer

WAS RECIEVED ON 8/31/87. 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

9/1/87

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**II. DISCUSSION OF CONCILIATION PROVISIONS**

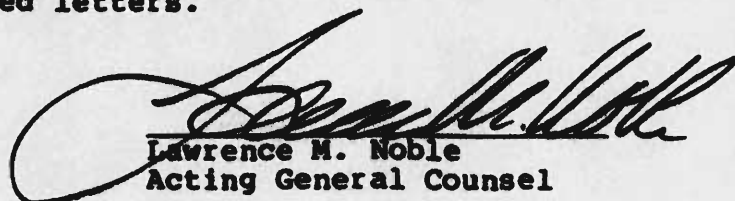
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**III. RECOMMENDATIONS**

1. Accept the counterproposed conciliation agreement with Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer.
2. Close the file.

3. Approve and send the attached letters.

Date 10/2/57

  
Lawrence M. Noble  
Acting General Counsel

Attachments

- I. Counterproposal and check
- II. Letters

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**Nash/Edgecombe Billboard Fund  
and James R. Trotter, as its  
treasurer**

**MUR 1736**

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 7, 1987, the Commission decided by a vote of 6-0 to take the following actions in MUR 1736:

1. Accept the counterproposed conciliation agreement with Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer, as recommended in the General Counsel's Report signed October 2, 1987.
2. Close the file.
3. Approve and send the letters, as recommended in the General Counsel's Report signed October 2, 1987.

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

**Attest:**

10-7-87

Date \_\_\_\_\_

Мария W. Емков

Marjorie W. Emmons  
Secretary of the Commission

Received in the Office of Commission Secretary: Fri., 10-02-87, 1:11  
Circulated on 48 hour tally basis: Mon., 10-05-87, 11:00  
Deadline for vote: Wed., 10-07-87, 11:00



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

13 October 1987

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

The Honorable David E. Price  
1223 Longworth House Office Building  
U.S. House of Representatives  
Washington, D.C. 20515

RE: MUR 1736

Dear Mr. Price:

This is in reference to the complaint you filed with the Federal Election Commission on July 7, 1984, concerning the Helms for Senate Committee and J.C.D. Bailey.

After conducting an investigation into this matter, the Commission found that there was probable cause to believe that Southeastern Advertising, Inc. and J. C. D. Bailey, individually, and as President of Southeastern Advertising, Inc. violated 2 U.S.C. §§ 441a and 441b, provisions of the Federal Election Campaign Act of 1971, as amended. On April 6, 1987, the Commission found that there was probable cause to believe that the Nash/Edgecombe Billboard Fund (the "Fund") and James R. Trotter, as its treasurer violated 2 U.S.C. § 441d(a). On that date, the Commission voted to take no action against the Fund and Mr. Trotter with respect to 2 U.S.C. §§ 441b and 434, rejecting the recommendation of the General Counsel's Office. On April 21, 1987, a conciliation agreement signed by J.C.D. Bailey, individually, and as President of Southeastern Advertising, Inc. was accepted by the Commission. On October 7, 1987, a conciliation agreement signed by James R. Trotter was accepted by the Commission. Copies of these agreements are enclosed for your information. Also enclosed is a Statement of Reasons adopted by the Commission explaining its decision to take no action with respect to the Fund in connection with 2 U.S.C. §§ 441b and 434. This document will be placed on the public record as part of the file in MUR 1736.

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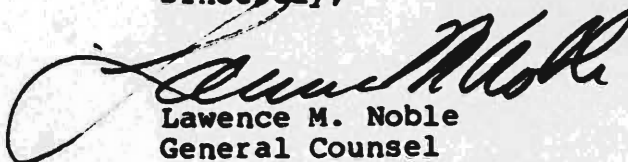
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Letter to David E. Price  
Page 2

On June 5, 1985, the Commission found reason to believe that the Helms for Senate Committee and Mark L. Stephans, as its treasurer violated 2 U.S.C. §§ 434(b) and 441a(f). On May 5, 1986, the Commission, in accordance with the recommendation of the General Counsel voted to take no further action against the Helms for Senate Committee and Mark L. Stephans, as its treasurer, regarding violations of 2 U.S.C. §§ 434(b) and 441a(f). Copies of the pertinent portions of the General Counsel's Report are enclosed for your information.

If you have questions, please contact Thomas J. Whitehead the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble  
General Counsel

Enclosures

Conciliation Agreements  
Statement of Reasons  
General Counsel's Report

98040673710

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

13 October 1987

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Executive Director  
North Carolina Democratic Party  
P.O. Box 12196  
Raleigh, North Carolina

RE: MUR 1736

Dear Sir/Madame:

This is in reference to the complaint filed by David E. Price as Executive Director of the North Carolina Democratic Party with the Federal Election Commission on July 7, 1984, concerning the Helms for Senate Committee and J.C.D. Bailey.

After conducting an investigation into this matter, the Commission found that there was probable cause to believe that Southeastern Advertising, Inc. and J. C. D. Bailey, individually, and as President of Southeastern Advertising, Inc. violated 2 U.S.C. §§ 441a and 441b, provisions of the Federal Election Campaign Act of 1971, as amended. On April 6, 1987, the Commission found that there was probable cause to believe that the Nash/Edgecombe Billboard Fund (the "Fund") and James R. Trotter, as its treasurer violated 2 U.S.C. § 441d(a). On that date, the Commission voted to take no action against the Fund and Mr. Trotter with respect to 2 U.S.C. §§ 441b and 434 rejecting the recommendation of the General Counsel's Office. On April 21, 1987, a conciliation agreement signed by J.C.D. Bailey, individually, and as President of Southeastern Advertising, Inc. was accepted by the Commission. On October 7, 1987, a conciliation agreement signed by James R. Trotter was accepted by the Commission. Copies of these agreements are enclosed for your information. Also enclosed is a Statement of Reasons adopted by the Commission explaining its decision to take no action with respect to the Fund in connection with 2 U.S.C. §§ 441b and 434. This document will be placed on the public record as part of the file in MUR 1736.

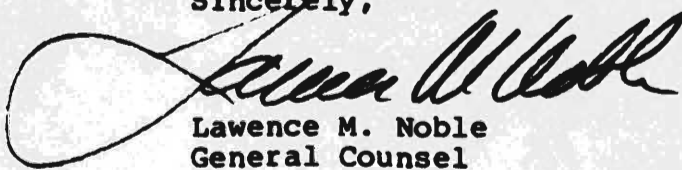
896

Executive Director  
Page 2

On June 5, 1985, the Commission found reason to believe that the Helms for Senate Committee and Mark L. Stephans, as its treasurer violated 2 U.S.C. §§ 434(b) and 441a(f). On May 5, 1986, the Commission, in accordance with the recommendation of the General Counsel voted to take no further action against the Helms for Senate Committee and Mark L. Stephans, as its treasurer, regarding violations of 2 U.S.C. §§ 434(b) and 441a(f). Copies of the pertinent portions of the General Counsel's Report are enclosed for your information.

If you have questions, please contact Thomas J. Whitehead the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawence M. Noble  
General Counsel

Enclosures

Conciliation Agreements  
Statement of Reasons  
General Counsel's Report

38040673712

896



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

13 October 1987

James L. Gale, Esquire  
Smith, Helms, Mullis & Moore  
P.O. Box 27525  
Raleigh, NC 27611

RE: MUR 1736  
Nash/Edgecombe Billboard  
Fund and James R. Trotter,  
as its treasurer

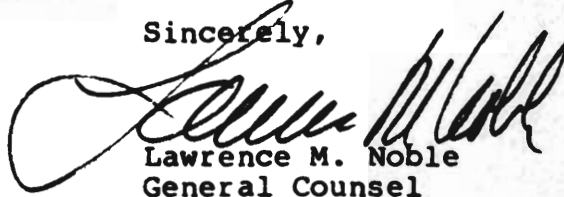
Dear Mr. Gale:

On October 7, 1987, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted by Nash/Edgecombe Billboard Fund and James L. Trotter, as its treasurer, in settlement of a violation of 2 U.S.C. § 441d(a)(3), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to Nash/Edgecombe Billboard Fund and James L. Trotter, as its treasurer. This matter will become a part of the public record within 30 days. 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.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Thomas J. Whitehead, the attorney assigned to this matter at (202) 376-8200.

Sincerely,

  
Lawrence M. Noble  
General Counsel

Enclosure  
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Nash/Edgecombe Billboard Fund ) MUR 1736  
and James R. Trotter, as its )  
treasurer )

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn and notarized complaint by the North Carolina Democratic Party. The Federal Election Commission ("the Commission") has found probable cause to believe that the Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer, ("Respondents"), violated 2 U.S.C., § 441d(a) for failing to include a proper disclaimer on certain billboard advertisements.

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

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

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

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

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

1. The Commission has found, and Respondents do not contest for the purposes of this agreement that, the Nash/Edgecombe Billboard Fund is a political committee under 2 U.S.C. § 431(4)(A) and James R. Trotter is its treasurer.

2. Under 2 U.S.C. § 431(11), a person is defined to include, among other things, a committee, an association, or any other organization or group of persons. Respondents meet the definition of person under 2 U.S.C. § 431(11).

3. Respondents placed four billboard advertisements in Nash and Edgecombe counties of North Carolina that were intended to support the candidacy of Senator Jesse Helms.

4. Notice included in the billboards solicited contributions to defray the costs of displaying the advertisements; contributors were directed to contact Southeastern Advertising, Inc. The notices failed to state whether Jesse Helms or his Committee had authorized them.

V. Under 2 U.S.C. § 441d(a)(3) whenever any person makes an expenditure for the purpose of financing a communication which solicits contributions through an outdoor advertising facility, such communication, if not authorized by a candidate, or authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

VI. Respondents, Nash/Edgecombe Billboard Fund and James R. Trotter, as its treasurer, failed to include an appropriate disclaimer on the billboard advertisements in violation of 2 U.S.C. § 441d(a)(3).

VII. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Four Hundred dollars (\$400.00), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VIII. 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.

IX. 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.

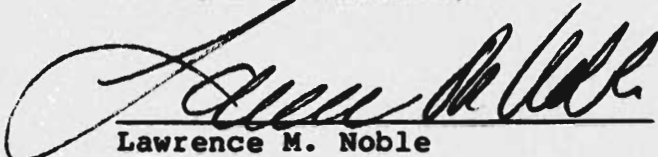
X. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XI. 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

88040673715

by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

  
Lawrence M. Noble  
General Counsel

10/13/87  
Date

FOR THE RESPONDENTS:

  
James R. Trotter

8/28/87  
Date

38040673717



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

13 October 1987

David A. Rowley, Esquire  
Covington & Burlington  
1201 Pennsylvania Avenue, NW  
Washington, DC 20044

RE: MUR No. 1736  
Helms for Senate  
Committee

Dear Mr. Rowley:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter on behalf of your client, please do so within ten days. Such materials should be sent to the Office of the General Counsel

Should you have any questions, contact Thomas J. Whitehead the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

88040673718

91a



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

13 October 1987

Mr. Cleveland P. Cherry  
Corporate Secretary  
Southeastern Advertising, Inc.  
P.O. Box 312  
Rocky Mount, NC 27001

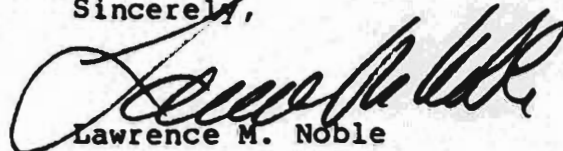
RE: MUR 1736  
Southeastern Advertising, Inc.  
and Jack C. D. Bailey

Dear Mr. Cherry:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal and 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, contact Thomas J. Whitehead, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

  
Lawrence M. Noble  
General Counsel

916

88040673719

**SMITH HELMS MULLISS & MOORE**  
ATTORNEYS AT LAW  
RALEIGH, NORTH CAROLINA

GREENSBORO OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 21927  
GREENSBORO, N. C. 27420  
  
STREET ADDRESS  
500 NCMS BUILDING  
101 WEST FRIENDLY AVENUE  
GREENSBORO, N. C. 27401  
  
TELEPHONE 919/378-1450  
TELECOPIER 919/379-9558

CARY OFFICE  
EDINBURGH CENTER  
SUITE 104  
117 EDINBURGH SOUTH  
CARY, N. C. 27511  
  
TELEPHONE 919/487-7703

MAILING ADDRESS  
POST OFFICE BOX 27525  
RALEIGH, N. C. 27611

STREET ADDRESS  
318 WEST EDENTON STREET  
RALEIGH, N. C. 27603

TELEPHONE 919/826-8207

600#4586  
RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

87 OCT 19 AM 11:17  
MAILING ADDRESS  
POST OFFICE BOX 31247  
CHARLOTTE, N. C. 28231

STREET ADDRESS  
227 NORTH TRYON STREET  
CHARLOTTE, N. C. 28202

TELEPHONE 704/372-9510  
TELECOPIER 704/334-8467  
TELEX 572460

TAMPA OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 1842  
TAMPA, FLORIDA 33601

STREET ADDRESS  
PLAZA ON THE MALL  
SUITE 1512  
201 EAST KENNEDY BLVD.  
TAMPA, FLORIDA 33602

TELEPHONE 813/229-1993

October 14, 1987

Anne Weissenborn, Esquire  
Federal Election Commission  
999 East Street  
Washington, D.C. 20463

RE: MUR 1736

Dear Ms. Weissenborn:

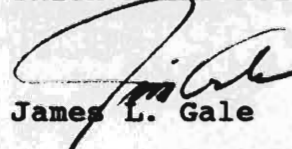
This letter will confirm the message you left with my secretary yesterday that because this is not an election year no report is owed until year-end, which will be sometime in January.

Also your message indicated that we should speak with Tom Whitehead when he returns to the office in about two to three weeks to finalize this matter.

Thank you for your assistance in this regard.

Very truly yours,

SMITH HELMS MULLISS & MOORE

  
James L. Gale

JLG:sbw  
cc: Ms. Sandy Anspach

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
87 OCT 19 PM 3:36

0  
2  
7  
3  
7  
6  
0  
4  
0  
8  
8

# SOUTHEASTERN ADVERTISING, INC.

BOX 312 • DIAL 977-3149 • ROCKY MOUNT, NORTH CAROLINA 27802-0312



"Since 1955"

October 21, 1987

Mr. Lawrence M. Noble  
General Counsel  
Federal Election Commission  
Washington, DC 20463

RE: MUR 1736  
Southeastern Advertising, Inc.  
and Jack C. D. Bailey

Dear Mr. Noble:

Reference is made to your letter dated October 13, 1987, which was received in my office on October 19, 1987, and in which you report the above file has been closed and will become part of the public record within 30 days. The purpose of this letter is to accept your invitation to submit material to be placed on the public record in connection with this matter.

I have enclosed a statement which is both supported by the facts and the applicable law. Please include the statement as a part of the public record. Also, please include the Conciliation Agreement as a part of the public record.

Sincerely,

*J. C. D. Bailey*

J. C. D. Bailey  
President

JCDB/dte

Enclosure

cc: Thomas J. Whitehead

87 OCT 26 AM 10:46  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

87 OCT 26 AM 9:11  
RECEIVED  
FEDERAL ELECTION COMMISSION  
TRIAL ROOM

93

8 3 0 4 0 6 7 3 7 2 2

In July, 1984, the North Carolina Democratic Party, by letter, filed a complaint against Southeastern Advertising and Jack Bailey alleging violations of the Federal Election Campaign Act. The specific violation was that these parties made illegal excessive contributions to the Helms for Senate Campaign by means of newspaper inserts, billboards and bumper stickers. The complaint was signed by David E. Price, then Executive Director of the Democratic Party. Allegations were also made that Southeastern Advertising and Mr. Bailey were acting in concert with the Helms for Senate Committee.

Through investigation, including the deposition of Mr. Bailey, the Federal Election Commission determined that a technical violation of the law had occurred in connection with payment of the cost of four billboards in the Rocky Mount area by Mr. Bailey. No violation was found in connection with the newspaper advertising or bumper stickers and no evidence was produced or violation found which implied in any way that Southeastern Advertising or Mr. Bailey acted with the knowledge of, or in concert with, the Helms for Senate Campaign.

After a period of almost three years with the legal and other direct and indirect expenses involved in continuing the fight, both Southeastern Advertising and Mr. Bailey reached the conclusion that it would be better to resolve the matter as set forth in the Conciliation Agreement than to continue to expend their time and money pursuing a defense.

The most remarkable and patently unfair part of the entire process in this, and similar actions, is the fact that one party (in this case the North Carolina Democratic Party through David E. Price) can simply file an accusation and then depart the scene leaving the accused party in the position of having to pay, not only his own expenses in defending, but also, through his tax dollars, the expense of the Federal Election Commission in pursuing the matter. It is analagous to someone fathering a child and then departing the scene while leaving it up to the mother and the State to support the child. The entire process is contrary to the American system of justice and fair play as those terms are commonly defined.

**SMITH HELMS MULLISS & MOORE**  
ATTORNEYS AT LAW  
RALEIGH, NORTH CAROLINA

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

87 NOV -2 AM 9:11

GREENSBORO OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 21927  
GREENSBORO, N. C. 27420

STREET ADDRESS  
500 NCNB BUILDING  
101 WEST FRIENDLY AVENUE  
GREENSBORO, N. C. 27401

TELEPHONE 919/378-1450  
TELECOPIER 919/379-9558

CARY OFFICE  
EDINBURGH CENTER  
SUITE 104  
117 EDINBURGH SOUTH  
CARY, N. C. 27511  
TELEPHONE 919/467-7703

MAILING ADDRESS  
POST OFFICE BOX 27525  
RALEIGH, N. C. 27611

STREET ADDRESS  
316 WEST EDENTON STREET  
RALEIGH, N. C. 27603

TELEPHONE 919/828-8207

CHARLOTTE OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 31247  
CHARLOTTE, N. C. 28231

STREET ADDRESS  
227 NORTH TRYON STREET  
CHARLOTTE, N. C. 28202

TELEPHONE 704/372-9510  
TELECOPIER 704/334-8467  
TELEX 572480

TAMPA OFFICE  
MAILING ADDRESS  
POST OFFICE BOX 1842  
TAMPA, FLORIDA 33601

STREET ADDRESS  
PLAZA ON THE MALL  
SUITE 1512  
201 EAST KENNEDY BLVD.  
TAMPA, FLORIDA 33602

TELEPHONE 813/228-1199

87 NOV -2 AM 10:50

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

Mr. Thomas J. Whitehead  
General Counsel's Office  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463

RE: MUR 1736

Dear Tom:

I hope when you have a chance to read this letter that you will have successfully recovered from surgery.

It is my understanding that the conciliation agreement has been fully approved and that the matter is in the process of going to public record. After consulting with my client, we will not exercise our option to add any further material to the public record.

I still wish now to speak with you concerning the mechanics of filing a final report in order to close this matter entirely. When you have had a chance to get back to speed, please give me a call so that we can discuss this.

With warmest personal regards, I remain,

Very truly yours,

SMITH HELMS MULLISS & MOORE

*s/ James L. Gale*  
James L. Gale

JLG:sbw

cc: Mr. James R. Trotter

94



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 1736

88040673724



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

*✓ N 8.25.88*

THE FOLLOWING MATERIAL IS BEING ADDED TO THE  
PUBLIC FILE OF CLOSED MUR 1736 .

88040712821

JAMES R. TROTTER  
ATTORNEY AT LAW  
POST OFFICE BOX 8048  
ROCKY MOUNT, NORTH CAROLINA 27804

600A9175  
RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

88 APR 29 AM 8:42

April 25, 1988

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

Re: Nash/Edgecombe Billboard Fund; FEC No. C00169433;  
MUR 1736.

Gentlemen:

The enclosed Termination Report is sent for filing.

This is the final report based on the resolution of all outstanding claims against the captioned fund.

Yours very truly,

*James R. Trotter*  
James R. Trotter

JRT/sta

Enclosure

cc: Tom Whitehead, Esq.

RECEIVED  
FEDERAL ELECTION COMMISSION  
88 MAY -2 AM 9:54

880407128222

JAMES R. TROTTER  
ATTORNEY AT LAW  
POST OFFICE BOX 8048  
ROCKY MOUNT, NORTH CAROLINA 27804

FEDERAL ELECTION COMMISSION

68 APR 29 11 0:42

April 25, 1988

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

Re: Nash/Edgecombe Billboard Fund; FEC No. C00169433;  
MUR 1736.

Gentlemen:

The enclosed Termination Report is sent for filing.

This is the final report based on the resolution of all outstanding claims against the captioned fund.

Yours very truly,

*James R. Trotter*  
James R. Trotter

JRT/sta

Enclosure

cc: Tom Whitehead, Esq.

68 MAY -2 11 9:54

**REPORT OF RECEIPTS AND DISBURSEMENTS**  
For a Political Committee Other Than an Authorized Committee

(Summary Page)

FEDERAL ELECTION COMMISSION  
89 APR 29 AM 8:1

1. Name of Committee (In Full)  
**Nash/Edgecombe Billboard Fund**

---

Address (Number and Street)  
**P.O. Box 8048**

---

City, State and ZIP Code  
**Rocky Mount, NC 27804**

---

☐ Check here if address is different than previously reported.

---

2. FEC Identification Number  
**C00169433**

---

3. ☐ This committee qualified as a multicandidate committee during this Reporting Period on \_\_\_\_\_ (Date)

4. TYPE OF REPORT (Check appropriate boxes)

(a) ☐ April 15 Quarterly Report ☐ October 15 Quarterly Report  
☐ July 15 Quarterly Report ☐ January 31 Year End Report  
☐ July 31 Mid Year Report (Non-Election Year Only)  
☐ Monthly Report for \_\_\_\_\_  
☐ Twelfth day report preceding \_\_\_\_\_ (Type of Election)  
election on \_\_\_\_\_ in the State of \_\_\_\_\_  
☐ Thirtieth day report following the General Election  
on \_\_\_\_\_ in the State of \_\_\_\_\_

☒ Termination Report

(b) Is this Report an Amendment?  
☐ YES ☒ NO

SUMMARY		
	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period <u>12/31/87</u> through <u>4/30/88</u>		
6. (a) Cash on hand January 1, 19 <u>88</u>		\$ 500.91
(b) Cash on Hand at Beginning of Reporting Period	\$ 500.91	
(c) Total Receipts (from Line 18)	\$ 50.00	\$ 50.00
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	\$ 550.91	\$ 550.91
7. Total Disbursements (from Line 28)	\$ 550.91	\$ 550.91
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	\$ -0-	\$ -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)	\$ 1,640.00*	

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  
999 E Street, N.W.  
Washington, D.C. 20463  
Toll Free 800-424-9530  
Local 202-376-3120

James R. Trotter  
Type or Print Name of Treasurer

James R. Trotter  
SIGNATURE OF TREASURER

4/25/88  
Date

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 3 and FEC FORM 3a are obsolete and should no longer be used.

--	--	--	--	--	--	--	--	--	--

FEC FORM 3X (3/80)

\*Invoices submitted by Southeastern Advertising, Inc., for which payment was refused because attribution legends had not been corrected.

88040712824

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

Name of Committee (in Full)

**Nash/Edgcombe Billboard Fund**

Report Covering the Period:

From: **12/31/87**

To: **4/30/88**

**COLUMN A  
Total This Period**

**COLUMN B  
Calendar Year-To-Date**

**I. RECEIPTS**

**11. CONTRIBUTIONS (other than loans) FROM:**

(a) Individuals/Persons Other Than Political Committees . . . . .

**50.00**

**50.00**

**11(a)**

(Memo Entry Unitemized \$ \_\_\_\_\_)

(b) Political Party Committees . . . . .

**11(b)**

(c) Other Political Committees . . . . .

**11(c)**

(d) TOTAL CONTRIBUTIONS (other than loans) (add 11(a), 11(b) and 11(c)) . . . . .

**50.00**

**50.00**

**11(d)**

**12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES . . . . .**

**12**

**13. ALL LOANS RECEIVED . . . . .**

**13**

**14. LOAN REPAYMENTS RECEIVED . . . . .**

**14**

**15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.) . . . . .**

**15**

**16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES . . . . .**

**16**

**AND OTHER POLITICAL COMMITTEES**

**17. OTHER RECEIPTS (Dividends, Interest, etc.) . . . . .**

**17**

**18. TOTAL RECEIPTS (Add 11(d), 12, 13, 14, 15, 16 and 17) . . . . .**

**50.00**

**50.00**

**18**

**II. DISBURSEMENTS**

**19. OPERATING EXPENDITURES . . . . .**  
First Union National Bank  
Service Charges \$23.48

**23.48**

**23.48**

**19**

**20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES . . . . .**

**20**

**21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND . . . . .**  
**OTHER POLITICAL COMMITTEES**

**21**

**22. INDEPENDENT EXPENDITURES (use Schedule E) . . . . .**

**22**

**23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES . . . . .**

**23**

(2 U.S.C. § 441 a(d)) (Use Schedule F)

**24. LOAN REPAYMENTS MADE . . . . .**

**24**

**25. LOANS MADE . . . . .**

**25**

**26. REFUNDS OF CONTRIBUTIONS TO**

(a) Individuals/Persons Other Than Political Committees . . . . .

**533.43**

**533.43**

**26(a)**

(b) Political Party Committees . . . . .

**26(b)**

(c) Other Political Committees . . . . .

**26(c)**

(d) TOTAL CONTRIBUTION REFUNDS (Add 26(a), 26(b) and 26(c)) . . . . .

**533.43**

**533.43**

**26(d)**

**27. OTHER DISBURSEMENTS . . . . .**

**27**

**28. TOTAL DISBURSEMENTS (add lines 19, 20, 21, 22, 23, 24, 25, 26(d) and 27) . . . . .**

**550.91**

**550.91**

**28**

**III. NET CONTRIBUTIONS AND NET OPERATING EXPENDITURES**

**29. TOTAL CONTRIBUTIONS (other than loans) from Line 11(d) . . . . .**

**50.00**

**50.00**

**29**

**30. TOTAL CONTRIBUTION REFUNDS from Line 26(d) . . . . .**

**533.43**

**533.43**

**30**

**31. NET CONTRIBUTIONS (other than loans) (Subtract Line 30 from Line 29) . . . . .**

**(483.43)**

**(483.43)**

**31**

**32. TOTAL OPERATING EXPENDITURES from Line 19 . . . . .**

**23.48**

**23.48**

**32**

**33. OFFSETS TO OPERATING EXPENDITURES from Line 15 . . . . .**

**-0-**

**-0-**

**33**

**34. NET OPERATING EXPENDITURES (Subtract Line 33 from Line 32) . . . . .**

**23.48**

**23.48**

**34**

88040712825

**SCHEDULE A**

**ITEMIZED RECEIPTS**

Use separate schedule(s)  
for each category of the  
Detailed Summary Page

PAGE 1 OF 1  
FOR LINE NUMBER

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NAME OF COMMITTEE (in Full)

Nash Edgecombe Billboard Fund

<b>A. Full Name, Mailing Address and ZIP Code</b> James R. Trotter 721-204 Bishops Park Drive Raleigh, NC 27804 Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): To balance account	Name of Employer State of N.C. Occupation Attorney Aggregate Year-to-Date > \$50.00	Date (month, day, year) 4/30/88	Amount of Each Receipt this Period \$50.00
<b>B. Full Name, Mailing Address and ZIP Code</b> Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > \$	Date (month, day, year)	Amount of Each Receipt this Period
<b>C. Full Name, Mailing Address and ZIP Code</b> Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > \$	Date (month, day, year)	Amount of Each Receipt this Period
<b>D. Full Name, Mailing Address and ZIP Code</b> Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > \$	Date (month, day, year)	Amount of Each Receipt this Period
<b>E. Full Name, Mailing Address and ZIP Code</b> Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > \$	Date (month, day, year)	Amount of Each Receipt this Period
<b>F. Full Name, Mailing Address and ZIP Code</b> Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > \$	Date (month, day, year)	Amount of Each Receipt this Period
<b>G. Full Name, Mailing Address and ZIP Code</b> Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > \$	Date (month, day, year)	Amount of Each Receipt this Period

SUBTOTAL of Receipts This Page (optional)

TOTAL This Period (last page this line number only)

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## SCHEDULE B.

## ITEMIZED DISBURSEMENTS

Use separate schedule(s)  
for each category of the  
Detailed Summary PagePAGE 1 OF 2  
FOR LINE NUMBER

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NAME OF COMMITTEE (in full)

Nash/Edgecombe Billboard Fund

<b>A. Full Name, Mailing Address and ZIP Code</b> J. C. D. Bailey 501 Shady Circle Drive Rocky Mount, NC 27803	<b>Purpose of Disbursement</b> Return of Unexpended Funds Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b> 4/21/88	<b>Amount of Each Disbursement This Period</b> \$36.52
<b>B. Full Name, Mailing Address and ZIP Code</b> Anne Bailey 501 Shady Circle Drive Rocky Mount, NC 27803	<b>Purpose of Disbursement</b> Return of Unexpended Funds Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b> 4/21/88	<b>Amount of Each Disbursement This Period</b> 36.52
<b>C. Full Name, Mailing Address and ZIP Code</b> Cliff B. Perry 400 Wildwood Avenue Rocky Mount, NC 27803	<b>Purpose of Disbursement</b> Return of Unexpended Funds Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b> 4/21/88	<b>Amount of Each Disbursement This Period</b> 36.52
<b>D. Full Name, Mailing Address and ZIP Code</b> John W. Lewis 1608 Pinecrest Rd. Rocky Mount, NC 27803	<b>Purpose of Disbursement</b> Return of Unexpended Funds Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b> 4/21/88	<b>Amount of Each Disbursement This Period</b> 36.52
<b>E. Full Name, Mailing Address and ZIP Code</b> Jack A. Laughery 1730 Hunter Hill Road Rocky Mount, NC 27804	<b>Purpose of Disbursement</b> Return of Unexpended Funds Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b> 4/21/88	<b>Amount of Each Disbursement This Period</b> 46.95
<b>F. Full Name, Mailing Address and ZIP Code</b> S. F. Horne, M.D. 1500 Lafayette Circle Rocky Mount, NC 27803	<b>Purpose of Disbursement</b> Return of Unexpended Funds Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b> 4/21/88	<b>Amount of Each Disbursement This Period</b> 36.52
<b>G. Full Name, Mailing Address and ZIP Code</b> James R. Dickens 2301 Ridgecrest Drive Rocky Mount, NC 27804	<b>Purpose of Disbursement</b> Return of Unexpended Funds Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b> 4/21/88	<b>Amount of Each Disbursement This Period</b> 36.52
<b>H. Full Name, Mailing Address and ZIP Code</b> Mike Barnhill 415 Piedmont Avenue Rocky Mount, NC 27803	<b>Purpose of Disbursement</b> Return of Unexpended Funds Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b> 4/21/88	<b>Amount of Each Disbursement This Period</b> 39.13
<b>I. Full Name, Mailing Address and ZIP Code</b> Lloyd W. Bailey, M.D. 3813 Hawthorne Rd. Rocky Mount, NC 27804	<b>Purpose of Disbursement</b> Return of Unexpended Funds Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b> 4/21/88	<b>Amount of Each Disbursement This Period</b> 37.82

SUBTOTAL of Disbursements This Page (optional)

TOTAL This Period (last page this line number only)

**SCHEDULE B**

**ITEMIZED DISBURSEMENTS**

Use separate schedule(s)  
for each category of the  
Detailed Summary Page

PAGE 2 OF 2  
FOR LINE NUMBER

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**NAME OF COMMITTEE (in Full)**

Nash/Edgecombe Billboard Fund

88040712828

<b>A. Full Name, Mailing Address and ZIP Code</b> Brig. Gen. Andrew Gatsis 1712 Lafayette Circle Rocky Mount, NC 27803	<b>Purpose of Disbursement</b> Return of Unexpended Funds Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b> 4/21/88	<b>Amount of Each Disbursement This Period</b> \$ 18.26
<b>B. Full Name, Mailing Address and ZIP Code</b> J. Dewey Weaver 3805 Hawthorne Rd. Rocky Mount, NC 27804	<b>Purpose of Disbursement</b> Return of Unexpended Funds Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b> 4/21/88	<b>Amount of Each Disbursement This Period</b> 36.52
<b>C. Full Name, Mailing Address and ZIP Code</b> James R. Trotter 721-204 Bishops Park Drive Raleigh, NC 27605	<b>Purpose of Disbursement</b> Return of Unexpended Funds Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b> 4/30/88	<b>Amount of Each Disbursement This Period</b> 36.52
<b>D. Full Name, Mailing Address and ZIP Code</b> Thomas B. Suiter, M.D. 100 S. Taylor Street Rocky Mount, NC 27804	<b>Purpose of Disbursement</b> Return of Unexpended Funds Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b> 4/30/88	<b>Amount of Each Disbursement This Period</b> 33.91
<b>E. Full Name, Mailing Address and ZIP Code</b> R. O. Mullen Box 178 Spring Hope, NC 27882	<b>Purpose of Disbursement</b> Return of Unexpended Funds Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b> 4/21/88	<b>Amount of Each Disbursement This Period</b> 23.47
<b>F. Full Name, Mailing Address and ZIP Code</b> Richard Sherman Rally's, Inc. 10000 Shelbyville Rd. Louisville, KY 40223	<b>Purpose of Disbursement</b> Return of Unexpended Funds Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b> 4/21/88	<b>Amount of Each Disbursement This Period</b> 41.73
<b>G. Full Name, Mailing Address and ZIP Code</b>	<b>Purpose of Disbursement</b> Return of Unexpended Funds Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b>	<b>Amount of Each Disbursement This Period</b>
<b>H. Full Name, Mailing Address and ZIP Code</b>	<b>Purpose of Disbursement</b> Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b>	<b>Amount of Each Disbursement This Period</b>
<b>I. Full Name, Mailing Address and ZIP Code</b>	<b>Purpose of Disbursement</b> Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<b>Date (month, day, year)</b>	<b>Amount of Each Disbursement This Period</b>

**SUBTOTAL** of Disbursements This Page (optional) .....

**TOTAL** This Period (last page this line number only) .....

533.43

**SCHEDULE D**  
(Revised 3/80)

**DEBTS AND OBLIGATIONS**  
**Excluding Loans**

Page 1 of 1 for  
LINE NUMBER \_\_\_\_\_  
(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
Nash/Edgecombe Billboard Fund				
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor Southeastern Advertising, Inc. Box 312 Rocky Mount, NC 27801	\$1,640.00	-0-	-0-	
Nature of Debt (Purpose):				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
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) . . . . .				

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