FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

THIS IS THE BEGINNING OF MUR # 2893

DATE FILMED 12/24/91 CAMERA NO. 2

CAMERAMAN AS

21040882731

HAND DELIVERED 06C2924
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION
89 JUN -1 PM 1:58
MUR 2893

May 30, 1989

89 JUN -1 PM 3:39

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

Dear Sirs:

My name is Mark H. Kress, and my residence address is 1423 Comstock Avenue, Los Angeles, California 90024.

I have personal knowledge of violations of federal election laws committed by Norman J. Pattiz, Chairman of the Board of Westwood One Companies, which now owns the NBC Radio Network and the Mutual Broadcasting System, as well as radio stations in New York and Los Angeles. Mr. Pattiz's home address is 1225 Angelo Drive, Beverly Hills, California 90210; his home telephone number is 213 550-1632. His office address is 9540 Washington Boulevard, Culver City, CA 90232. His office phone number is 213-840-4201.

Mr. Pattiz secretly financed campaign contributions in the names of his employees and their relatives, each of whom was subsequently reimbursed by Mr. Pattiz through his corporation. In doing so, he violated Federal Election Campaign Act provisions which restrict corporate campaign contributions, set a $1000 per person contribution limit, and forbid contributions to be made in the names of other persons.

I am writing to request your formal investigation and appropriate action. Below are stated the facts to the best of by knowledge and belief:

Recitation of Facts

I was employed by Westwood One from May, 1984 through September, 1988, most recently as Vice President/Music Marketing. Prior to that, Mr. Pattiz and I had been personal friends since 1969.

2104088273 2

On or around June 17, 1987, Mr. Pattiz summoned me to his office. He said that he wanted me to give him three checks; on behalf of myself, my brother (whose finances Pattiz knew I managed), and my fiance, each for $1000 payable to the Biden for President Campaign. He volunteered that he would arrange for Westwood One to repay the money to me. I asked him why he was supporting Biden, to which he replied, "Oh, I don't give a shit about Joe Biden. It's Inouye I'm interested in". He went on to explain that Senator Daniel Inouye was one of the Biden campaign's National Co-Chairmen, and that Sen. Inouye was also chairman of a subcommittee then dealing with certain broadcasting issues of interest to Mr. Pattiz and Westwood One. He stated that raising this money for the Biden campaign would enable him to testify before Senator Inouye's subcommittee.

Westwood One had always been run as a personal fiefdom by Mr. Pattiz, and it was well known that one's career would suffer from any refusal of his whims. Consequently, over the next few days it became common knowledge that this same request had been made of a number of Westwood One employees, all of whom had readily complied.

According to information filed by the Biden For President Campaign, the following contributions were received within the next few days, all from persons who were in fact Westwood One employees:

William Battison 316 36th Street Manhattan Beach, CA 90266 President	$1000	June 19, 1987
Eric Weiss 521 Montana Avenue #104 Santa Monica, CA 90403 Director of Business Affairs	$1000	June 22, 1987
Gary Yusko 14108 Hamilton St. #2 Van Nuys, CA 91401 V.P. Financial Operations	$1000	June 19, 1987
Mark Kress Complainant V.P. Music Marketing	$1000	
Debra Seyler 48 Wexford Drive Mendham, NJ 07945 V.P.	$1000	June 19, 1987

2104082733

Thom Ferro $1000 June 22, 1987
23448 Moonshadow Drive
Malibu, CA 90265
V.P. General Manager

Dean Marion $1000 June 19, 1987
2670 Kelton Ave
Los Angeles, CA 90064
Director of Merchandising

Stephen Jaffe $1000 June 18, 1987
5054 Haskell Avenue
Encino, CA 91436
Controller

Public record also shows the following contributions during that period of time to the Biden campaign by friends and relatives of the above:

Elizabeth Bauman $1000 June 29, 1987
Now the wife of William Battison, President

Socorro Yusko $1000 June 20, 1987
Wife of Gary Yusko, V.P. Financial Operations

Mari Hand $1000 June 22, 1987
Now the wife of Thom Ferro, V.P. General Manager

Andrea Jaffe $1000 June 18, 1987
Wife of Stephen Jaffe, Controller

Robert Kress $1000
Brother of Complainant

Margaret McAllister $1000
Now the wife of Complainant

21408827 34

On June 24, 1987, I personally delivered to Mr. Pattiz three checks (mine, my brother's and my fiance's) for $1000 each, payable to the Biden for President Campaign. On or around July 9, 1987, Gary Yusko, V.P. Financial Affairs, handed me a check payable to me from Westwood One for $3000. The check stub carried the notation "Heart Tour Expenses", apparently referring to a musical tour sponsorship which I was overseeing for Westwood One. However, I had incurred no such expenses, and had not submitted any request for such expense payments. In fact, this was Westwood One's covert reimbursement to me for the Biden contributions.

Dean Marion, then Westwood One's Director of Merchandising, also was instructed by Mr. Pattiz to delivered a check for $1000, with the same understanding of forthcoming reimbursement. Mr. Marion, who has read this complaint, and stands ready to verify the details, attests that he too delivered a $1000 contribution, and was subsequently reimbursed by Mr. Pattiz through Westwood One. A check for $1000 was delivered to him by Mr. Pattiz' private secretary approximately three months later, and was falsified as a "bonus".

On July 9, 1987, as he foretold, Norman Pattiz did indeed appear as a witness before the Subcommittee on Communications of the Committee on Commerce, Science and Transportation. The Chairman of this subcommittee was Senator Inouye. Mr. Pattiz testified in support of the Broadcasting Improvement Act of 1987 which contained provisions which would preserve one-to-a-market rules for station ownership. This was legislation which Mr. Pattiz supported as a means of blocking stronger competitors, notably the ABC Radio Networks, from gaining competitive advantages over Westwood One and its subsidiary, the Mutual Broadcasting System, by owning more radio stations in major markets.

As Mr. Pattiz stated in his testimony, "...traditional radio networks that own radio stations have a tremendous advantage over radio networks and other companies that do not own radio stations. And to the extent that these traditional radio networks can increase the amount of radio stations that they own, they can mandate distribution of commercial announcements which is, after all, the source of the support for all of our networks". He obviously believed this, as Westwood One has since taken control of two radio stations in New York and one in Los Angeles.

2104082735

SUMMARY

Norman Pattiz is the Chief Executive Officer of one of the largest and most powerful radio organizations in our country. He has openly and arrogantly flaunted the nation's election laws in order to simply gain petty favors which might influence his company's bottom line. This is a flagrant violation of not only the Federal Law, but of the honorable principles expected of America's national broadcasters and local broadcast licensees. These matters deserve your careful investigation and firm action.

I know all of the facts stated herein of our own personal knowledge, or upon information and belief, and as to those matters, believe them to be true.

Very truly yours,

Mark H. Kress

Margaret M. Kress

Robert D. Kress by Mark H. Kress, Atty in Fact
Robert D. Kress, by Mark H. Kress, his Attorney in Fact

Sworn to and subscribed before me this 30th day of May, 1989 at Los Angeles, California.

Katherine Craft
Notary Public in and for said city and state

OFFICIAL SEAL
KATHERINE CRAFT
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires SEP 18, 1992

2104088273 36

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1989

Elizabeth Bauman Battison
316 36th Street
Manhattan Beach, CA 90266

RE: MUR 2893

Ms. Battison:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2893. 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 this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2104088273 7

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

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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

21040882738

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1989

William Battison
316 36th Street
Manhattan Beach, CA 90266

RE: MUR 2893

Mr. Battison:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2893. 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 this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2104088273 9

If you have any questions, please contact Dan Blessington, the attorney assigned to this matter, at (202) 376-3690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1989

William Battison, President
Westwood One Companies
9540 Washington Boulevard
Culver City, CA 90232

RE: MUR 2893

Mr. Battison:

The Federal Election Commission received a complaint which alleges that Westwood One Companies may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2893. 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 Westwood One Companies in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2104082740

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

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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

21040882741

FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

June 9, 1989

Mari Hand Ferro
23448 Moonshadow Drive
Malibu, CA 90265

RE: MUR 2893

Ms. Ferro:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2893. 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 this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2104082742

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

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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

21040882743

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1989

Thom Ferro
23448 Moonshadow Drive
Malibu, CA 90265

RE: MUR 2893

Mr. Ferro:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2893. 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 this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2104088274 4

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

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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

21040882745

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1989

Andrea Jaffe
5054 Haskell Avenue
Encino, CA 91436

RE: MUR 2893

Ms. Jaffe:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2893. 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 this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2104088274 6

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

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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

21040882747

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1989

Stephen Jaffe
5054 Haskell Avenue
Encino, CA 91436

RE: MUR 2893

Mr. Jaffe:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2893. 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 this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2104088274 8

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

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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

21040882749

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1989

Margaret M. Kress
1423 Comstock Avenue
Los Angeles, CA 90024

RE: MUR 2893

Ms. Kress:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2893. 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 this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2104088275O

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

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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

2104088275 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1989

Mark H. Kress
1423 Comstock Avenue
Los Angeles, CA 90024

RE: MUR 2893

Mr. Kress:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2893. 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 this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2104088275 2

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

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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

> 1 0 2 4 0 8 8 2 7 5 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1989

Robert Kress
1423 Comstock Avenue
Los Angeles, CA 90024

RE: MUR 2893

Mr. Kress:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2893. 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 this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2104088275 4

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

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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

21040882755

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1989

Dean Marion
2670 Kelton Avenue
Los Angeles, CA 90064

RE: MUR 2893

Mr. Marion:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2893. 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 this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

21040882756

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

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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

21040882757

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1989

Norman J. Pattiz
1225 Angelo Drive
Beverly Hills, CA 90210

RE: MUR 2893

Mr. Pattiz:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2893. 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 this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2104088275 8

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

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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

21040882759

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1989

Debra Seyler
48 Wexford Drive
Mendham, NJ 07945

RE: MUR 2893

Ms. Seyler:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2893. 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 this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2104088276O

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

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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

21040882761

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1989

Eric Weiss
521 Montana Ave., #104
Santa Monica, CA 90403

RE: MUR 2893

Mr. Weiss:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2893. 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 this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2104088276 2

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

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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

21040882763

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1989

Gary Yusko
14108 Hamilton St., #2
Van Nuys, CA 91401

RE: MUR 2893

Mr. Yusko:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2893. 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 this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

21040882764

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

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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

21040882765

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1989

Socorro Yusko
14108 Hamilton St., #2
Van Nuys, CA 91401

RE: MUR 2893

Ms. Yusko:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2893. 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 this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2104088276 6

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

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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

21240882767

OGC #3206

DEAN WARD MARION
2670 Kelton Avenue
Los Angeles, CA 90064

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 JUN 26 PM 12:52

June 14, 1989

Mr. Lawrence M. Noble
General Counsel
FEDERAL ELECTION COMMISSION
999 E Street N.W.
Washington, D.C. 20463

Dear Mr. Noble:

I am in receipt of your letter of June 9, 1989, signed on your behalf by your Associate General Counsel, Lois G. Lerner, and of a copy of the complaint filed on May 30, 1989 by Mr. Mark H. Kress (MUR 2893).

After reviewing the complaint, I would like to make the following comments regarding same.

To the best of my recollection, all of the statements contained within the complaint are true.

I was requested by Mr. Pattiz, in early June of 1987, to issue a check in the amount of $ 1,000.00 payable to the Biden for President campaign. Mr. Pattiz also requested that I have my wife, Kathie Marion, also issue a check, for which we would both be reimbursed by the Company, the Westwood One Radio Networks.

At the time, I recall thinking that, what Mr. Pattiz was requesting of me must surely be illegal or, at the very least, unethical. However, Mr. Pattiz made it clear that he wished to testify before Mr. Inouye's subcommittee and that these contributions would make that testimony possible.

While at no time did Mr. Pattiz threaten me in any way, I felt that it was a matter of my being a trusted member of "the team" (those members of management taken into his confidence in this matter) or not. As I had no intention of leaving the firm at the time and did not wish to lessen my chances for advancement, I complied with his request. However, I did not ask my wife to also participate, because in my heart I felt that what we were doing was not right and did not want her exposed to it.

While I cannot speak for any other individuals named within Mr. Kress' complaint, my recollection is that everyone involved was, at the time, impressed with Mr. Pattiz' political prowess at arranging to testify before a subcommittee whose actions could significantly affect the Company's future, and readily agreed to accede to his wishes.

2104088276 8

As stated in Mr. Kress' complaint, after delivering my $ 1,000.00 check to his personal secretary, Lydia Cervera, I was subsequently reimbursed approximately 75 days later when I received a $ 1,000.00 check from Ms. Cervera which, to my recollection was designated as a "Bonus."

While I was only a willing conduit in the above activities, I do wish to cooperate fully with the Commission in any further investigation which may result regarding this matter.

Very truly yours,

Dean Marion

2104088827769

MUR 3196
RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION
89 JUN 26 AM 10: 14

Rogers & Wells
Fifteenth Floor
201 North Figueroa Street
Los Angeles, California 90012-2638

TELEPHONE (213) 580-1000
TELECOPIER (213) 580-1234
(213) 580-1070
TELEX 194758 RWLSA

200 PARK AVENUE
NEW YORK, N.Y. 10166
TELEPHONE (212) 878-8000
TELECOPIER (212) 878-8160
(212) 878-8375
TELEX 234493 RKWUR

1737 H STREET, N.W.
WASHINGTON, D.C. 20006
TELEPHONE (202) 331-7760
TELECOPIER (202) 331-0463
TELEX 248439 WASHUR

47, AVENUE HOCHE
75008-PARIS, FRANCE
TELEPHONE 47-63-11-00
TELECOPIER 33-1-4267-5081
TELEX 290617 EURLAW

58 COLEMAN STREET
LONDON EC2R 5BE, ENGLAND
TELEPHONE 01.628.0101
TELECOPIER 441-638-2008
TELEX 884964 USLAW

June 23, 1989

55905/47

VIA FEDERAL EXPRESS

Daniel J. Blessington, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 JUN 26 PM 2:56

Re: MUR-2893

Dear Dan Blessington:

Enclosed please find a completed Designation of Counsel form on behalf of our client, Westwood One, Inc ("the Company"). As we discussed on June 22 and again on June 23, 1989, this firm acts as regular outside counsel to the Company and will be representing the Company before the Federal Election Commission ("FEC") regarding the Complaint filed by a Mr. Mark Kress in the above matter.

On behalf of the Company, I wish to take this opportunity to request an extension of time, not to exceed 20 days, within which to respond on behalf of the Company to the Complaint. The Complaint allegedly involves a number of Company officers, directors and employees, and raises a number of factual allegations which must be investigated carefully by the Company and its counsel before any response can be prepared. The additional time requested herein will permit the Company and its outside counsel to complete an already ongoing review of this matter and prepare an appropriate response.

You should be advised that we have been informed that the officers, directors and employees of the Company identified in the Complaint, are currently in the process of obtaining independent counsel, experienced in FEC law, to represent them. This, of course, has necessitated a certain amount of delay. As

2140827770

a result, we believe the affected individuals will also need an extension of time within which to respond to the Complaint. As I represented to you on June 23, we will endeavor to assist these individuals in executing the necessary designation of counsel forms, and hopefully transmit them to you via their independent counsel on June 26th or 27th.

If you wish any additional information regarding our request for a courtesy continuance, or if any additional forms need to be filed to request this continuance, please feel free to contact me directly. I can be reached directly at (213) 580-1354. I thank you in advance for your courtesy in this matter.

Very truly yours,

John W. Cotton

JWC:ejl
Enclosure
cc: Gerald E. Boltz, Esq.
Brian Heimerl

21040882771

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2893

NAME OF COUNSEL: John W. Cotton
Rogers & Wells

ADDRESS: 201 North Figueroa Street
Fifteenth Floor
Los Angeles, CA 90012-2638

TELEPHONE: (213) 580-1000

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.

6/23/89
Date

Signature Brian Heimerl
Vice President, Corporate Secretary
and Director

RESPONDENT'S NAME: Westwood One, Inc.

ADDRESS: 8966 Washington Boulevard
Culver City, CA 90232-1985

HOME PHONE: N/A

BUSINESS PHONE: (213) 840-4000

2104082772

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 30, 1989

John W. Cotton, Esquire
Rogers & Wells
201 North Figueroa Street
Fifteenth Floor
Los Angeles, CA 90012-2638

RE: MUR 2893
Westwood One, Inc.

Dear Mr. Cotton:

This is in response to your letter dated June 23, 1989, which we received on June 26, 1989, requesting an extension of 20 days to respond to the complaint filed by Mr. Mark Kress. After considering the circumstances presented in your letter, I have granted the requested extension on behalf of your client, Westwood One, Inc. Accordingly, your response is due by the close of business on July 17, 1989.

If you have any questions, please contact Daniel Blessington, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

2104082773

06C3242

PERKINS COIE

A Law Partnership Including Professional Corporations
1110 Vermont Avenue, N.W. • Washington, D.C. 20005 • (202) 887-9030

June 28, 1989

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 JUN 29 PM 4:33

By Hand Delivery

Mr. Daniel Blessington
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2893

Dear Mr. Blessington:

This letter is to notify you that our law firm has been retained to represent Mr. Norman Pattiz in the above-referenced Matter Under Review. I have enclosed a copy of the designation of counsel executed by Mr. Pattiz and will forward the original to you as soon as we receive it.

Because we were retained only this week, we seek an extension of time of 20 days to prepare a response to the Commission's notification that a complaint had been filed.

If you have any questions or need additional information, please contact one of the undersigned.

Very truly yours,

Robert F. Bauer
Judith L. Corley
Counsel to Norman Pattiz

1041E

2104082774

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2893

NAME OF COUNSEL: Robert F. Bauer
Judith L. Corley

ADDRESS: Perkins Coie
1110 Vermont Ave., N.W., #1200
Washington, D.C. 20005

TELEPHONE: (202) 887-9030

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.

6-23-89
Date

Signature

RESPONDENT'S NAME: Norman Pattiz

ADDRESS: 1225 Angelo Drive
Beverly Hills, CA 90210

HOME PHONE: 213-550 1632

BUSINESS PHONE: 213-840-4000

2104082775

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 30, 1989

Robert F. Bauer, Esquire
Perkins Coie
1110 Vermont Avenue, NW
Washington, D.C. 20016

RE: MUR 2893
Norman Pattiz

Dear Mr. Bauer:

This is in response to your letter dated June 28, 1989 which we received on June 28, requesting an extension of 20 days to respond to the complaint filed by Mark Kress. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on July 17, 1989.

If you have any questions, please contact Dan Blessington or Jeffrey Long, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

2124088277 6

OGC 3244

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006
(202) 429-7000

JAN W. BARAN
(202) 429-7330

TELECOPIER
(202) 429-7049
TELEX 248349 WYRN

June 28, 1989

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

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

ATTN: Daniel J. Blessington, Esq.

Re: MUR 2893

Dear Mr. Noble:

This office represents Andrea Jaffe, Stephen Jaffe, Thom Ferro, Mari Hand Ferro, Elizabeth Bauman Battison, William Battison, Gary Yusko, Socorro Yusko, Eric Weiss and Debra Seyler in the above captioned matter. Enclosed please find executed Designation of Counsel statements confirming our representation. Original signed statements are being submitted for Mr. & Mrs. Jaffe and Mr. & Mrs. Ferro. Facsimile statements are included for the others. When the original documents become available, I will transmit them to you at such time.

In order for counsel to prepare a response and to confer with clients, I request an extension of twenty days within which to file up to and including July 17, 1989.

Your favorable response to this request will be appreciated.

Sincerely,

Jan W. Baran

rpb
Encls.
cc: Mr. and Mrs. Stephen Jaffe
Mr. and Mrs. Thom Ferro
Mr. and Mrs. William Battison
Mr. and Mrs. Gary Yusko
Mr. Eric Weiss
Ms. Debra Seyler

2104082777

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2893

NAME OF COUNSEL: Jan W. Baran

ADDRESS: Wiley, Rein & Fielding
1776 K St., N.W.
Washington, D.C. 20006

TELEPHONE: 429-7330

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.

6/22/89
Date

A Jaffe
Signature

RESPONDENT'S NAME: Andrea Jaffe

ADDRESS: 5054 Haskell Avenue
Encino, CA 91436

HOME PHONE: (818) 907-8076

BUSINESS PHONE:

2104088277 8

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2893

NAME OF COUNSEL: Jan W. Baran

ADDRESS: Wiley, Rein & Fielding
1776 K St., N.W.
Washington, D.C. 20006

TELEPHONE: 429-7330

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.

6/22/89
Date

Signature

RESPONDENT'S NAME: Stephen Jaffe

ADDRESS: 5054 Haskell Avenue
Encino, CA 91436

HOME PHONE: (818) 907-8076

BUSINESS PHONE: (213) 392-2449.

2104082779

STATEMENT OF DESIGNATION OF COUNSEL

MUR MUR 2893

NAME OF COUNSEL: JAN BARON

ADDRESS: WILEY & REIN
1776 K STREET
WASHINGTON D.C.

TELEPHONE: 202-429-7000

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.

June 26, 1989
Date

Mari E. Ferro
Signature

RESPONDENT'S NAME: Mari (Hand) Ferro

ADDRESS: 23448 Moonshadow Drive
Malibu, CA 90265

HOME PHONE: 213-456-201

BUSINESS PHONE:

2104088827830

STATEMENT OF DESIGNATION OF COUNSEL

MUR ~~AHC~~ 2893

NAME OF COUNSEL: JAN BARON

ADDRESS: WILEY & RHN
1776 K. STREET NW.
WASHINGTON D.C. 20006

TELEPHONE: 202-429-7000

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.

6/25/89
Date

Signature

RESPONDENT'S NAME: Thom Ferro

ADDRESS: 23448 Moonshadow Drive
Malibu, CA 90265

HOME PHONE: 213-456-2015

BUSINESS PHONE: 213-840-4203

2104088278 1

FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 JUN 29 PM 3:04

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2893

NAME OF COUNSEL: Jan W. Baran

ADDRESS: Wiley, Rein & Fielding
1776 K St., N.W.
Washington, D.C. 20006

TELEPHONE: 429-7330

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.

June 26, 1989
Date

Elisabeth Battison
Signature

RESPONDENT'S NAME: Elizabeth (Bauman) Battison

ADDRESS: 316 36th Street
Manhattan Beach, CA 90266

HOME PHONE: 213) 545-9414

BUSINESS PHONE:

2104088827882

[redacted] OF GENERAL COUNSEL

[redacted]

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2893

NAME OF COUNSEL: Jan W. Baran

ADDRESS: Wiley, Rein & Fielding
1776 K St., N.W.
Washington, D.C. 20006

TELEPHONE: 429-7330

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.

6/26/89
Date

Signature

RESPONDENT'S NAME: William Battison

ADDRESS: 316 36th Street
Manhattan Beach, CA 90266

HOME PHONE: 213) 545-9414

BUSINESS PHONE: 213) 840-4000

2104088827783

FEDERAL [illegible] COMMISSION
OFFICE OF [illegible]ERAL COUNSEL

STATEMENT OF DESIGNATION OF [illegible] PM 3:14

MUR 2893

NAME OF COUNSEL: MR JAN BARON Jan W. Baran

ADDRESS: Wiley, Rein & Fielding
1776 K St., N.W.
Washington, D.C. 20006

TELEPHONE: 429-7330

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.

June 26, 1989
Date

Gary J Yusko
Signature

RESPONDENT'S NAME: Gary Yusko

ADDRESS: 16711 Parthenia #12
Sepulveda, CA 91343

HOME PHONE: (818) 894-4413

BUSINESS PHONE: (213) 840-4303

2104088827784

[redacted] PM 3:14

FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

[redacted] PM 3:14

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2893

NAME OF COUNSEL: Mr. JAN BARON Jan W. Baran

ADDRESS: Wiley, Rein & Fielding
1776 K St., N.W.
Washington, D.C. 20006

TELEPHONE: 429-7330

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.

6/26/89
Date

Socorro Yusko
Signature

RESPONDENT'S NAME: Socorro Yusko

ADDRESS: 16711 Parthenia #12
Sepulveda, CA 91343

HOME PHONE: (818) 894-4413

BUSINESS PHONE: N/A

2104088827785

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2893

NAME OF COUNSEL: Jan Baran

ADDRESS: Wiley & Rein
1776 K Street
Washington DC

TELEPHONE: (202) 429 7000

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.

6/26/94
Date

Signature

RESPONDENT'S NAME: Eric Weiss

ADDRESS: 521 Montana Avenue #104
Santa Monica, CA 90403

HOME PHONE: 213 [redacted] 451-1205 #352

BUSINESS PHONE: 213 840 4304

2104088278286

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2893

NAME OF COUNSEL: Jan W. Baran

ADDRESS: Wiley, Rein & Fielding
1776 K St., N.W.
Washington, D.C. 20006

TELEPHONE: 429-7330

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.

6/27/89
Date

Debra Seyler
Signature

RESPONDENT'S NAME: Debra Seyler

ADDRESS: Change ~~48 Wexford Drive~~ 2 Harmony Lane
~~Mendham, New Jersey 07945~~ PO Box 217
Brookside, NJ 07926

HOME PHONE: (201) 895-2328

BUSINESS PHONE: (212) 237-2550

2104082787

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 30, 1989

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K St., N.W.
Washington, D.C. 20006

RE: MUR 2893
Mr. and Mrs. Stephen Jaffe, Mr. and Mrs. Thom Ferro, Mr. and Mrs. William Battison, Mr. and Mrs. Gary Yusko, Mr. Eric Weiss, and Ms. Debra Seyler

Dear Mr. Baran:

This is in response to your letter dated June 28, 1989, which we received on June 28, requesting an extension of 20 days to respond to the complaint filed by Mr. Mark Kress. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on July 17, 1989.

If you have any questions, please contact Dan Blessington or Jeffrey Long, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

2104088827888

OGC 3421

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006
(202) 429-7000

JAN W. BARAN
(202) 429-7330

TELECOPIER
(202) 429-7049
TELEX 248349 WYRN UR

July 14, 1989

VIA COURIER

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 JUL 14 PM 5:09

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

Attn: Daniel J. Blessington, Esq.

Re: MUR 2893

Dear Mr. Noble:

This letter is pursuant to my telephone conversation with Daniel Blessington of your office, in which I indicated that I would seek additional time to respond on behalf of my clients, Thom Ferro and Mari Hand Ferro, Elizabeth ("Bauman") Battison and William Battison, Andrea Jaffe and Stephen Jaffe, Gary Yusko and Socorro Yusko, Eric Weiss, and Debra Seyler, in MUR 2893.

As you know, I did not enter an appearance before the Commission in this Matter until June 28, 1989. Since that date I have travelled to California for several days to meet with the clients in the Los Angeles area. However, I have not had an opportunity yet to meet with the client in New York. At this time, my clients desire to provide the Commission with factual and legal materials which we are presently attempting to assemble.

In order to allow time to adequately respond to the Complaint in this Matter, I respectfully request an extension of time until August 11, 1989. I do not believe such an extension would prejudice this Matter, and it is warranted by the number of Respondents, the logistical complications

2104088279

pertaining to their location, and their interest in providing a full Response for the Commission's consideration.

Sincerely,

Jan W. Baran

cc: Mr. and Mrs. Stephen Jaffe
Mr. and Mrs. Thom Ferro
Mr. and Mrs. William Battison
Mr. and Mrs. Gary Yusko
Mr. Eric Weiss
Ms. Debra Seyler

JWB:co

21040882790

06C3432

HAND DELIVERED

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE SERVICES BRANCH

89 JUL 17 AM 9:54

Rogers & Wells

Fifteenth Floor
201 North Figueroa Street
Los Angeles, California 90012-2638

TELEPHONE (213) 580-1000
TELECOPIER (213) 580-1234
(213) 580-1070
TELEX 194758 RWLSA

200 PARK AVENUE
NEW YORK, N.Y. 10166
TELEPHONE (212) 878-8000
TELECOPIER (212) 878-8160
(212) 878-8375
TELEX 234493 RKWUR

1737 H STREET, N.W.
WASHINGTON, D.C. 20006
TELEPHONE (202) 331-7760
TELECOPIER (202) 331-0463
TELEX 248439 WASHUR

47, AVENUE HOCHE
75008-PARIS, FRANCE
TELEPHONE 47-83-11-00
TELECOPIER 33-1-4267-5081
TELEX 290617 EURLAW

58 COLEMAN STREET
LONDON EC2R 5BE, ENGLAND
TELEPHONE 01.628 0101
TELECOPIER 441-638-2008
TELEX 884964 USLAW

July 14, 1989

55905/47

VIA FEDERAL EXPRESS

Daniel J. Blessington, Esq.
Office of the General Counsel
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 JUL 17 PM 3:53

Re: MUR-2893

Dear Mr. Blessington:

This letter will confirm my July 13 oral request for an additional amount of time within which to respond to the above matter on behalf of our client, Westwood One, Inc. ("the Company"). As you know, the Company's response is currently due by July 17.

As I represented to you during our conversation, I have been unexpectedly required to attend a number of full day depositions over the past two weeks in a case styled Linder, et al. v. Parry Corporation, Civ. No. 531498, Orange County Superior Court. This case is on an expedited trial and discovery schedule, and my appearance was necessitated by the scheduling problems of another attorney in our office handling the matter with me. It is anticipated that I will be required to attend a number of other depositions in this matter over the next two weeks, including one which may be conducted outside the United States.

Additionally, the Company is presently a defendant in an action entitled In Re Westwood One Securities Litigation, Master File No. CV 88-3151-JGD (Gx) (U.S.D.C., C.D. Cal.) in which we are acting as the Company's lead counsel. This action does not involve any issues related to the matter before the Commission. However, as I mentioned, the ongoing discovery in

2104038279 1

that case has resulted in the dislocation of a number of Company financial files which it may be necessary to review in preparation of our response. This has caused some delay in our previously commenced review of Company records which was not anticipated at the time we requested our initial extension.

Lastly, as I represented, the Company is desirous of making a thorough and complete response to the above matter. To that end, it is imperative that all relevant sources of information, documentary as well as testimonial, be gathered and analyzed for use in the Company's response. We believe the Company's response will thus be necessarily more complete and reliable for the Commission's purposes and in the end, promote a speedier resolution of the matter. The requested extension will greatly assist us in being more comprehensive in our response.

We appreciate the importance to the Commission of a quick and expeditious handling of this matter. The Company does not seek to prolong the matter, nor unduly delay its required response by this request. We sincerely appreciate the anticipated consideration which will be given to the Company's request and are prepared to provide any further information you need.

Very truly yours,

John W. Cotton

JWC:ejl
cc: Gerald E. Boltz, Esq.
Westwood One, Inc.

0104082792

26C3424

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

July 17, 1989

Mr. Daniel Blessington
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 JUL 17 PM 3:03

Re: MUR 2893 - Norman L. Pattiz

Dear Mr. Blessington:

This is to confirm your conversation this morning with Judy Corley of my office. We are requesting an extension of time until August 11, 1989, to respond to the Commission's notice that a complaint was filed against Mr. Pattiz.

While this is a second request for an extension in this matter, the additional time we are seeking is warranted by the circumstances. The facts underlying the allegations of the complaint require thorough exploration in order to prepare Mr. Pattiz's response. The development of these facts has required travel to and from the West Coast by both Mr. Pattiz and counsel. Due to vacation and business schedules that were established before the complaint was filed, these efforts could not be completed within the time frame originally anticipated.

If you have any questions or need additional information, please do not hesitate to contact the undersigned.

Very truly yours,

Robert F. Bauer
Judith L. Corley
Counsel to Norman L. Pattiz

RFB:JLC:smb

cc: Norman L. Pattiz

1087E

2104088279 3

FEDERAL ELECTION COMMISSION
SECRETARIAT
89 JUL 20 PM 3:27

SENSITIVE

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 20, 1989

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

SUBJECT: MUR 2893
Requests for Extension of Time

By letters dated July 14 and July 17, 1989, counsel for several respondents in this matter requested additional extensions of time in which to respond to the complaint filed by Mark H. Kress. Each had been given an initial extension of twenty days by this Office.

Counsel for Westwood One has requested an extension until August 4, 1989, noting scheduling problems and difficulty in obtaining company records as a result of an unrelated suit in which the company is a defendant. Counsel for ten of the individual respondents indicates his late entry into the case, and the difficult logistics in providing full responses on behalf of all of them. He asks for an extension until August 11. Finally, counsel for Norman Pattiz requests an extension until August 11, 1989.

The Office of the General Counsel recommends that the Commission grant the requested extensions.

RECOMMENDATIONS

1. Grant the extensions requested by John W. Cotton, Jan W. Baran, and Robert F. Bauer.

2. Approve the attached letters.

Attachments
1. Requests for Extension (3)
2. Letters (3)

2104088279 4

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2893
Request for Extensions of Time)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 25, 1989, the Commission decided by a vote of 6-0 to take the following actions in MUR 2893:

1. Grant the extensions requested by John W. Cotton, Jan W. Baran, and Robert F. Bauer.

2. Approve the letters recommended in the General Counsel's Memorandum Report dated July 20, 1989.

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

Attest:

7-25-89
Date

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Thur. July 20, 1989 3:27
Circulated on 48 hour tally basis: Fri. July 21, 1989 12:00
Deadline for vote: Tues. July 25, 1989 4:00

2104088279 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 28, 1989

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K St., N.W.
Washington, D.C. 20006

RE: MUR 2893
Mr. and Mrs. Stephen Jaffe, Mr. and Mrs. Thom Ferro, Mr. and Mrs. William Battison, Mr. and Mrs. Gary Yusko, Mr. Eric Weiss, and Ms. Debra Seyler

Dear Mr. Baran:

This is in response to your letter dated July 14, 1989, which we received on July 14, requesting an extension until August 11, 1989 to respond to the complaint filed by Mr. Mark Kress. After considering the circumstances presented in your letter, the Federal Election Commission has granted the requested extension. Accordingly, your response is due by the close of business on August 11, 1989.

If you have any questions, please contact Dan Blessington or Jeffrey Long, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

2104088279 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 28, 1989

John W. Cotton, Esquire
Rogers & Wells
201 North Figueroa Street
Fifteenth Floor
Los Angeles, CA 90012-2638

RE: MUR 2893
Westwood One, Inc.

Dear Mr. Cotton:

This is in response to your letter dated July 14, 1989, which we received on July 17, 1989, requesting an extension until August 4 to respond to the complaint filed by Mr. Mark Kress. After considering the circumstances presented in your letter, the Federal Election Commission has granted the requested extension. Accordingly, your response is due by the close of business on August 4, 1989.

If you have any questions, please contact Jeffrey Long, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

2104082797

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 28, 1989

Robert F. Bauer, Esquire
Perkins Coie
1110 Vermont Avenue, NW
Washington, D.C. 20016

RE: MUR 2893
Norman Pattiz

Dear Mr. Bauer:

This is in response to your letter dated July 17, 1989, which we received on July 17, requesting an extension until August 11, 1989 to respond to the complaint filed by Mark Kress. After considering the circumstances presented in your letter, the Federal Election Commission has granted the requested extension. Accordingly, your response is due by the close of business on August 11, 1989.

If you have any questions, please contact Dan Blessington or Jeffrey Long, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

2104088279 8

OGC 3671

DELIVERED
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
89 AUG -4 AM 11: 11

Rogers & Wells

Fifteenth Floor
201 North Figueroa Street
Los Angeles, California 90012-2638

TELEPHONE (213) 580-1000
TELECOPIER (213) 580-1234
(213) 580-1070
TELEX 194758 RWLSA

200 PARK AVENUE
NEW YORK, N.Y. 10166
TELEPHONE (212) 878-8000
TELECOPIER (212) 878-8160
(212) 878-8375
TELEX 234493 RKWUR

1737 H STREET, N.W.
WASHINGTON, D.C. 20006
TELEPHONE (202) 331-7760
TELECOPIER (202) 331-0463
TELEX 248439 WASHUR

47, AVENUE HOCHE
75008-PARIS, FRANCE
TELEPHONE 47-63-11-00
TELECOPIER 33-1-4267-5081
TELEX 290617 EURLAW

56 COLEMAN STREET
LONDON EC2R 5BE, ENGLAND
TELEPHONE 01.628.0101
TELECOPIER 441-638-2008
TELEX 884964 USLAW

August 3, 1989

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 AUG -4 PM 1:01

Federal Election Commission
999 E Street N.W.
Washington, D.C. 20463
Attn: Daniel J. Blessington, Esq.
General Counsel's Office

Re: MUR #2893

Dear Sirs:

This response is filed on behalf of Westwood One Inc. ("the Company"), in answer to a Complaint filed with the Federal Election Commission ("FEC") by Mark Kress ("Kress Complaint") dated May 30, 1989. The Kress Complaint alleges that Norman J. Pattiz ("Pattiz"), Chairman of the Board of the Company, arranged $13,000 in campaign contributions in the names of certain of the Company's employees and their relatives, each of whom was subsequently reimbursed by the Company with Mr. Pattiz' approval. The Kress Complaint thereby alleges, in substance, violations of the provisions of the Federal Election Campaign Act ("FECA") which restrict certain federal campaign contributions.

On behalf of the Company we suggest it is not appropriate or in the public interest to take any action against the Company for the reasons stated herein.

The Company is a publicly held corporation which owns and operates the Mutual Broadcasting System, the N.B.C. Radio Networks, and radio stations in major markets in the United States. It is also a leading producer and distributor of nationally sponsored radio programming. Since it was founded in 1974 by Mr. Pattiz, it has enjoyed substantial growth. The Company is now managed by a six-member board of directors, three of whom are outside directors wholly independent of

2140882799

management. In addition to Mr. Pattiz and Mr. William Battison, President, the directors include Brian K. Heimerl, Secretary; Laurence J. Freeman, founder and Chief Executive Officer of Freeman Cosmetics Corporation; Joseph B. Smith, President of EMI/Capital Records; and Paul G. Krasnow, President of Krasnow Insurance Services, Inc.

Since its inception, Mr. Pattiz has sought to have the Company implement measures not only to provide independent and competent management but also to ensure that company affairs were handled in full compliance with the law. Thus, in 1984, the Company retained Rogers & Wells as its counsel and Price Waterhouse & Co. as its independent auditors. The Board of Directors subsequently, initiated other measures designed to ensure that the Company's affairs are handled appropriately. As a result, the Company's auditors conduct quarterly financial reviews in addition to the required annual audit of financial statements. The Company, with the assistance of its outside counsel, implemented a written Code of Ethics for its officers and employees designed to prevent employee abuses and misconduct. Further, in consultation with its auditors and its outside counsel, it implemented significant internal control procedures. It also created a special Audit Committee of its Board of Directors, for the purpose of reviewing the Company's financial statements and related decisions of management, which Committee meets regularly with the Company's auditors and outside counsel. Thus, contrary to the implications of the Kress Complaint, it can be seen that the management of the Company has maintained a vigorous and ongoing program to manage its affairs professionally and in full compliance with all legal requirements.

The possible illegality of the subject contributions first came to the attention of a company official on May 3, 1989 when Mr. Pattiz was informed of such by a reporter for Radio Business Report. (Mr. Kress apparently had furnished that publication with a draft copy of his complaint and shortly thereafter reportedly attempted to file an unverified complaint which was rejected by the FEC.) Mr. Pattiz immediately brought the matter to the attention of the Audit Committee and Counsel. At its meeting on May 9, 1989, prior to the filing of the instant complaint, the Audit Committee promptly directed Rogers & Wells to conduct a thorough and independent investigation to determine the facts. Mr. William Battison who was a member of the Audit Committee of the Company, immediately

2104082300

recused himself from Audit Committee deliberations as he was one of the alleged participants in the political campaign contributions.

The remaining members of the Audit Committee, consisting solely of outside independent directors, directed Rogers & Wells to interview present and former employees of the Company believed to have knowledge of this matter, including those whose names were referenced in the Kress Complaint (with the exception of Mr. Kress). In addition, relevant documents were directed to be obtained and reviewed.

Upon the completion of this investigation, the findings and recommendations of Rogers & Wells were presented to the Audit Committee on May 26, 1989. The Audit Committee thereupon made certain recommendations to the Board of Directors which considered the matter that same day and ordered the following action be taken:

1. Mr. Pattiz, was ordered, subject to consultation with and advice of his counsel, to arrange for the reimbursement to the Company of $13,000 plus interest, said amount representing corporate funds which Mr. Pattiz had previously authorized for the reimbursement to officers and employees on their campaign contributions;

2. It enacted a company policy requiring that all officers file annual statements confirming the lack of any impropriety in the disbursement, receipt or recording of corporate funds or assets.

3. It directed The Audit Committee to conduct a special limited scope review of Company expense/disbursement records with the assistance of Rogers & Wells, and, as necessary, Price Waterhouse & Co. to determine whether the disbursements in this instance represented an isolated instance or whether other similar reimbursements had occurred. If the special limited scope review disclosed other irregular disbursements or records, the Board authorized a special audit to determine the extent of such irregularities.

4. It ordered an amendment to the Company's Code of Ethics to expressly prohibit the making or solicitation of political contributions to candidates for federal office.

2104082801

It should be noted that all of the actions described above were taken by the company prior to filing of the Kress Complaint with the FEC.

The investigation and the subsequent special review of the Company's records in this matter revealed certain significant facts which we believe are helpful to an understanding of this matter. They include the following:

1. Mr. Pattiz and the other employees involved in the making of these political campaign contributions lacked any knowledge of relevant F.E.C. laws and regulations and first learned in May 1989 that such contributions and their reimbursement by the Company might be illegal.

2. The Company, directly or indirectly, had never previously or since made political campaign contributions or reimbursed contributions made by employees or others.

3. The subject political campaign contributions were reimbursed without any prior knowledge or consent of the Board of Directors.

4. The incorrect entries in the corporate financial records for the reimbursed payments constituted an isolated event, which was generally intended to avoid setting any future precedent for paying claims for reimbursement of employees' political contributions. The employees involved in making the Company's reimbursements were concerned that should this reimbursement be widely known within the Company, it might be misinterpreted as an indication that the Company generally would reimburse employees' political contributions.

5. The Kress allegation that Mr. Pattiz intended to use the contribution to facilitate his testimony before Senator Inouye's subcommittee regarding certain broadcasting issues, was patently false and without any factual basis. The law firm of Kaye Scholar, Fierman, Hays & Handler has informed us unequivocally that the arrangements for Pattiz to testify before Congress were made by that firm and were totally independent of, and without knowledge of, any political contributions. Thus, clearly the Company did not benefit in any way from the campaign contributions.

2104082802

There is no reason to conclude that the Company itself has violated FECA. Indeed, the Board upon learning of the matter, took immediate and effective action to ensure against even inadvertent violations by its senior managers in the future.

Federal agencies commonly hold corporate officers solely responsible for violations of federal law despite the fact that the Corporation was used as a vehicle to accomplish an unlawful transaction. For example, in recent complaints filed by the Securities and Exchange Commission, the senior managers of a corporation who engaged in unlawful conduct were named as parties in a civil suit without also naming the corporation as a party. (Aaron v. Securities Exch. Comm'n, 446 U.S. 680, 100 S.Ct. 1945, 64 L.Ed. 2d 611 (1980); Securities Exch. Comm'n v. Wills, 472 F.Supp. 1250 (D.C. Cir. 1978); See also Ruckle v. Roto Am. Corp., 339 F.2d 24 (2d Cir. 1964)) In this instance, we note also that Mr. Kress' complaint specifically alleges that only Mr. Pattiz and certain other Company officers acted in violation of FEC rules, not the Company itself. The inadvertent nature of the actions by the individual respondents, the isolated nature of the violations and the extensive precautions and diligence procedures undertaken by the Company to ensure compliance with the law, further place the matter in proper perspective.

For the foregoing reasons, we respectfully suggest that action against the Company in this instance is neither warranted nor appropriate.

Very truly yours,

ROGERS & WELLS

Gerald E. Boltz

2104082803

06C3741

PERKINS COI
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

A LAW PARTNERSHIP INCLUDING PROFESSION
1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

August 11, 1989

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

Attention: Daniel J. Blessington, Esq.
Office of General Counsel

Re: MUR 2893

Dear Mr. Noble:

This is the response of Norman J. Pattiz to the Commission's notification that a complaint had been filed by Mark Kress alleging violations of the Federal Election Campaign Act of 1971 as amended (the "Act"). Also submitted in support of this response is a sworn affidavit of Mr. Pattiz.

2104088028004

INTRODUCTION

Mr. Kress accurately states that Mr. Pattiz asked him to make a contribution to the presidential campaign of Senator Joe Biden and that Mr. Pattiz suggested that the contribution would be reimbursed by Westwood One, Inc. (the "Company"). Mr. Pattiz did not then understand that the corporate reimbursement was impermissible, and indeed he received no advice to this effect until the Kress complaint was brought to his attention and he sought assistance of counsel.

Moreover, as set out below, Mr. Pattiz asked other employees of the Company for contributions to the Biden campaign, also with the suggestion that the Company would provide reimbursement. In all cases, he proposed and then authorized these reimbursements without knowledge that they violated the Act.

At all times Mr. Pattiz acted in good faith, unaware in the first instance that his actions violated the law and then, upon being advised of the violation, initiating an internal corporate review of the facts and legal consequences. Mr. Kress' complaint offers a different, sinister, view of Mr. Pattiz's motivation which is grounded apparently in his

enmity toward Mr. Pattiz over his termination from the Company in 1988.1/ The facts do not support the Kress account in these respects, and this, too, will be demonstrated in the factual account which follows.

Mr. Pattiz commits to full cooperation with the agency and is looking toward pre-probable cause conciliation on the apparent violation of the Act.

BACKGROUND

Norman Pattiz founded Westwood One in 1974. Now, 13 years later, it is a publicly held corporation which manages the second largest radio network in the United States and is a leading producer and distributor of syndicated radio programming. It owns stations in New York and Los Angeles, and its programs reach 6,000 stations across the country, or an estimated 60 million listeners, weekly.

Thus, these 13 years from the organization of Westwood One to its current position in the radio industry have been a period of extraordinary growth. In this time, Norman Pattiz has taken considerable care with the organization and management of the Company and, of particular importance to this matter, with its legal affairs. Westwood One has retained the nationally recognized law firm of Rogers & Wells as its outside General Counsel, and its independent auditor is Price Waterhouse. Its Board of Directors, consisting of six directors, includes three who are outside independent directors. The Board has also established an Audit Committee to review corporate finances in consultation with counsel and auditors. In place of the annual full scale audit common to many larger companies, the Westwood Board has seen fit to add the requirement of quarterly reviews. A Code of Ethics adopted by the Company to guide the conduct of its officers and employees further reflects the care in these matters which has characterized the management of the corporation under Mr. Pattiz's Chairmanship. Westwood One has adopted a thoroughgoing approach to the product management of its business and legal affairs.

1/ Mr. Kress, a longtime friend and business associate of Mr. Pattiz, was terminated from the Company on grounds of poor performance in 1988. Kress objected strongly to both the termination and its terms.

2104088805

9104088280 6

EVENTS OF JUNE 1987

Norman Pattiz has never participated in political life as a contributor or campaign worker on a large scale. Most of his civic activities have been charitable in nature.2/ The purely political experience of Mr. Pattiz has consisted of contributions to a limited number of federal and local candidates.

In early 1987 Mr. Pattiz became interested in the presidential candidacy of Senator Biden. He and his wife participated in a fundraising event, in the home of a Biden supporter, in late spring. After this event, representatives of the Biden campaign approached Mr. Pattiz about participating in yet another event. These Biden representatives requested specifically that Mr. Pattiz lend his fundraising assistance to that event, by contacting business contacts and friends within the Los Angeles and entertainment community for contributions to Senator Biden. Mr. Pattiz agreed.

Mr. Pattiz did not act promptly or with much energy on the commitment that he made to raise these contributions. There were several reasons. In part Mr. Pattiz was reluctant to approach friends and acquaintances for political contributions. He had little experience with fundraising, and this limited experience had not been altogether attractive to him.

But the overriding reason that Norman Pattiz found himself on the eve of the Biden event with no money at hand and no immediate means for fulfilling his commitment lies in the affairs of the Company at the time. In 1987 Westwood One acquired the NBC Radio network and this followed two years after the station's acquisition of the Mutual Broadcasting System Radio Network. This was the most active period of company growth. Mr. Pattiz's attention was substantially pre-occupied with his business affairs, not with the fundraising commitment that he had made.

Accordingly, in some haste and without consultation with counsel, Mr. Pattiz decided to ask officers and employees with the Company to make contributions and to arrange for them to be reimbursed with company funds. He decided upon this plan as a simplest way to raise a minimum amount to meet his commitment. But at the same time he recognized that the burden of his fundraising obligations and perhaps, too, the difficulties that he faced with his last minute efforts should not fall on the Company employees; and he resolved, therefore, to have them reimbursed.

2/ These have included substantial donations to Cedar Sinai Hospital, Hebrew Union College and a local "magnet" high school.

2104088807

REQUEST FOR CONTRIBUTIONS

Pattiz put this request to Mr. William Battison, the President and Chief Financial Officer; Mr. Gary Yusko, the Vice President for Financial Operations (previously, the Comptroller); Mr. Eric Weiss, Director of Business Affairs (now Vice President for Business and Legal Affairs); Mr. Mark Kress, Director of Music Marketing; Mr. Thomas Ferro, Executive Vice President and General Manager of Westwood One Radio Network; and Miss Debra Seyler, Vice President. All of these individuals agreed to this request.

Pattiz does not recall whether or how specifically he stated his intentions to have the Company reimburse these employees. At a minimum he knows that he would have discussed reimbursement with Messrs. Battison and/or Yusko, and possibly also, with more or less specificity, with one or the others. He did intend in all cases to arrange for company reimbursement. Pattiz Affid. ¶ 4. At no time in his conversations with these employees -- not when the contributions were first proposed nor when reimbursements were actually effected -- did any of these employees raise a question or register an objection. Pattiz Affid. ¶ 4. Like Pattiz, these employees apparently concurred in this request without knowledge that it would result in a violation of the Federal Election Campaign Act. The apparent lack of knowledge of the legal consequences extended to even those officers most likely by background and training to raise the relevant questions, then the Director of Business Affairs and now the Vice President for Business and Legal Affairs (Mr. Weiss) and the Vice President for Financial Operations (Mr. Yusko).

Kress was among the employees to whom a contribution was proposed and who agreed to make it with subsequent reimbursement. He admits this. At some time, though it is not clear when, Kress concluded that this transaction was illegal. He did not appear to have held this view at the time that the contribution was proposed, or later when he accepted reimbursement. Kress does not claim that he knowingly violated the law in agreeing to this proposal. He does not suggest that as a responsible company employee he raised any question about the proposed reimbursement with Pattiz. In fact Kress' understanding of the legal consequences of his action remains flawed to this date, for he suggests that the Company did not violate the law by making <u>any</u> contribution at all but rather a contribution in excess of some imagined statutory limit ($1,000 per election). Kress reflects in this fashion the ignorance about the Federal Election Campaign Act of all of the concerned employees.

2104088280 8

BOOKING OF CONTRIBUTIONS AS "EXPENSES"

The Company had never made political contributions, by reimbursements or otherwise, and Mr. Yusko was apparently uncertain about how to treat them on the books. He and Mr. Battison apparently analyzed the problem from a purely cost control and accounting perspective. The alternative first considered for making the reimbursement, that of paying a "bonus," raised these issues because it would have required the company to pay a larger bonus than the original contribution to account for withholding obligations. They brought this matter to the attention of Pattiz who recalls generally his concern with the prudent use of corporate resources and a suggestion that as an alternative, treatment of the reimbursements as expenses be considered.

In the end, the reimbursements were treated as reimbursements of "expenses." Moreover, the supporting entries for these recorded expenses were false. Messrs. Battison and Yusko apparently did not want to encourage other employees to request company support for their own political contributions. Westwood One is a small company within which news travels fast and employee concern over equitable treatment is common. Because the Company had not previously made contributions or provided for their reimbursement, there was a concern not to foster the impression that a precedent had been created, or that an exception had been made for some employees which was not available to others.

Of course this treatment of the expenses on the books has encouraged Complainant Kress to believe that the reimbursement was made to him with knowledge that it was unlawful. To the contrary, these false entries are a product of the same ignorance which caused the law to be violated in the first instance. Because it was not known that the corporation could not reimburse these contributions under the FECA, it was apparently not known that this manner of recording the expenses would aggravate the appearances of these actions.

PATTIZ TESTIMONY BEFORE THE SENATE

Kress argues also that Pattiz presented the contributions as useful in arranging for testimony before a communications subcommittee chaired by Senator Daniel Inouye, the Co-Chair of Mr. Biden's presidential campaign. The contributions to Biden had no part in Pattiz's testimony which was arranged by Westwood One's regular FCC counsel. Counsel has assured this office and company's counsel that he made all the necessary arrangements for Pattiz's appearance before the Subcommittee and that those

arrangements did not involve in any way a contribution, even the suggestion of a contribution, to Senator Biden. Mr. Pattiz has never met Senator Inouye, and he had no conversation with anyone representing Senator Inouye about a contribution to the Biden campaign.

RESPONSE TO NEWS OF KRESS COMPLAINT

The suggestion that these reimbursements were illegal first came to the attention of Norman Pattiz through an inquiry from a representative of the trade press. This individual had in hand a copy, in draft, of the Kress complaint and he sought comment upon it. Pattiz immediately referred the matter to Mr. Eric Weiss. Mr. Weiss in turn consulted a counsel in Washington, D.C. Mr. Weiss later reported to Mr. Pattiz, for the first time, the legal conclusion that the reimbursements authorized by Mr. Pattiz violated the Federal Election Campaign Act.

Subsequently Mr. Pattiz contacted the Company's Audit Committee and the company's outside counsel, Rogers & Wells. The Company conducted a thoroughgoing internal review. Corporate counsel conducted extensive interviews of the employees involved in the matter and reviewed company records to determine whether there existed other instances where corporate funds were used to make a contribution by reimbursement or directly. Company counsel has reported to this office that it found no evidence, on examination of company records and in interviews with the employees, of other contributions. The Audit Committee has reported to the Board on recommendations of company counsel to establish a clear policy against contributions of any kind, federal, state or local, and other procedures to assure that uses of corporate funds are properly and accurately recorded on its books. The Board has adopted these new policies and procedures.

Mr. Pattiz anticipates that he will seek to enter into pre-probable cause conciliation. He readily concedes the error as it was previously conceded to the Company, thoroughly investigated and addressed through new policies and procedures.

If you have any questions, please do not hesitate to contact me at (202) 956-5419.

Sincerely,

Robert F. Bauer

Robert F. Bauer
Counsel to Norman J. Pattiz

1140E

21040882809

BEFORE THE FEDERAL ELECTION COMMISSION

City of Los Angeles)
) MUR 2893
County of Los Angeles)

AFFIDAVIT OF NORMAN J. PATTIZ

NORMAN J. PATTIZ, being first duly sworn, deposes and says:

1. I am Norman J. Pattiz, founder and Chairman of Westwood One, Inc.

2. In May or June of 1987, I asked certain officers and employees of the Company to make a contribution to the Presidential campaign of Senator Biden.

3. I suggested at the time to certain of these officers and employees that the Corporation would reimburse them for their contribution. I intended to and eventually did authorize reimbursements for each of the officers and employees who contributed at my request.

4. I offered to authorize and then authorized reimbursement without knowledge that corporate reimbursement was prohibited by federal law. At no time in the discussion of these requested

2104088281O

contributions or their reimbursement did any question of their possible illegality arise. I did not receive any advice about the legal consequences until I learned of the Kress Complaint and sought advice of counsel.

Norman J. Pattiz

Signed and sworn to before me
this 10 day of August, 1989.

Notary Public

My Commission Expires: 11-19-90

21040882811

OGC 3733

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006
(202) 429-7000

JAN W. BARAN
(202) 429-7330

August 11, 1989

TELECOPIER
(202) 429-7049
TELEX 248349 WYRN UR

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 AUG 11 AM 11:24

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

Attn: Daniel J. Blessington, Esq.

Re: MUR 2893

Dear Mr. Noble:

This Response to a complaint filed with the Federal Election Commission by Mark Kress, denominated Matter Under Review ("MUR") 2893, is made on behalf of Elizabeth Hines Battison and William J. Battison, Mari Hand Ferro and Thom Ferro, Andrea Jaffe and Stephen Jaffe, Debra Seyler, Eric R. Weiss, and Gary Yusko and Socorro Yusko, and is accompanied by sworn statements (which are attached hereto) from each of the above-named respondents except Elizabeth Hines Battison. Mrs. Battison is unable to sign her affidavit until Monday, August 14, 1989, as she is travelling, but a signed copy of her Affidavit will be submitted to the Commission under separate cover as soon as we receive it.

Of the above-named respondents, Elizabeth Hines Battison made no contribution to the Biden for President campaign. See Affidavit of Elizabeth Hines Battison in MUR 2893 at ¶ 4. Mrs. Battison has apparently been mistaken for an "Elizabeth Bauman", someone who is completely unknown to Mrs. Battison. Id. at ¶ 3.

As you will note from the remaining Respondents' Affidavits, all other Respondents made contributions to the Biden for President campaign at the direct or indirect request of Norman Pattiz, Chairman and Chief Executive Officer of Westwood One, Inc. Thereafter, all were reimbursed for these contributions by the corporation.

First, it is important to note that none of these Respondents had any knowledge that the acceptance of

2104088212

corporate reimbursement for a federal political contribution was impermissible under the federal election laws. See Affidavit of William J. Battison at ¶ 5; Affidavit of Eric R. Weiss at ¶ 4; Affidavit of Debra Seyler at ¶3; Affidavit of Thomas Ferro at ¶ 4; Affidavit of Mari Hand Ferro at ¶ 3; Affidavit of Stephen Jaffe at ¶ 4; Affidavit of Andrea Jaffe at ¶ 3; Affidavit of Socorro Yusko at ¶ 3 and Affidavit of Gary J. Yusko at ¶ 5. Each of these Respondents was unaccustomed to making federal political contributions, and unaware that their actions had any legal implications. Id.

Second, each of these Respondents has indicated in their Affidavits a willingness to take whatever measures are necessary and appropriate to resolve this matter as expeditiously as possible.

Accordingly, we respectfully request that the Federal Election Commission find no reason to believe that Elizabeth Hines Battison violated the Federal Election Campaign Act of 1971, as amended. In view of the fact that the other Respondents in the MUR acted without any intent to violate the election laws while engaged in this isolated incident, we urge the Commission to proceed expeditiously to resolve this Matter, and enter into conciliation negotiations at the earliest opportunity.

Sincerely,

Jan W. Baran

Trevor Potter

cc: Mr. & Mrs. Stephen Jaffe
Mr. & Mrs. Thom Ferro
Mr. & Mrs. William J. Battison
Mr. & Mrs. Gary Yusko
Mr. Eric Weiss
Ms. Debra Seyler

2104082813

BEFORE THE FEDERAL ELECTION COMMISSION

City of Los Angeles)
) MUR 2893
County of Los Angeles)

AFFIDAVIT OF WILLIAM J. BATTISON

WILLIAM J. BATTISON, being first duly sworn, deposes and says:

1. I am William J. Battison, President and Chief Financial Officer of Westwood One, Inc., a position I have held since 1986.

2. In May or June of 1987, I was asked by Norman Pattiz, Chairman and Chief Executive Officer of Westwood One, Inc., to make a contribution to the Presidential campaign of Senator Biden. I contributed $1,000 to this campaign.

3. Thereafter, I was directed to assist in organizing repayment by the Corporation of my contribution to the Biden for President campaign, and those made by others associated with Westwood One, Inc.

2104088281 4

4. On July 26, 1987, a check was issued to me in the amount of $4,000 from Westwood One, Inc., as reimbursement for my contribution and those of three other persons associated with Westwood One, Inc. I deposited this check into my personal account, and wrote and delivered three checks, each in the amount of $1,000, to Eric R. Weiss, Debra Seyler, and Dean Marion. I retained $1,000 as reimbursement for my own contribution to the Biden campaign.

5. Prior to my contribution to the Biden campaign, I do not recollect ever making a contribution to any federal candidate. I had not been politically active, or involved in any political fundraising activity. At no time did I know that it was illegal for a corporation to reimburse an individual for a political contribution. There was no discussion regarding the legality of Westwood One's reimbursement of contributions to the Biden campaign prior to the time that the corporation learned that a complaint had been made by Mr. Mark Kress.

6. I am deeply disturbed to learn that the transactions in which I participated may not be in compliance

21040882815

with the Federal elections laws, and am anxious to resolve this matter.

William J. Battison

Signed and sworn to before me
this 10th day of August, 1989.

Notary Public

My Commission Expires:

OFFICIAL SEAL
VICKY McKAY
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Oct. 2, 1989

21040882816

BEFORE THE FEDERAL ELECTION COMMISSION

City of Los Angeles	)	
	)	MUR 2893
County of Los Angeles	)	

AFFIDAVIT OF ELIZABETH HINES BATTISON

ELIZABETH HINES BATTISON, being first duly sworn, deposes and says:

1. I am Elizabeth Battison. My husband is William J. Battison, President and Chief Financial Officer of Westwood One, Inc.

2. I am informed by counsel that a contribution by a "Elizabeth Bauman" to the Biden for President campaign subject to a Federal Election Commission inquiry, and that I am believed to be this "Elizabeth Bauman."

3. I am not now, nor have I ever been, known as "Elizabeth Bauman," nor have I ever used such name. My maiden name is Hines, and I do not know an "Elizabeth Bauman."

21040882817

4. I have never made a contribution in any amount to the Biden for President campaign.

Elizabeth H. Battison
Elizabeth Hines Battison

Signed and sworn to before me
this 14th day of August, 1989.

Doris J. Wester
Notary Public

My Commission Expires: Nov. 19, 1992

OFFICIAL SEAL
DORIS J WESTER
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires NOV 19, 1992

21040882818

BEFORE THE FEDERAL ELECTION COMMISSION

City of Los Angeles)
) MUR 2893
County of Los Angeles)

AFFIDAVIT OF THOMAS A. FERRO

THOMAS A. FERRO, being first duly sworn, deposes and says:

1. I am Thomas A. Ferro, Executive Vice President and General Manager, Westwood One Radio Networks. I have held this position since 1988. I held other positions with the company between 1980 and 1988.

2. In response to a request from Norman Pattiz, Chairman of the Board and Chief Executive Officer of Westwood One, Inc., I made a $1,000 contribution to the Biden for President campaign in May or June, 1987. At Mr. Pattiz's request I asked Mari Hand, who shortly thereafter became my wife Mari Hand Ferro, to contribute the same amount.

3. Thereafter, I received a check drawn on Westwood One, Inc.'s account, in the amount of $2,000, which I understood to be a reimbursement for these contributions. I reimbursed my wife in the amount of $1,000 from this sum.

2104082819

4. Until this contribution to Biden for President I previously never made a contribution to a federal candidate nor otherwise been politically active. I did not know at the time I received the reimbursement check that it was improper or illegal for a corporation to provide reimbursement for federal political contributions. At no time prior to the filing of the Kress complaint was there a discussion regarding the legal aspects of these reimbursements. I am anxious to remedy this matter in any whatever way is required.

Thomas A. Ferro

Signed and sworn to before me
this 10 day of August, 1989.

Joni Dixon Reed
Notary Public

My Commission Expires: 11-19-90

21040882820

BEFORE THE FEDERAL ELECTION COMMISSION

City of Los Angeles)
) MUR 2893
County of Los Angeles)

AFFIDAVIT OF MARI HAND FERRO

MARI HAND FERRO, being first duly sworn, deposes and says:

1. I am Mari Hand Ferro. My husband is Thomas A. Ferro, Executive Vice PResident and General Manager, Westwood One Radio Networks.

2. In May or June, 1987, my husband, to whom I was not then married, asked me to make a $1,000 contribution to the Biden for President campaign, and I gave him a check in that amount. Some time later, he returned $1,000 to me, stating that it was a reimbursement for my contribution.

3. I did not know that it was legally improper for me to receive reimbursement for my contribution to the Biden for President campaign. At no time was there any discussion of the legal aspects of this reimbursement. I am not politically active, and have had no occasion before now to become familiar with federal election law. However, I now understand that reimbursement of federal political contributions in not permitted. I am accordingly very

2104088821

concerned, and eager to take any actions necessary to correct this matter.

Mari Hand Ferro

Signed and sworn to before me
this 10 day of August, 1989.

Notary Public

My Commission Expires: 11-19-90

2104088822

BEFORE THE FEDERAL ELECTION COMMISSION

City of Los Angeles)
) MUR 2893
County of Los Angeles)

AFFIDAVIT OF STEPHEN JAFFE

STEPHEN JAFFE, being first duly sworn, deposes and says:

1. I am Stephen Jaffe. I served as Comptroller of Westwood One, Inc. from May, 1986 to June, 1988. From June, 1988 through June, 1989 I was Chief Financial Officer of Gruene, Inc., a corporation located in Venice, California. I am presently an independent financial consultant.

2. In May or June of 1987, Norman Pattiz, Chairman and Chief Executive Officer of Westwood One, Inc., asked me to make a $1,000 contribution to the Biden for President campaign. Mr. Pattiz also asked me whether my wife would make such a contribution. Both my wife, Andrea Jaffe, and I made $1,000 contributions in response to this request.

3. Some time later, I recall receiving a $2,000 check as reimbursement for this contribution.

4. At the time I received this reimbursement I was unaware that any legal issue might exist concerning this transaction. I am not familiar with political campaigns or

2104088823

contributions. However, I now understand that my actions may not have been in compliance with federal election law. If so, I am anxious to correct this matter.

Stephen Jaffe

Signed and sworn to before me this 10TH day of August, 1989.

Robin Diane Ely
Notary Public

OFFICIAL SEAL
ROBIN DIANE ELY
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Exp May 26, 1990

My Commission Expires: May 26, 1990

21040882824

BEFORE THE FEDERAL ELECTION COMMISSION

City of Los Angeles)
) MUR 2893
County of Los Angeles)

AFFIDAVIT OF ANDREA JAFFE

ANDREA JAFFE, being first duly sworn, deposes and says:

1. I am Andrea Jaffe. My husband is Stephen Jaffe, formerly Comptroller of Westwood One, Inc.

2. My husband asked me to join him in making a contribution to the Biden for President Campaign in May or June of 1987, indicating that it was at the request of Norman Pattiz. I made a $1,000 contribution, and recall being told some time later that we had been reimbursed, although I do not recall any details and may not have been told of any details.

3. I now understand that this reimbursement may raise questions under federal election law. I had no knowledge that receiving such reimbursement might be improper; I had no discussion with anyone at anytime of any legal issues in connection with this reimbursement until hearing that a complaint in this matter had been filed with the Federal Election Commission. I am not now and have not previously been politically active or involved in federal campaigns. To

2104088825

the extent that I have done anything wrong in accepting this reimbursement, I wish to correct the matter in whatever way is appropriate.

Andrea Jaffe

Signed and sworn to before me
this 16 day of Aug, 1989.

Rebecca L Randall
Notary Public

My Commission Expires:

OFFICIAL SEAL
REBECCA L RANDALL
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires JUL 15, 1992

21040882826

BEFORE THE FEDERAL ELECTION COMMISSION

City of New York)
) MUR 2893
State of New York)

AFFIDAVIT OF DEBRA SEYLER

DEBRA SEYLER, being first duly sworn, deposes and says:

1. I am Debra Seyler, Vice President of Corporate Affairs, Westwood One, Inc. I have held this position since 1987.

2. I made a $1,000 contribution to the Biden for President campaign in May or June of 1987, after receiving a request from Norman Pattiz, Chairman of the Board and Chief Executive Officer of Westwood One, Inc. Thereafter, I recall receiving reimbursement for this contribution.

3. I have not been involved with political campaigns, and have never solicited funds for or previously given funds to a federal candidate. I had no idea that receiving reimbursement for a federal political contribution might contravene federal election law. There was at no time any discussion of legal issues or implications when I was asked to make this contribution, or when I received the reimbursement. However, to the extent that my actions are in

2104088827

any way improper, I wish to do whatever is necessary to correct the situation.

Debra Seyler
Debra Seyler

Signed and sworn to before me
this 9th day of August, 1989.

Kathleen M. Iglesias
Notary Public

My Commission Expires:

KATHLEEN M. IGLESIAS
Notary Public, State of New York
No. 4942845
Qualified in Kings County
Certificate Filed in New York County
Commission Expires September 27, 1990

>1040882828

BEFORE THE FEDERAL ELECTION COMMISSION

City of Los Angeles)
) MUR 2893
County of Los Angeles)

AFFIDAVIT OF ERIC R. WEISS

ERIC R. WEISS, being first duly sworn, deposes and says:

1. I am Eric Weiss. I held the position of Director of Business Affairs at Westwood One, Inc. from May, 1986 until September, 1987. From September, 1987 until the present, my position at Westwood One, Inc. has been Vice President -- Business and Legal Affairs.

2. At the request of Norman Pattiz, Chairman of the Board and Chief Executive Officer of Westwood One, Inc., I made a $1,000 contribution to the Biden for President campaign in May or June, 1987.

3. Several months later, I received a check in the amount of $1,000 from William Battison, President of Westwood One, Inc., as a reimbursement of my contribution to the Biden campaign.

4. Prior to this contribution, I have never been involved in any political campaign or made any federal political contribution. While I am a lawyer, I am not

2104088829

General Counsel of the company. Nor am I a member of the California Bar. My responsibilities consist almost exclusively of business affairs (supervising areas of the corporation such as the audio-text division), and entertainment contracts and negotiations. Accordingly, I have little familiarity with regulatory law in general, and none with federal election law.

5. However, to the extent that my actions may not have been in compliance with federal election law or regulation, I wish to rectify the matter in any appropriate manner.

Eric R. Weiss

Signed and sworn to before me
this 10th day of August, 1989.

Notary Public

My Commission Expires:

OFFICIAL SEAL
VICKY McKAY
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Oct. 2, 1989

21040882830

BEFORE THE FEDERAL ELECTION COMMISSION

City of Los Angeles)
) MUR 2893
County of Los Angeles)

AFFIDAVIT OF GARY J. YUSKO

GARY J. YUSKO, being first duly sworn, deposes and says:

1. I am Gary J. Yusko, Vice President, Financial Operations and Assistant Secretary of Westwood One, Inc., a position I have held since 1986.

2. In May or June, 1987, my wife, Socorro Yusko, and I made contributions of $1,000 each to the Biden for President campaign, in response to a request from Mr. Norman Pattiz, Chairman of the Board of Directors and Chief Executive Officer of Westwood One, Inc.

3. Thereafter, I was directed to work with other officials of the corporation to organize reimbursement by Westwood One, Inc. of contributions made to the Biden for President campaign by those associated with Westwood One, Inc. The reimbursement was to occur in a way which did not encourage Westwood One, Inc. employees who made past or future contributions to other candidates to seek reimbursement of those contributions from the corporation.

2104088283 1

4. On June 26, 1987, a check was issued to me from Westwood One, Inc. in the amount of $4,000. I returned $2,000 of this reimbursement for the contributions made to the Biden for President campaign by my wife and myself, and wrote and delivered a personal check in the amount of $2,000 to Stephen Jaffe, then comptroller of Westwood One, Inc. for reimbursement of contributions which I understand had been made by Mr. Jaffe and his wife.

5. In undertaking the above actions, I was unaware that there was any illegality or impropriety in corporate reimbursement of political contributions. I have never been involved in federal campaigns, and had not previously made a contribution to any federal candidate. There was no discussion of any legal implications at the time this reimbursement was made. Instead, the sole consideration was to organize what I understood to be a legitimate and proper corporate reimbursement in a way which would not set a precedent for other, future, reimbursement of political contributions.

6. Since that time, I understand that such corporate reimbursement of federal political contributions is not

2104088283 2

permitted. I am accordingly prepared to do whatever is necessary and appropriate to correct this matter.

Gary J. Yusko

Signed and sworn to before me
this 10 day of August, 1989

Notary Public

My Commission Expires: 11-19-90

21040882833

BEFORE THE FEDERAL ELECTION COMMISSION

City of Los Angeles)
County of Los Angeles) MUR 2893

AFFIDAVIT OF SOCORRO YUSKO

SOCORRO YUSKO, being first duly sworn, deposes and says:

1. I am Socorro Yusko. My husband is Gary Yusko, Vice President, Financial Operations and Assistant Secretary, Westwood One, Inc.

2. In May or June of 1987, my husband asked me to make a $1,000 contribution to the Biden for President campaign. Later that summer he informed me that we had both been reimbursed for our contributions.

3. I had no knowledge that such reimbursement could be illegal or improper, and can recall no discussion of any legal aspects of the contribution or reimbursement. I am prepared to do anything required to correct this matter.

Socorro Yusko

Signed and sworn to before me
this 10 day of August, 1989.

Notary Public
My Commission Expires: 11-19-90

2104088283 4

DGC 3863

WILEY, REIN & FIELDING

1776 K STREET, N. W.
WASHINGTON, D. C. 20006
(202) 429-7000

TREVOR POTTER
(202) 429-7366

TELECOPIER
(202) 429-7049
TELEX 248349 WYRN UR

August 25, 1989

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 AUG 25 PM 4:32

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

Attn: Daniel J. Blessington, Esq.

Re: MUR 2893

Dear Mr. Noble:

Enclosed pursuant to my discussion with Mr. Blessington earlier this week, is an Affidavit from Gary J. Yusko correcting a misprint in his Affidavit of August 10, 1989 in the above captioned MUR.

Sincerely yours,

Trevor Potter

rpb
Encl.

cc: Jan W. Baran, Esq.
Mr. Gary J. Yusko

2104088283 5

BEFORE THE FEDERAL ELECTION COMMISSION

City of Los Angeles)
) MUR 2893
County of Los Angeles)

AFFIDAVIT OF GARY J. YUSKO

GARY J. YUSKO, being first duly sworn, deposes and says:

1. I am Gary J. Yusko.

2. My Affidavit of August 10, 1989 in MUR 2893 contained a typographical misprint. The word "returned" in the second sentence of paragraph four should have read "retained." Accordingly, paragraph four in its entirety should have read:

> On June 26, 1987, a check was issued to me from Westwood One, Inc. in the amount of $4,000. I retained $2,000 of this reimbursement for the contributions made to the Biden for President campaign by my wife and myself, and wrote and delivered a personal check in the amount of $2,000 to Stephen Jaffe, then comptroller of Westwood One, Inc. for reimbursement of contributions which I understand had been made by Mr. Jaffe and his wife.

Gary J. Yusko

Signed and sworn to before me
this 24 day of August, 1989

Joni Dixon-Reitz
Notary Public

My Commission Expires: 11-19-90

OFFICIAL SEAL
JONI DIXON-REITZ
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires NOV 19, 1990

2104088283 6

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

90 JAN 19 AM 10: 06

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

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

MUR 2893
DATE COMPLAINT RECEIVED
BY OGC 6/1/89
DATE OF NOTIFICATION TO
RESPONDENTS 6/9/89
STAFF MEMBER: Daniel J. Blessington

COMPLAINANTS: Mark H. Kress
Margaret M. Kress
Robert D. Kress

RESPONDENTS: Norman J. Pattiz
Westwood One, Inc.
William J. Battison
Elizabeth Hines Battison
Thomas A. Ferro
Marie Hand Ferro
Stephen Jaffe
Andrea Jaffe
Mark H. Kress
Margaret M. Kress
Robert D. Kress
Dean Marion
Debra Seyler
Eric Weiss
Gary J. Yusko
Socorro Yusko

2104088283 7

RELEVANT STATUTES: 2 U.S.C. § 437g(a)(5)(C)
2 U.S.C. § 437g(d)
2 U.S.C. § 441b
2 U.S.C. § 441f
11 C.F.R. § 110.4(b)(2)

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

This matter was initiated by a complaint filed by Mark H. Kress, his wife, Margaret M. Kress, and his brother, Robert D.

Kress.[1] They allege that Norman J. Pattiz, Chairman of the Board of Westwood One, Inc. ("Westwood" or the corporation) made contributions to the Biden for President campaign in the names of Westwood employees and others, which were reimbursed by the corporation. Attachment I. Notification letters were sent to Westwood, Norman Pattiz and the individuals named in the Kress complaint. The Commission granted extensions of time in which to respond of August 4, 1989, to Westwood and August 11, 1989, to eleven of the individual respondents, including Mr. Pattiz. Responses have been received from all named respondents.[2]

II. FACTUAL AND LEGAL ANALYSIS

A. The Allegations

Mark H. Kress, the principal complainant, was employed by Westwood from May of 1984 through September of 1988. His complaint charges that on or about June 17, 1987, Norman Pattiz had Mr. Kress come to his office, and instructed Mr. Kress to give him three checks in the names of Mr. Kress, his then fiance, and his brother. Each check was to be in the amount of $1,000, and made payable to the Biden for President campaign. The complaint alleges that Mr. Pattiz volunteered that he would arrange for the corporation to reimburse Mr. Kress for the amount of the contributions. When Mr. Kress asked why he was supporting Senator Biden, Mr. Pattiz allegedly noted his disinterest in Senator

2104088283 8

---

1. Mark Kress signed the complaint in behalf of his brother, who resides in Brazil, as his Attorney in Fact.

2. The complainants were also made respondents in this matter. Their statement as to their own involvement is contained in the complaint.

Biden's candidacy. According to the complaint, Mr. Pattiz told the complainant that the money was being raised to enable Mr. Pattiz to testify before a subcommittee chaired by Senator Daniel Inouye, a co-chairman of Senator Biden's Presidential campaign. On July 9, 1987, Mr. Pattiz appeared as a witness before the Senate Subcommittee on Communications of the Committee on Commerce, Science, and Transportation, which was chaired by Senator Inouye.

Mr. Kress alleges that on June 24, 1987, he personally delivered to Mr. Pattiz three checks payable to the Biden for President Campaign for $1,000 each. These checks were in the names of Mark Kress, his fiance and his brother. Mr. Kress further alleges that on or about July 9, 1987, Westwood's Vice President of Financial Operations handed him a corporate check for $3,000 as reimbursement for the above-described contributions. Mr. Kress claims that the check stub carried the notation "Heart Tour Expenses," which apparently referred to a musical tour sponsorship for which Mr. Kress was responsible, but for which he had not submitted any expense request. The complaint also indicates that Dean Marion, then Westwood's Director of Merchandising, was instructed by Mr. Pattiz to provide him with a $1,000 check made payable to the Biden for President campaign with the understanding that he would be reimbursed. Mr. Marion delivered a check to the personal secretary of Mr. Pattiz, for which he was later reimbursed by Westwood.

The complaint included a list of 14 Westwood employees and their relatives who are reported to have made contributions of

21040882839

$1,000 each to the the Biden campaign in June of 1987. In addition to Mr. Kress, then Vice President of Music Marketing, the list of Westwood employees includes: William Battison, President; Eric Weiss, Director of Business Affairs; Gary Yusko, Vice President of Financial Operations; Debra Seyler, Vice President; Thomas Ferro, Vice President/General Manager; Dean Marion, Director of Merchandising; and Stephen Jaffe, Controller. The list of relatives includes: Elizabeth Bauman, identified as the wife of William Battison; Socorro Yusko, the wife of Gary Yusko; Mari Hand, the wife of Thomas Ferro; Andrea Jaffe, the wife of Stephen Jaffe; Robert Kress, the brother of Mark Kress; and Margaret McAllister, now the wife of Mark Kress.

B. The Law

Pursuant to Section 441f of Title 2 of the Federal Election Campaign Act of 1971, as amended (the "Act"), "[n]o person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person." Under the Commission's regulations, a contribution in the name of another includes giving money or anything or value, all or part of which is provided to the contributor by another person without disclosing the source of the money or the thing of value to the recipient candidate or committee at the time the contribution is made. 11 C.F.R. § 110.4(b)(2)(i).

In Advisory Opinion 1986-41, the Commission noted that the prohibitions of section 441f apply to any person. This includes

2104088284O

"an incorporated or unincorporated entity who gives money to another to effect a contribution in the second person's name." Moreover, the prohibitions of section 441f apply to individuals who help or assist in the making of contributions in the name of another. See FEC v. Rodriguez, No. 86-687 Civ-T-10(B) (M.D. Fla. May 5, 1987) (unpublished order denying motion for summary judgment). Commission regulations now explicitly state this interpretation of the provision. 54 F.R. 34, 112 (1989) (to be codified at 11 C.F.R. § 110.4(b)(iii)).

Pursuant to 2 U.S.C. § 441b, a corporation may not make a contribution in connection with the election of a candidate for federal office, and an officer or director of a corporation is prohibited from consenting to the making of a corporate contribution in connection with the election of a federal candidate. Also, a candidate, political committee, or other person is prohibited from knowingly accepting or receiving any contribution prohibited by this section.

The Act also addresses violations of law that are knowing and willful. See 2 U.S.C. §§ 437g(a)(5)(C) and 437g(d). During the House debates on the Conference Report for the 1976 Amendments, Congressman Hays stated that the phrase "knowing and willful" referred "to actions taken with full knowledge of all of the facts and a recognition that the action is prohibited by law." 122 Cong. Rec. H3778 (daily ed. May 3, 1976) (remarks of Congressman Hays). The knowing and willful standard has also been addressed by the courts. In Federal Election Commission v. John A. Dramesi for Congress Committee, 640 F. Supp. 985 (D.N.J.

2104082841

1986), the court noted that the knowing and willful standard requires knowledge that one is violating the law.

C. The Facts to Date

Westwood One, Inc. is a publicly held corporation that owns and operates the Mutual Broadcast System, the N.B.C. Radio Networks, and local radio stations within the United States. It also produces and distributes syndicated radio programming. Norman Pattiz, Westwood's Chairman of the Board, founded the company in 1974.

In an affidavit filed in response to the complaint, Mr. Pattiz admits that in May or June of 1987, he asked certain officers and employees of the corporation to make contributions to the Presidential campaign of Senator Joseph Biden. These individuals were later reimbursed by Westwood on the authorization of Mr. Pattiz. Westwood's response indicates that the corporate reimbursements totaled $13,000. The response filed in behalf of Mr. Pattiz indicates that he made the request to William Battison, President and Chief Financial Officer; Gary Yusko, Vice President for Financial Operations and Assistant Secretary; Eric Weiss, Vice President for Business and Legal Affairs (previously Director of Business Affairs); Mark Kress, Director of Music Marketing; Thomas Ferro, Executive Vice President and General Manager of Westwood One Radio Network; and Debra Seyler, Vice President. According to his response, Mr. Pattiz recalls that he discussed reimbursement with one or more of these individuals, and that in all cases it was his intention to have Westwood reimburse them.

21040882842

Both the Pattiz and Westwood responses indicate that the contribution reimbursements were made by treating them as reimbursements for expenses. False entries to this effect were made to Westwood's books to obscure the nature of the payments.

Statements from the following individuals confirm that they each made contributions of $1,000 to the Biden for President campaign at the request of Norman Pattiz, for which they were later reimbursed by Westwood: William J. Battison; Thomas A. Ferro; Mari Hand Ferro; Stephen Jaffe; Andrea Jaffe; Debra Seyler; Eric R. Weiss; Gary J. Yusko; Socorro Yusko; Dean Ward Marion; Mark H. Kress; Margaret D. Kress; and Robert D. Kress. The total amount of their contributions is $13,000, which is consistent with the figure noted in the Westwood response.

Although fundraisers for Senator Biden apparently asked for the assistance of Mr. Pattiz in their fundraising efforts, and the complaint alleges that contributions were related to the appearance of Mr. Pattiz before a Senate subcommittee chaired by one of Senator Biden's colleagues, there is at present insufficient evidence for a finding of reason to believe that Biden for President violated the Act.

D. Norman Pattiz

Mr. Pattiz admits to the substance of the Kress complaint, i.e., that he arranged for Westwood to make prohibited contributions to the Biden for President campaign by having officers and employees of Westwood and others make contributions in their names to the Biden for President campaign, and by authorizing contribution reimbursements from Westwood to these

2104088843

individuals. Therefore, corporate funds were used to make contributions in violation of 2 U.S.C. § 441b, and the actions of the individuals and the corporation violated 2 U.S.C. § 441f.

The Pattiz response argues, however, that his actions were in good faith, and that he was unaware that his fundraising scheme violated the law. The response contends that once he became aware of the Kress complaint and the possible illegality of his actions, Mr. Pattiz initiated an internal corporate review of the facts and the law. This review, according to the response, is an illustration of good faith on the part of Mr. Pattiz. The response also suggests that the Kress complaint, said to offer a sinister view of Mr. Pattiz's motivation, was grounded in the alleged personal enmity of Mr. Kress for Mr. Pattiz. With respect to the charge that Mr. Pattiz undertook the scheme in order to enable him to appear before a Senate subcommittee, the Pattiz response states that the subcommittee hearing was unrelated to the fundraising, and that the appearance of Mr. Pattiz was arranged by Westwood's regular FCC counsel.

Both the complaint and the responses demonstrate that Norman J. Pattiz implemented a plan whereby corporate employees and their relatives made prohibited contributions in their names to the Biden for President campaign in violation of 2 U.S.C. §§ 441b and 441f. Under 2 U.S.C. § 441b, a corporation may not make a contribution in connection with the election of a candidate to federal office, and an officer or director of a corporation is prohibited from consenting to the making of such a contribution.

21040882844

As an officer of the corporation and the instigator of the contribution and reimbursement scheme, Mr. Pattiz violated 2 U.S.C. § 441b.

Under 2 U.S.C. § 441f, a person is prohibited from making a contribution in the name of another, or knowingly permitting his name to be used to effect such a contribution. The prohibitions of 2 U.S.C. § 441f apply to any person that provides the money to others to effect contributions in their names. See AO 1986-41. Moreover, a person who knowingly assists in the making of contributions in the name of another also violates that provision. See FEC v. Rodriguez. The facts demonstrate that Westwood and thirteen individuals violated this provision of the Act at the instance of Mr. Pattiz, whose pivotal involvement in the contribution and reimbursement scheme actually caused the aforementioned violations. Therefore, Norman J. Pattiz violated 2 U.S.C. § 441f by his instigation and knowing assistance in the making of corporate contributions to Biden for President in the names of others.

The Pattiz response indicates that Mr. Pattiz was requested by representatives of Senator Biden to assist them in their fundraising efforts in behalf of the Biden Presidential campaign, and that Mr. Pattiz committed to lending his assistance. The response also indicates that Mr. Pattiz temporized on his commitment, finding himself on the eve of the fundraising event with no money raised. It was at this point, according to the response, that Mr. Pattiz decided to ask Westwood's officers and employees to make contributions and to arrange for the

2104088845

reimbursements. In the sworn statement accompanying the response, Mr. Pattiz states that he authorized the reimbursements without knowledge that corporate reimbursements were illegal.

The response also describes that the contribution reimbursements were accomplished by falsifying them as expense reimbursements to the officers and employees involved in the scheme; supporting entries for these expenses were also falsified in the corporation's books. It is the stated position of Mr. Pattiz, however, that the falsification of these payments stemmed from a dual concern: that of Mr. Pattiz for the prudent use of corporate resources, i.e., expense reimbursements cost the corporation less than bonus payments; and from the concern of corporate officers William Battison and Gary Yusko that word of the contributions could have a deleterious effect on company morale, i.e., obscuring the true nature of the payments could avoid requests from others for corporate funds for their own political contributions.

Based on the foregoing, the Office of the General Counsel recommends that the Commission find reason to believe that Norman J. Pattiz violated 2 U.S.C. §§ 441b and 441f by his actions in connection with the corporate contributions made in the names of Westwood officers, employees, and their relatives to Biden for President. Moreover, this Office recommends that the Commission find reason to believe that the violations by Mr. Pattiz were knowing and willful. Despite his assurances to the contrary, the very nature of the violations suggest that Mr. Pattiz was aware that his actions were illegal from the outset. Mr. Pattiz chose

2104088284 6

to have Westwood fund the contributions to Biden for President, but enlisted individuals to make the contributions in their names rather than simply making a contribution in the name of the corporation. Moreover, each of the contributions made in the names of Westwood employees and relatives was $1,000, the upper limit of a contribution under 2 U.S.C. § 441a(a)(1)(A). Finally, the falsification of the reimbursements and company records are strong indicators that Mr. Pattiz sought to cover up what he knew to be illegal activity.

E. Westwood One, Inc.

Westwood's response admits that its officers and employees were involved in the making of campaign contributions, and that its Chairman of the Board, Norman J. Pattiz, authorized $13,000 in corporate funds to reimburse these contributions. It is Westwood's position, however, that it is neither appropriate nor in the public interest to take any action against the company.

The response claims that the corporation first became aware that the contribution and reimbursement scheme may have been illegal prior to the filing of the complaint, when a reporter so informed Mr. Pattiz; and that its Board of Directors took immediate action to ensure against future violations. Among the actions taken were an amendment to Westwood's Code of Ethics that expressly prohibits the making or solicitation of contributions to candidates for federal office, and an order requiring Norman Pattiz to repay the corporation an amount of $13,000 plus interest for the reimbursed contributions.

21040882847

The response asserts that an investigation and special review of company records show that Mr. Pattiz and other employees first learned in May of 1989 that the subject contributions and reimbursements might be illegal; that Westwood had not previously or since made or reimbursed campaign contributions; that the subject contributions were reimbursed without prior knowledge or consent of the Board of Directors; that the falsification of corporate financial records was an isolated event "generally intended to avoid setting any future precedent" for reimbursing employees' political contributions; and that the complaint's allegation that the contributions were intended to facilitate the testimony of Mr. Pattiz before Senator Inouye's subcommmittee was "patently false and without any factual basis."

Finally, Westwood argues that there is no reason to conclude that the corporation itself violated the Act, suggesting that it was merely a "vehicle" used to accomplish an unlawful transaction. The response cites case law to illustrate that in some instances, the Securities and Exchange Commission has named in its complaints senior managers of a corporation without also naming the corporation.

Westwood asserts that it did not benefit from the illegal contributions, and denies the complaint's allegation that the illegal acts of its officers and employees were motivated by the desire of Norman Pattiz to appear before a Senate subcommittee. However, the response acknowledges that Westwood officers and employees violated the Act. Based on information contained in the complaint and responses to the complaint, these officers and

21040882848

employees include the corporation's founder and Chairman of the Board; its President and Chief Financial Officer; its Vice President for Financial Operations and Assistant Secretary; its former Comptroller; its Vice President of Corporate Affairs; its Vice President for Business and Legal Affairs (formerly, Director of Business Affairs); its former Vice President and Director of Music Marketing; its former Vice President and Director of Merchandising; and the Executive Vice President and General Manager of Westwood One Radio Networks (formerly, Vice President and General Manager). In addition to the central role played by Norman Pattiz, other Westwood officers lent more than just their names to the illegal enterprise. The President and Chief Financial Officer, William Battison, and the Vice President for Financial Operations, Gary Yusko, actively assisted in reimbursing their own and others' contributions with corporate funds. They also participated in the falsification of corporate records in order to conceal the reimbursements.

In prohibiting corporate contributions and expenditures, the Act imposes liability on both corporate officers and the corporation itself. See 2 U.S.C. § 441b(a). Specifically, this provision makes it unlawful for a corporation to make a contribution or expenditure in connection with a federal election, and for its officers to consent to such contributions or expenditures. The Act reflects the fact that a corporation can only act through individuals, and the general rule that the actions of corporate officers may be imputed to the corporation for the purposes of both criminal and civil liability. See

2104088249

generally Fletcher Cyc Corp §§ 4877 and 4942. Westwood does not explicitly argue otherwise, but implicitly urges the Commission to proceed against the corporate officers rather than the corporation itself. This Office believes, however, that the undisputed actions of Westwood's top officers are properly imputed to the corporation. The facts show that Westwood officers caused corporate contributions to be made in violation of 2 U.S.C. § 441b(a), and had these illegal contributions made in the names of others. Under 2 U.S.C. § 441f, a person is prohibited from making a contribution in the name of another or knowingly permitting his name to be used to effect such a contribution. These prohibitions apply to any person, including an incorporated entity, that provides the money to others to effect contributions in their names. See AO 1986-41. Moreover, a person who actively assists in the making of contributions in the name of another also violates this provision. See FEC v. Rodriguez. Proceeding against the corporation is particularly appropriate here, given both the importance of the officers in the corporate structure and the nature of their involvement in the contribution and reimbursement scheme.

Therefore, the Office of the General Counsel recommends that the Commission find reason to believe that Westwood One, Inc. violated 2 U.S.C. §§ 441b and 441f in connection with the corporate contributions to the Biden for President campaign that were made in the names of Westwood officers, employees, and relatives. Moreover, this Office recommends that the Commission find reason to believe that these violations were knowing and

2104088285O

willful. Despite Westwood's assertions that its officers were initially unaware that their actions were illegal and the falsification of company records was intended to avoid setting precedent, the very nature of the violations suggests otherwise. The fact that Westwood's contributions were made in the names of individuals rather than in its corporate name, and that each contribution of $1,000 met an individual's upper limit under 2 U.S.C. § 441a(a)(1)(A) indicate at least a rudimentary knowledge of applicable law. In addition, the entry of false information to conceal the nature of the corporate reimbursements is consistent with an effort to conceal acts known to be illegal.

F. Other Respondents

The remaining respondents have all submitted statements to the Commission either in the complaint itself or in responses to the complaint.

Mark H. Kress

Mr. Kress, the principal complainant, admits that on June 24, 1987, he personally delivered three checks of $1,000 each made payable to the Biden for President campaign to Norman Pattiz. These checks were in his own name and in the names of his brother, and his fiance. The complaint indicates that on or about June 17, 1987, Norman Pattiz had "summoned" Mr. Kress to his office, and informed Mr. Kress that he wanted three checks made payable to the Biden for President campaign. Mr. Kress admits that he provided these checks to Mr. Pattiz with the understanding that he would be reimbursed by Westwood, and that he was reimbursed by means of a false expense check provided to him on or about July 9, 1987.

2104082851

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, the Office of the General Counsel recommends that the Commission find reason to believe that Mark H. Kress violated this provision of the Act.

Margaret M. Kress

Ms. Kress, formerly Margaret McAllister, is the wife of Mark H. Kress, and a signatory to the complaint. The complaint indicates that while she was the fiance of Mark Kress in June of 1987, she provided him with a check for $1,000 in her name made payable to the Biden for President campaign. This check was used to effect a contribution by Westwood One, Inc. She was subsequently reimbursed for the contribution.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, the Office of the General Counsel recommends that the Commission find reason to believe that Margaret M. Kress violated this provision of the Act.

Robert D. Kress

Robert Kress is the brother of Mark H. Kress, and one of the three complainants who initiated this action. The complaint indicates that in June of 1987, Mark Kress, who managed his brother's finances, provided Norman Pattiz with a check in the name of Robert Kress in the amount of $1,000. This check was made payable to the Biden for President campaign, and was used to effect a contribution by Westwood One, Inc. It appears that the

7104082852

account of Mr. Kress was later reimbursed for the contribution made in his name, but there is at present no evidence that Robert Kress knowingly permitted his name to be used in violation of 2 U.S.C. § 441f.

Based on the foregoing, the Office of the General Counsel recommends that the Commission take no action at this time with respect to Robert D. Kress.

Dean Ward Marion

Dean Ward Marion is the former Director of Merchandising of Westwood One, Inc. In his response to the complaint, he asserts that Norman Pattiz requested him in June of 1987 to provide a check in the amount of $1,000 made payable to the Biden for President campaign. Mr. Marion later delivered such a check in his name to the personal secretary of Mr. Pattiz. He recalls that he was subsequently reimbursed by the corporation.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, the Office of the General Counsel recommends that the Commission find reason to believe that Dean Ward Marion violated this provision of the Act.

Thomas A. Ferro

Thomas A. Ferro is the Executive Vice President and General Manager of Westwood One Radio Networks, and was employed by Westwood at the time of the subject contributions. In an affidavit filed in response to the complaint, Mr. Ferro admits that he made a $1,000 contribution to the Biden for President

2104082853

campaign in May or June of 1987. Mr. Ferro states that he made the contribution at the request of Norman Pattiz, and that he asked Marie Hand, who would later become his wife, also to contribute to Biden for President. Subsequently, Mr. Ferro was reimbursed $2,000 by Westwood for his and Ms. Hand's contributions.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, the Office of the General Counsel recommends that the Commission find reason to believe that Thomas A. Ferro violated this provision of the Act.

Marie Hand Ferro

Marie Hand Ferro is the wife of Thomas A. Ferro. In an affidavit filed in response to the complaint, Ms. Ferro states that in May or June of 1987, her husband, to whom she was not yet married, asked her to make a contribution to the Biden for President campaign. She gave him a check for $1,000, for which she was subsequently reimbursed.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, the Office of the General Counsel recommends that the Commission find reason to believe that Marie Hand Ferro violated this provision of the Act.

2104082854

Stephen Jaffe

Stephen Jaffe was the former Comptroller of Westwood One, Inc. In an affidavit filed in response to the complaint, Mr. Jaffe admits that he made a contribution of $1,000 to the Biden for President campaign that had been requested by Norman Pattiz in May or June of 1987. The affidavit indicates that at the request of Mr. Pattiz, Mr. Jaffe's wife, Andre Jaffe, also contributed $1,000 to Biden for President. Subsequently, Mr. Jaffe was reimbursed by Westwood in the amount of $2,000 for his and his wife's contributions.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, the Office of the General Counsel recommends that the Commission find reason to believe that Stephen Jaffe violated this provision of the Act.

Andrea Jaffe

Andrea Jaffe is the wife of Stephen Jaffe. Ms. Jaffe, in an affidavit filed in response to the complaint, admits that she made a contribution of $1,000 to the Biden for President campaign for which she was later reimbursed. The affidavit indicates that her husband had asked her to make the contribution in May or June of 1987, at the request of Norman Pattiz.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, the Office of the General Counsel recommends that the Commission find reason to believe that Andrea Jaffe violated this provision of the Act.

2104088285 5

Debra Seyler

Debra Seyler is Vice President of Corporate Affairs of Westwood One, Inc., a position she has held since 1987. In an affidavit filed in response to the complaint, Ms. Seyler admits that she made a contribution of $1,000 to the Biden for President campaign for which she was later reimbursed. The affidavit indicates that Ms. Seyler made the contribution in May or June of 1987, after receiving a request from Norman Pattiz.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, the Office of the General Counsel recommends that the Commission find reason to believe that Debra Seyler violated this provision of the Act.

Eric Weiss

Eric Weiss is the Vice President of Business and Legal Affairs of Westwood One, Inc., a position that he has held since September of 1987. Previously, he had the title of Director of Business Affairs. In an affidavit filed in response to the complaint, Mr. Weiss admits that he made a $1,000 contribution to the Biden for President campaign in May or June of 1987 at the request of Norman Pattiz. Mr. Weiss states that he was subsequently reimbursed for this contribution when William Battison, President of Westwood, gave him a check in the amount of $1,000.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, the Office

2104082856

of the General Counsel recommends that the Commission find reason to believe that Eric Weiss violated this provision of the Act.

Gary J. Yusko

Gary J. Yusko is the Vice President of Financial Operations and Assistant Secretary of Westwood One, Inc., a position he has held since 1986. According to Mr. Yusko's affidavit, filed in response to the complaint, he and his wife, Socorro Yusko, each made $1,000 contributions to the Biden for President campaign in May or June of 1987. The affidavit indicates that they made these contributions in response to a request from Norman Pattiz.

Mr. Yusko states that subsequent to these contributions, he and other corporate officials were directed to organize Westwood's reimbursements to individuals who had made contributions to Biden for President. Mr. Yusko's affidavit and other information received in response to the complaint indicate that Norman Pattiz, William Battison (Westwood's President and Chief Financial Officer), and Mr. Yusko discussed alternative methods of making the reimbursements. Ultimately, the contribution reimbursements were made by falsifying the payments as expense reimbursements. False entries were also made to corporate records. The affidavit indicates that on June 26, 1987, a corporate check was issued to Mr. Yusko in the amount of $4,000. Mr. Yusko used $2,000 of this amount to reimburse the contributions made by his wife and himself. He also wrote and delivered his personal check for $2,000 to Westwood's Comptroller. This reimbursed his fellow officer for his and his wife's contributions. With respect to his actions, Mr. Yusko claims his sole consideration was to organize

2104088857

a legitimate and proper reimbursement that would not set a precedent for future reimbursements of political contributions.

Under 2 U.S.C. § 441f, a person is prohibited from making a contribution in the name of another or knowingly permitting his or her name to be used to effect such a contribution. The prohibitions of 2 U.S.C. § 441f apply to any person that provides the money to others to effect contributions in their names. See AO 1986-41. Moreover, a person who helps or assists in the making of contributions in the name of another also violates that provision. See FEC v. Rodriguez. Under 2 U.S.C. § 441b, a corporation may not make a contribution in connection with the election of a candidate to federal office, and an officer or director of a corporation is prohibited from consenting to the making of such a contribution. When Mr. Yusko actively participated in the scheme to make corporate contributions in the names of himself and others associated with Westwood, he was an officer of the corporation. Accordingly, the Office of the General Counsel recommends that the Commission find reason to believe that Gary J. Yusko violated 2 U.S.C. §§ 441b(a) and 441f. Moreover, this Office recommends that the Commission find reason to believe that the violations by Mr.Yusko were knowing and willful. Although Mr. Yusko states that he was unaware of any illegality or impropriety in the corporate reimbursement of political contributions, both the nature of the violations and Mr. Yusko's role in causing them suggest an awareness that corporate contributions could not be made directly. The subterfuge engaged in by Mr. Yusko and others in reimbursing the contributions,

2104082858

regardless of his stated rationale, is strong evidence that he knew the contribution and reimbursement scheme to be illegal.

Socorro Yusko

Socorro Yusco is the wife of Gary Yusko. In an affidavit filed in response to the complaint, Ms. Yusko states that in May or June of 1987, her husband asked her to make a contribution of $1,000 to the Biden for President campaign. Her husband has indicated that she made such a contribution at his request. Her affidavit indicates that she was later reimbursed. The reimbursement was made by Westwood.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, the Office of the General Counsel recommends that the Commission find reason to believe that Socorro Yusko violated this provision of the Act.

William J. Battison

William J. Battison is the President and Chief Financial Officer of Westwood One, Inc., a position he has held since 1986. According to Mr. Battison's affidavit, filed in response to the complaint, he made a $1,000 contribution to the Biden for President campaign in reponse to a request from Norman Pattiz in May or June of 1987.

Mr. Battison states that subsequent to this contribution, he was directed to assist in organizing Westwood's reimbursements to individuals who had made contributions to Biden for President. Information received in response to the complaint indicates that Norman Pattiz, Gary Yusko (Westwood's Vice President of Financial

2104082859

Operations and Assistant Secretary), and Mr. Battison discussed alternative methods of making the reimbursements. Ultimately, the contribution reimbursements were made by falsifying the payments as expense reimbursements. False entries were also made to corporate records. The affidavit indicates that on June 26, 1987, a corporate check was issued to Mr. Battison in the amount of $4,000 as reimbursement for his own contribution and the contributions of three others. Mr. Battison admits that he deposited this check into his personal account, and wrote and delivered three checks of $1,000 each to Eric Weiss, Debra Seyler, and Dean Marion. He retained $1,000 as reimbursement of his own contribution to the campaign of Senator Biden. Mr. Battison claims that he did not know it was illegal for a corporation to reimburse individuals for their politcal contributions.

Under 2 U.S.C. § 441f, a person is prohibited from making a contribution in the name of another or knowingly permitting his or her name to be used to effect such a contribution. The prohibitions of 2 U.S.C. § 441f apply to any person that provides the money to others to effect contributions in their names. See AO 1986-41. Moreover, a person who actively assists in the making of contributions in the name of another also violates that provision. See FEC v. Rodriguez. Under 2 U.S.C. § 441b, a corporation may not make a contribution in connection with the election of a candidate to federal office, and an officer or director of a corporation is prohibited from consenting to the making of such a contribution. When Mr. Battison actively participated in the scheme to make corporate contributions in the

2104088286O

names of himself and others associated with Westwood, he was an officer of the corporation. Accordingly, the Office of the General Counsel recommends that the Commission find reason to believe that William J. Battison violated 2 U.S.C.§§ 441b(a) and 441f. Moreover, this Office recommends that the Commission find reason to believe that the violations were knowing and willful. Although Mr. Battison states that he was unaware that corporate reimbursements of political contributions were illegal, both the nature of the violations and his role in causing them suggest an awareness that corporate contributions could not be made directly. The subterfuge engaged in by Mr. Battison and others in reimbursing the contributions is strong evidence that he knew the contribution and reimbursement scheme to be illegal.

Elizabeth Hines Battison

Elizabeth Hines Battison is the wife of William J. Battison. The complaint indicated that an "Elizabeth Bauman" had made a contribution to the Biden for President campaign in June of 1987, and identified this individual as the present wife of William Battison. In her affidavit filed in response to the complaint, Ms. Battison denies ever having made a contribution to the Biden for President campaign and states that her maiden name is Hines. Moreover, she claims that she has never used the name of "Elizabeth Bauman", that she has never been known by that name, and that she knows no one by that name.

It appears that the naming of Elizabeth Bauman in the complaint was mistaken. Although Biden for President reports indicate that an Elizabeth Bauman made a contribution of $1,000

2104082861

in June of 1987, it appears to be totally unrelated to the contribution and reimbursement scheme of Westwood One, Inc. and Norman Pattiz. There is no evidence that Mrs. Battison violated the Act. Therefore, the Office of the General Counsel recommends that the Commission find no reason to believe that Elizabeth Hines Battison violated 2 U.S.C. § 441f.

G. Investigation

The complaint and responses make it clear that Norman Pattiz and other officers of Westwood arranged for $13,000 in prohibited corporate contributions to be made to the Biden for President campaign in the names of Westwood employees and others associated with the company. Although the available evidence belies their claims, Norman Pattiz, William Battison, and Gary Yusko, all assert that their actions were taken without any knowledge that corporate reimbursements violated the law. While the violations of these individuals appear to have been knowing and willful, their responses indicate that they will resist any finding or agreement that their actions were little more than innocent mistakes made in good faith. Therefore, additional evidence should be obtained on this point.

Westwood's response also asserts that the actions of its officers were taken without the knowledge that they violated the law. Moreover, the response intimates that the officers were acting on their own, and states that there was no intended or actual benefit to the corporation by the contributions in question. Westwood's response seems to anticipate a more specific factual and legal argument that any violations committed by its

2104088862

officers cannot be imputed to the corporation in this case. For this reason, additional information should be obtained with respect to how the corporation functioned generally, and the manner in which its Chairman and other officers effected the contribution and reimbursement scheme.

Finally, the investigation will seek information with respect to any role played by representatives of Biden for President with respect to the fundraising at issue.

Attached are proposed subpoenas to appear for deposition and to produce documents to several of the individual respondents who may be able to provide information on these points. Also attached is a suboena to produce documents to Westwood itself. The Office of the General Counsel recommends that the Commission approve these discovery requests.

2104088863

III. RECOMMENDATIONS

1. Find reason to believe that Thomas A. Ferro, Marie Hand Ferro, Stephen Jaffe, Andrea Jaffe, Mark H. Kress, Margaret M. Kress, Dean Ward Marion, Debra Seyler, Eric Weiss, and Socorro Yusko violated 2 U.S.C. § 441f.

2. Find reason to believe that Westwood One, Inc., Norman J. Pattiz, William J. Battison, and Gary J. Yusko, knowingly and willfully violated 2 U.S.C. §§ 441b and 441f.

3. Find no reason to believe that Elizabeth Hines Battison violated 2 U.S.C. § 441f.

4. Take no action at this time with respect to Robert D. Kress.

5. Approve the attached Factual and Legal Analyses.

6. Approve the attached letter and subpoena to produce documents to Westwood One, Inc.

7. Approve the attached letters and subpoenas for deposition and document production to: Norman J. Pattiz; William J. Battison; Gary J. Yusko; Thomas A. Ferro; Stepen Jaffe; Mark H. Kress; Dean Ward Marion; Eric Weiss; and Debra Seyler.

8. Approve the attached letters and subpoenas to produce documents to: Marie Hand Ferro; Andrea Jaffe; Socorro Yusko; and Margaret M. Kress.

9. Approve the attached letters to Elizabeth Hines Battison and Robert D. Kress.

1/18/90
Date

Lawrence M. Noble
General Counsel

Attachments
I. Complaint
II. Responses to Complaint
III. Proposed Factual and Legal Analyses
IV. Proposed Letters and Discovery Requests

21040882864

FEDERAL ELECTION COMMISSION
WASHINGTON D C 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/DELORES HARRIS DH
COMMISSION SECRETARY

DATE: JANUARY 24, 1990

SUBJECT: MUR 2893 - GENERAL COUNSEL'S REPORT
DATED JANUARY 18, 1990

The above-captioned document was circulated to the Commission on Monday, January 22, 1990 at 11:00 a.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	
Commissioner Elliott	
Commissioner Josefiak	XXX
Commissioner McDonald	
Commissioner McGarry	
Commissioner Thomas	XXX

This matter will be placed on the meeting agenda for Tuesday, January 30, 1990.

Please notify us who will represent your Division before the Commission on this matter.

2104088828865

Docket

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM - JANUARY 25, 1990

TO: MARJORIE EMMONS,
Commission Secretary

FROM: COMMISSIONER THOMAS J. JOSEFIAK

RE: MUR 2893

On January 24, 1990 I voted to object to the Recommendations of the General Counsel in MUR 2893, dated January 18, 1990.

I wish to withdraw my objection and be recorded as approving the recommendations.

21040882866

RECEIVED
FEDERAL ELECTION COMMISSION
90 JAN 26 PM 7:36

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 25, 1990

MEMORANDUM

TO: Marjorie W. Emmons
Secretary of the Commission

FROM: Scott E. Thomas
Commissioner

SUBJECT: MUR 2893

Please withdraw my objection to the above-captioned matter and cast my vote in favor of the General Counsel's Report.

2104088288 67

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Norman J. Pattiz	)	
Westwood One, Inc.	)	MUR 2893
William J. Battison	)	
Elizabeth Hines Battison	)	
Thomas A. Ferro	)	
Marie Hand Ferro	)	
Stephen Jaffe	)	
Andrea Jaffe	)	
Mark H. Kress	)	
Margaret M. Kress	)	
Robert D. Kress	)	
Dean Marion	)	
Debra Seyler	)	
Eric Weiss	)	
Gary J. Yusko	)	
Socorro Yusko	)	

2104088288

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on January 26, 1990, the Commission decided by a vote of 6-0 to take the following actions in MUR 2893:

1. Find reason to believe that Thomas A. Ferro, Marie Hand Ferro, Stephen Jaffe, Andrea Jaffe, Mark H. Kress, Margaret M. Kress, Dean Ward Marion, Debra Seyler, Eric Weiss, and Socorro Yusko violated 2 U.S.C. § 441f.

2. Find reason to believe that Westwood One, Inc., Norman J. Pattiz, William J. Battison, and Gary J. Yusko, knowingly and willfully violated 2 U.S.C. §§ 441b and 441f.

3. Find no reason to believe that Elizabeth Hines Battison violated 2 U.S.C. § 441f.

(continued)

4. Take no action at this time with respect to Robert D. Kress, as recommended in the General Counsel's Report dated January 18, 1990.

5. Approve the Factual and Legal Analyses, as recommended in the General Counsel's Report dated January 18, 1990.

6. Approve the letter and subpoena to produce documents to Westwood One, Inc., as recommended in the General Counsel's Report dated January 18, 1990.

7. Approve the letters and subpoenas for deposition and document production to: Norman J. Pattiz; William J. Battison; Gary J. Yusko; Thomas A. Ferro; Stephen Jaffe; Mark H. Kress; Dean Ward Marion; Eric Weiss; and Debra Seyler, as recommended in the General Counsel's Report dated January 18, 1990.

8. Approve the letters and subpoenas to produce documents to: Marie Hand Ferro; Andrea Jaffe; Socorro Yusko; and Margaret M. Kress, as recommended in the General Counsel's Report dated January 18, 1990.

2104088286 9

(continued)

9. Approve the letters to Elizabeth Hines Battison and Robert D. Kress, as recommended in the General Counsel's Report dated January 18, 1990.

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

Attest:

1-29-90
Date

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

Received in the Secretariat:	Fri., January 19, 1990	10:06 a.m.
Circulated to the Commission:	Mon., January 22, 1990	11:00 a.m.
Deadline for vote:	Wed., January 24, 1990	11:00 a.m.
Objections received:	Wed., January 24, 1990	10:14 a.m.
Placed on Agenda for:	Tues., January 30, 1990	10:00 a.m.
Objections withdrawn		

21040882870

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Kress
c/o Mark H. Kress
1423 Comstock Avenue
Los Angeles, CA 90024

RE: MUR 2893
Robert Kress

Dear Mr. Kress:

On June 9, 1989, the Federal Election Commission notified you that it received your complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended, ("the Act").

After considering the circumstances of the matter the Commission determined on January 26, 1990, to take no action against you at this time.

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.

If you have any questions, please contact Daniel J. Blessington, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

2104088287 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, NW
Washington, D.C. 20006

RE: MUR 2893
Elizabeth Battison

Dear Mr. Baran:

On June 9, 1989, the Federal Election Commission notified your client, Elizabeth Battison, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On January 26, 1990, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe Elizabeth Battison violated 2 U.S.C. § 441f.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel

2104088872

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, NW
Washington, D.C. 20006

RE: MUR 2893
William Battison

Dear Mr. Baran:

On June 9, 1989, the Federal Election Commission notified your client, William Battison, 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 client at that time.

Upon further review of the allegations contained in the complaint, the Commission, on January 26, 1990, found that there is reason to believe William Battison violated 2 U.S.C. § 441f and 2 U.S.C. § 441b, provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against William Battison. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. All responses to the enclosed subpoena must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the subpoena.

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

2104088873

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 the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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 the General Counsel ordinarily will not give extensions beyond 20 days.

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

If you have any questions, please contact Daniel J. Blessington, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lee Ann Elliott
Chairman

Enclosures
Factual & Legal Analysis
Subpoena

2104038287 4

2104088287 5

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: William J. Battison MUR 2893

William J. Battison is the President and Chief Financial Officer of Westwood One, Inc. ("Westwood" or the corporation), a position he has held since 1986. According to Mr. Battison's affidavit, filed in response to the complaint, he made a $1,000 contribution to the Biden for President campaign in reponse to a request from Norman Pattiz in May or June of 1987.

Mr. Battison states that subsequent to this contribution, he was directed to assist in organizing Westwood's reimbursements to individuals who had made contributions to Biden for President. Information received in response to the complaint indicates that Norman Pattiz, Gary Yusko (Westwood's Vice President of Financial Operations and Assistant Secretary), and Mr. Battison discussed alternative methods of making the reimbursements. Ultimately, the contribution reimbursements were made by falsifying the payments as expense reimbursements. False entries were also made to corporate records. The affidavit indicates that on June 26, 1987, a corporate check was issued to Mr. Battison in the amount of $4,000 as reimbursement for his own contribution and the contributions of three others. Mr. Battison admits that he deposited this check into his personal account, and wrote and delivered three checks of $1,000 each to Eric Weiss, Debra Seyler, and Dean Marion. He retained $1,000 as reimbursement of his own

contribution to the campaign of Senator Biden. Mr. Battison claims that he did not know it was illegal for a corporation to reimburse individuals for their politcal contributions.

Under 2 U.S.C. § 441f, a person is prohibited from making a contribution in the name of another or knowingly permitting his or her name to be used to effect such a contribution. The prohibitions of 2 U.S.C. § 441f apply to any person that provides the money to others to effect contributions in their names. See AO 1986-41. Moreover, a person who actively assists in the making of contributions in the name of another also violates that provision. See FEC v. Rodriguez, No. 86-687 Civ-T-10(B) (M.D. Fla. May 5, 1987)(unpublished order denying motion for summary judgment). Commission regulations now explicitly state this interpretation of the provision. 54 F.R. 34, 112 (1989)(to be codified at 11 C.F.R. § 110.4(b)(iii)). Under 2 U.S.C. § 441b, a corporation may not make a contribution in connection with the election of a candidate to federal office, and an officer or director of a corporation is prohibited from consenting to the making of such a contribution. When Mr. Battison actively participated in the scheme to make corporate contributions in the names of himself and others associated with Westwood, he was an officer of the corporation. Accordingly, there is reason to believe that William J. Battison violated 2 U.S.C. §§ 441b and 441f.

2104082876

Moreover, there is reason to believe that the violations were knowing and willful. Although Mr. Battison states that he was unaware that corporate reimbursements of political contributions were illegal, both the nature of the violations and his role in causing them suggest an awareness that corporate contributions could not be made directly. The subterfuge engaged in by Mr. Battison and others in reimbursing the contributions is strong evidence that he knew the contribution and reimbursement scheme to be illegal.

21040882877

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 2893

SUBPOENA

TO: William Battison
c/o Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to the above captioned matter. Notice is hereby given that the deposition is to be taken on March 13, 1990, at the United States Courthouse in Room 1100 at 321 North Spring Street, Los Angeles, California beginning at 10:00 a.m. and continuing each day thereafter as necessary.

Further, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to produce the documents listed on the attachment to this subpoena. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals. The documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 15 days of your receipt of this subpoena.

2104088878

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand at Washington, D.C., this 31st day of January, 1990.

Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachments
- Instructions
- Definitions
- Document Request (1 page)

2104088287879

INSTRUCTIONS

In answering this request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Should you claim a privilege with respect to any documents requested, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January of 1987 to the present.

The following requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental submissions the date upon which and the manner in which such further or different information came to your attention.

2104088283O

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, minutes of directors meetings, audit findings, audit reports and work papers, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

2104083831

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Produce any and all documents, including but not limited to checks and other financial records, that relate, refer, or pertain to any political contributions made in your name and/or your spouse's name.

2. Produce any and all documents that relate, refer, or pertain to the reimbursement of political contributions made to you or by you, to any member of your family or to any other individual known to you.

2104088288 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, NW
Washington, D.C. 20006

RE: MUR 2893
Marie Hand Ferro

Dear Mr. Baran:

On June 9, 1989, the Federal Election Commission notified your client, Marie Hand Ferro, 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, the Commission, on January 26, 1990, found that there is reason to believe Marie Hand Ferro violated 2 U.S.C. § 441f, a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Marie Hand Ferro. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. All responses to the enclosed subpoena must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the subpoena.

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

2104088288 3

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 the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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 the General Counsel ordinarily will not give extensions beyond 20 days.

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

If you have any questions, please contact Daniel J. Blessington, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
Factual & Legal Analysis
Subpoena

2104082834

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Marie Hand Ferro MUR 2893

Marie Hand Ferro is the wife of Thomas A. Ferro, Executive Vice President and General Manager of Westwood One Radio Networks. In an affidavit filed in response to the complaint, Ms. Ferro states that in May or June of 1987, her husband, to whom she was not yet married, asked her to make a contribution to the Biden for President campaign. She gave him a check for $1,000, for which she was subsequently reimbursed. According to Mr. Ferro, both his wife's and his own contributions were requested by Norman Pattiz. The reimbursements were made by Westwood One, Inc.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, there is reason to believe that Marie Hand Ferro violated this provision of the Federal Election Campaign Act of 1971, as amended.

2104088285

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) MUR 2893
)

SUBPOENA TO PRODUCE DOCUMENTS

TO: Marie Hand Ferro
c/o Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas the documents listed on the attachment to this subpoena.

Notice is given that these documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 15 days of your receipt of this subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

2104088288 6

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand in Washington, D.C. on this 31st day of January, 1990.

Lee Ann Elliott

Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Attachments
Instructions
Definitions
Document Request (1 page)

21040882887

INSTRUCTIONS

In answering this request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Should you claim a privilege with respect to any documents requested, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January of 1987 to the present.

The following requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental submissions the date upon which and the manner in which such further or different information came to your attention.

2104088288

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, minutes of directors meetings, audit findings, reports and work papers, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

2104082889

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Produce any and all documents, including but not limited to checks and other financial records, that relate, refer, or pertain to any political contribution made in your name and/or your spouse's name.

2. Produce any and all documents, including but not limited to financial institution and personal records, that relate, refer, or pertain to any reimbursement for political contributions received by you and/or your spouse or any other person known to you.

2104088289O

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, NW
Washington, D.C. 20006

RE: MUR 2893
Thomas Ferro

Dear Mr. Baran:

On June 9, 1989, the Federal Election Commission notified your client, Thomas Ferro, 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 client at that time.

Upon further review of the allegations contained in the complaint, the Commission, on January 26, 1990, found that there is reason to believe Thomas Ferro violated 2 U.S.C. § 441f, a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Thomas Ferro. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Statements should be submitted under oath. All responses to the enclosed subpoena must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the subpoena.

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

2104088289 1

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 the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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 the General Counsel ordinarily will not give extensions beyond 20 days.

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

If you have any questions, please contact Daniel J. Blessington, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
Factual & Legal Analysis
Subpoena

2104088289 2

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Thomas A. Ferro MUR 2893

Thomas A. Ferro is the Executive Vice President and General Manager of Westwood One Radio Networks, and was employed by Westwood One, Inc. ("Westwood" or the corporation) at the time of the subject contributions. In an affidavit filed in response to the complaint, Mr. Ferro admits that he made a $1,000 contribution to the Biden for President campaign in May or June of 1987. Mr. Ferro states that he made the contribution at the request of Norman Pattiz, and that he asked Marie Hand, who would later become his wife, also to contribute to Biden for President. Subsequently, Mr. Ferro was reimbursed $2,000 by Westwood for his and Ms. Hand's contributions.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, there is reason to believe that Thomas A. Ferro violated this provision of the Federal Election Campaign Act of 1971, as amended.

2104088293

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 2893

SUBPOENA

TO: Thomas Ferro
c/o Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to the above captioned matter. Notice is hereby given that the deposition is to be taken on February 27, 1990, at the United States Courthouse in Room 1100 at 321 North Spring Street, Los Angeles, California beginning at 2:00 p.m. and continuing each day thereafter as necessary.

Further, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to produce the documents listed on the attachment to this subpoena. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals. The documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 15 days of your receipt of this subpoena.

2104088894

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand at Washington, D.C., this 31st day of January, 1990.

Lee Ann Elliott

Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Attachments
Instructions
Definitions
Document Request (1 page)

21040882895

INSTRUCTIONS

In answering this request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Should you claim a privilege with respect to any documents requested, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January of 1987 to the present.

The following requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental submissions the date upon which and the manner in which such further or different information came to your attention.

2104088296

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, minutes of directors meetings, audit findings, reports and work papers, and all othe writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

2104088289 7

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Produce any and all documents, including but not limited to checks and other financial records, that relate, refer, or pertain to any political contributions made in your name and/or your spouse's name.

2. Produce any and all documents that relate, refer, or pertain to the reimbursement of political contributions made to you, any member of your family or any other individual known to you.

2104088289 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, NW
Washington, D.C. 20006

RE: MUR 2893
Andrea Jaffe

Dear Mr. Baran:

On June 9, 1989, the Federal Election Commission notified your client, Andrea Jaffe, 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, the Commission, on January 26, 1990, found that there is reason to believe Andrea Jaffe violated 2 U.S.C. § 441f, a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Andrea Jaffe. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. All responses to the enclosed subpoena must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the subpoena.

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

2104088289

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 the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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 the General Counsel ordinarily will not give extensions beyond 20 days.

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

If you have any questions, please contact Daniel J. Blessington, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
Factual & Legal Analysis
Subpoena

2104088290 0

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Andrea Jaffe MUR 2893

Andrea Jaffe is the wife of Stephen Jaffe, the former Comptroller of Westwood One, Inc. Ms. Jaffe, in an affidavit filed in response to the complaint, admits that she made a contribution of $1,000 to the Biden for President campaign for which she was later reimbursed. The affidavit indicates that her husband had asked her to make the contribution in May or June of 1987, at the request of Norman Pattiz.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, there is reason to believe that Andrea Jaffe violated this provision of the Federal Election Campaign Act of 1971, as amended.

2104088290 1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) MUR 2893
)

SUBPOENA TO PRODUCE DOCUMENTS

TO: Andrea Jaffe
c/o Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas the documents listed on the attachment to this subpoena.

Notice is given that these documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 15 days of your receipt of this subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

2104082902

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand in Washington, D.C. on this 31st day of January, 1990.

Lee Ann Elliott

Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Attachments
Instructions
Definitions
Document Request (1 page)

21040882903

INSTRUCTIONS

In answering this request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Should you claim a privilege with respect to any documents requested, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January of 1987 to the present.

The following requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental submissions the date upon which and the manner in which such further or different information came to your attention.

2104082904

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, minutes of directors meetings, audit findings, reports and work papers, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

2104082905

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Produce any and all documents, including but not limited to checks and other financial records, that relate, refer, or pertain to any political contribution made in your name and/or your spouse's name.

2. Produce any and all documents, including but not limited to financial institution and personal records, that relate, refer, or pertain to any reimbursement for political contributions received by you and/or your spouse or any other person known to you.

21040882906

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, NW
Washington, D.C. 20006

RE: MUR 2893
Stephen Jaffe

Dear Mr. Baran:

On June 9, 1989, the Federal Election Commission notified your client, Stephen Jaffe, 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, the Commission, on January 26, 1990, found that there is reason to believe Stephen Jaffe violated 2 U.S.C. § 441f, a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Stephen Jaffe. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. All responses to the enclosed subpoena must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the subpoena.

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

2104088290 7

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 the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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 the General Counsel ordinarily will not give extensions beyond 20 days.

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

If you have any questions, please contact Daniel J. Blessington, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
Factual & Legal Analysis
Subpoena

2104088290 8

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Stephen Jaffe MUR 2893

Stephen Jaffe was the former Comptroller of Westwood One, Inc. ("Westwood" or the corporation). In an affidavit filed in response to the complaint, Mr. Jaffe admits that he made a contribution of $1,000 to the Biden for President campaign that had been requested by Norman Pattiz in May or June of 1987. The affidavit indicates that at the request of Mr. Pattiz, Mr. Jaffe's wife, Andrea Jaffe, also contributed $1,000 to Biden for President. Subsequently, Mr. Jaffe was reimbursed by Westwood in the amount of $2,000 for his and his wife's contributions.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, there is reason to believe that Stephen Jaffe violated this provision of the Federal Election Campaign Act of 1971, as amended.

2104088290 9

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 2893

SUBPOENA

TO: Stephen Jaffe
c/o Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to the above captioned matter. Notice is hereby given that the deposition is to be taken on February 26, 1990, at the United States Courthouse in Room 1100 at 321 North Spring Street, Los Angeles, California beginning at 10:00 a.m. and continuing each day thereafter as necessary.

Further, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to produce the documents listed on the attachment to this subpoena. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals. The documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 15 days of your receipt of this subpoena.

2104088291 0

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand at Washington, D.C., this 31st day of January, 1990.

Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachments
Instructions
Definitions
Document Request (1 page)

2104088291 1

INSTRUCTIONS

In answering this request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Should you claim a privilege with respect to any documents requested, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January of 1987 to the present.

The following requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental submissions the date upon which and the manner in which such further or different information came to your attention.

9104082912

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, minutes of directors meetings, audit findings, reports and work papers, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

2104082913

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Produce any and all documents, including but not limited to checks and other financial records, that relate, refer, or pertain to any political contributions made in your name and/or your spouse's name.

2. Produce any and all documents that relate, refer, or pertain to the reimbursement of political contributions made to you, any member of your family or any other individual known to you.

2104088291 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, NW
Washington, D.C. 20006

RE: MUR 2893
Debra Seyler

Dear Mr. Baran:

On June 9, 1989, the Federal Election Commission notified your client, Debra Seyler, 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, the Commission, on January 26, 1990, found that there is reason to believe Debra Seyler violated 2 U.S.C. § 441f, a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Debra Seyler. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. All responses to the enclosed subpoena must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the subpoena.

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

2104082915

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 the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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 the General Counsel ordinarily will not give extensions beyond 20 days.

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

If you have any questions, please contact Daniel J. Blessington, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
Factual & Legal Analysis
Subpoena

2104082916

21040882917

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Debra Seyler MUR 2893

Debra Seyler is Vice President of Corporate Affairs of Westwood One, Inc., a position she has held since 1987. In an affidavit filed in response to the complaint, Ms. Seyler admits that she made a contribution of $1,000 to the Biden for President campaign for which she was later reimbursed. The affidavit indicates that Ms. Seyler made the contribution in May or June of 1987, after receiving a request from Norman Pattiz.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, there is reason to believe that Debra Seyler violated this provision of the Federal Election Campaign Act of 1971, as amended.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 2893

SUBPOENA

TO: Debra Seyler
c/o Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to the above captioned matter. Notice is hereby given that the deposition is to be taken on March 7, 1990, at the Jacob K. Javits Building in Room 1400 at 26 Federal Plaza, New York, New York beginning at 10:00 a.m. and continuing each day thereafter as necessary.

Further, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to produce the documents listed on the attachment to this subpoena. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals. The documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 15 days of your receipt of this subpoena.

2104088291 8

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand at Washington, D.C., this 31st day January, 1990.

Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachments
- Instructions
- Definitions
- Document Request (1 page)

2104088291 9

INSTRUCTIONS

In answering this request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Should you claim a privilege with respect to any documents requested, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January of 1987 to the present.

The following requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental submissions the date upon which and the manner in which such further or different information came to your attention.

2104088292O

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, minutes of directors meetings, audit findings, reports and work papers, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

2104082921

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Produce any and all documents, including but not limited to checks and other financial records, that relate, refer, or pertain to any political contributions made in your name and/or your spouse's name.

2. Produce any and all documents that relate, refer, or pertain to the reimbursement of political contributions made to you, any member of your family or any other individual known to you.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, NW
Washington, D.C. 20006

RE: MUR 2893
Eric Weiss

Dear Mr. Baran:

On June 9, 1989, the Federal Election Commission notified your client, Eric Weiss, 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, the Commission, on January 26, 1990, found that there is reason to believe Eric Weiss violated 2 U.S.C. § 441f, a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Eric Weiss. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. All responses to the enclosed subpoena must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the subpoena.

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

2104082922

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 the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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 the General Counsel ordinarily will not give extensions beyond 20 days.

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

If you have any questions, please contact Daniel J. Blessington, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
Factual & Legal Analysis
Subpoena

2104082923

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Eric Weiss MUR 2893

Eric Weiss is the Vice President of Business and Legal Affairs of Westwood One, Inc. ("Westwood" or the corporation), a position that he has held since September of 1987. Previously, he had the title of Director of Business Affairs. In an affidavit filed in response to the complaint, Mr. Weiss admits that he made a $1,000 contribution to the Biden for President campaign in May or June of 1987 at the request of Norman Pattiz. Mr. Weiss states that he was subsequently reimbursed for this contribution when William Battison, President of Westwood, gave him a check in the amount of $1,000.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, there is reason to believe that Eric Weiss violated this provision of the Federal Election Campaign Act of 1971, as amended.

2104088292 4

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 2893

SUBPOENA

TO: Eric Weiss
c/o Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to the above captioned matter. Notice is hereby given that the deposition is to be taken on February 27, 1990, at the United States Courthouse in Room 1100 at 321 North Spring Street, Los Angeles, California beginning at 10:00 a.m. and continuing each day thereafter as necessary.

Further, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to produce the documents listed on the attachment to this subpoena. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals. The documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 15 days of your receipt of this subpoena.

2104082925

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand at Washington, D.C., this 31st day of January, 1990.

Lee Ann Elliott

Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Attachments
Instructions
Definitions
Document Request (1 page)

2104088292926

INSTRUCTIONS

In answering this request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Should you claim a privilege with respect to any documents requested, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January of 1987 to the present.

The following requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental submissions the date upon which and the manner in which such further or different information came to your attention.

2104082927

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, minutes of directors meetings, audit findings, reports and work papers, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

2104088292 8

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Produce any and all documents, including but not limited to checks and other financial records, that relate, refer, or pertain to any political contributions made in your name and/or your spouse's name.

2. Produce any and all documents that relate, refer, or pertain to the reimbursement of political contributions made to you, any member of your family or any other individual known to you.

2104088299

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, NW
Washington, D.C. 20006

RE: MUR 2893
Gary Yusko

Dear Mr. Baran:

On June 9, 1989, the Federal Election Commission notified your client, Gary Yusko, 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, the Commission, on January 26, 1990, found that there is reason to believe Gary Yusko violated 2 U.S.C. § 441f and 2 U.S.C. § 441b, provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Gary Yusko. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. All responses to the enclosed subpoena must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the subpoena.

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

2104088293O

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 the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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 the General Counsel ordinarily will not give extensions beyond 20 days.

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

If you have any questions, please contact Daniel J. Blessington, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lee Ann Elliott
Chairman

Enclosures
Factual & Legal Analysis
Subpoena

2104088293 1

2104088293 2

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Gary J. Yusko **MUR 2893**

Gary J. Yusko is the Vice President of Financial Operations and Assistant Secretary of Westwood One, Inc. ("Westwood" or the corporation), a position he has held since 1986. According to Mr. Yusko's affidavit, filed in response to the complaint, he and his wife, Socorro Yusko, each made $1,000 contributions to the Biden for President campaign in May or June of 1987. The affidavit indicates that they made these contributions in response to a request from Norman Pattiz.

Mr. Yusko states that subsequent to these contributions, he and other corporate officials were directed to organize Westwood's reimbursements to individuals who had made contributions to Biden for President. Mr. Yusko's affidavit and other information received in response to the complaint indicate that Norman Pattiz, William Battison (Westwood's President and Chief Financial Officer), and Mr. Yusko discussed alternative methods of making the reimbursements. Ultimately, the contribution reimbursements were made by falsifying the payments as expense reimbursements. False entries were also made to corporate records. The affidavit indicates that on June 26, 1987, a corporate check was issued to Mr. Yusko in the amount of $4,000. Mr. Yusko used $2,000 of this amount to reimburse the contributions made by his wife and himself. He also wrote and delivered his personal check for $2,000 to Westwood's Comptroller in reimbursement of his and his

wife's contributions. With respect to his actions, Mr. Yusko claims his sole consideration was to organize a legitimate and proper reimbursement that would not set a precedent for future reimbursements of political contributions.

Under 2 U.S.C. § 441f, a person is prohibited from making a contribution in the name of another or knowingly permitting his or her name to be used to effect such a contribution. The prohibitions of 2 U.S.C. § 441f apply to any person who provides the money to others to effect contributions in their names. See AO 1986-41. Moreover, a person who actively assists in the making of contributions in the name of another also violates that provision. See FEC v. Rodriguez, No. 86-687 Civ-T-10(B) (M.D. Fla. May 5, 1987)(unpublished order denying motion for summary judgment). Commission regulations now explicitly state this interpretation of the provision. 54 F.R. 34, 112 (1989)(to be codified at 11 C.F.R. § 110.4(B)(iii)). Under 2 U.S.C. § 441b, a corporation may not make a contribution in connection with the election of a candidate to federal office, and an officer or director of a corporation is prohibited from consenting to the making of such a contribution. When Mr. Yusko actively participated in the scheme to make corporate contributions in the names of himself and others associated with Westwood, he was an officer of the corporation. Accordingly, there is reason to believe that Gary J. Yusko violated 2 U.S.C. §§ 441b and 441f.

2104088293

Moreover, there is reason to believe that the violations by Mr.Yusko were knowing and willful. Although Mr. Yusko states that he was unaware of any illegality or impropriety in the corporate reimbursement of political contributions, both the nature of the violations and Mr. Yusko's role in causing them suggest an awareness that corporate contributions could not be made directly. The subterfuge engaged in by Mr. Yusko and others in reimbursing the contributions, regardless of his stated rationale, is strong evidence that he knew the contribution and reimbursement scheme to be illegal.

21040882934

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 2893

SUBPOENA

TO: Gary Yusko
c/o Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to the above captioned matter. Notice is hereby given that the deposition is to be taken on March 12, 1990, at the United States Courthouse in Room 1100 at 321 North Spring Street, Los Angeles, California beginning at 10:00 a.m. and continuing each day thereafter as necessary.

Further, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to produce the documents listed on the attachment to this subpoena. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals. The documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 15 days of your receipt of this subpoena.

2104088293 5

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand at Washington, D.C., this 31st day of January, 1990.

Lee Ann Elliott

Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Attachments
Instructions
Definitions
Document Request (1 page)

7104088293 6

INSTRUCTIONS

In answering this request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Should you claim a privilege with respect to any documents requested, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January of 1987 to the present.

The following requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental submissions the date upon which and the manner in which such further or different information came to your attention.

9104088293 7

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, minutes of directors meetings, audit findings, reports and work papers, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

2104088293 8

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Produce any and all documents, including but not limited to checks and other financial records, that relate, refer, or pertain to any political contributions made in your name and/or your spouse's name.

2. Produce any and all documents that relate, refer, or pertain to the reimbursement of political contributions made to you or by you, to any member of your family or to any other individual known to you.

2104088299

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, NW
Washington, D.C. 20006

RE: MUR 2893
Socorro Yusko

Dear Mr. Baran:

On June 9, 1989, the Federal Election Commission notified your client, Socorro Yusko, 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, the Commission, on January 26, 1990, found that there is reason to believe Socorro Yusko violated 2 U.S.C. § 441f, a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Socorro Yusko. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. All responses to the enclosed subpoena must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the subpoena.

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

2104088294O

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 the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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 the General Counsel ordinarily will not give extensions beyond 20 days.

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

If you have any questions, please contact Daniel J. Blessington, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lee Ann Elliott
Chairman

Enclosures
Factual & Legal Analysis
Subpoena

2104088294 1

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Socorro Yusko MUR 2893

Socorro Yusco is the wife of Gary Yusko, Vice President of Financial Operations for Westwood One, Inc. In an affidavit filed in response to the complaint, Ms. Yusko states that in May or June of 1987, her husband asked her to make a contribution of $1,000 to the Biden for President campaign. Her husband has indicated that she made such a contribution at his request. Her affidavit indicates that she was later reimbursed. The reimbursement was made by Westwood One, Inc.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, there is reason to believe that Socorro Yusko violated this provision of the Federal Election Campaign Act of 1971, as amended.

2104082942

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) MUR 2893
)

SUBPOENA TO PRODUCE DOCUMENTS

TO: Socorro Yusko
c/o Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas the documents listed on the attachment to this subpoena.

Notice is given that these documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 15 days of your receipt of this subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

2104088294 3

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand in Washington, D.C. on this 31st day of January, 1990.

Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachments
- Instructions
- Definitions
- Document Request (1 page)

2104088294

INSTRUCTIONS

In answering this request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Should you claim a privilege with respect to any documents requested, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January of 1987 to the present.

The following requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental submissions the date upon which and the manner in which such further or different information came to your attention.

2104082945

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, minutes of directors meetings, audit findings, reports and work papers, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

2104082946

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Produce any and all documents, including but not limited to checks and other financial records, that relate, refer, or pertain to any political contribution made in your name and/or your spouse's name.

2. Produce any and all documents, including but not limited to financial institution and personal records, that relate, refer, or pertain to any reimbursement for political contributions received by you and/or your spouse or any other person known to you.

2104088294 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Gerald E. Boltz, Esquire
Rogers & Wells
201 North Figueroa Street
Fifteenth Floor
Los Angeles, CA 90012-2638

RE: MUR 2893
Westwood One, Inc.

Dear Mr. Boltz:

On June 9, 1989, the Federal Election Commission notified your client, Westwood One, Inc., 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 client at that time.

Upon further review of the allegations contained in the complaint, the Commission, on January 26, 1990, found that there is reason to believe Westwood One, Inc. violated 2 U.S.C. § 441f and 2 U.S.C. § 441b, provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Westwood One, Inc. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. All responses to the enclosed subpoena must be submitted to the General Counsel's Office within 15 days of your receipt of this letter.

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

7104088829948

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 the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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 the General Counsel ordinarily will not give extensions beyond 20 days.

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

If you have any questions, please contact Daniel J. Blessington, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
Factual & Legal Analysis
Subpoena

2104082949

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Westwood One, Inc. MUR: 2893

Westwood One, Inc. ("Westwood" or "corporation") admits that its officers and employees were involved in the making of contributions to the Biden for President campaign in 1987, and that its Chairman of the Board, Norman J. Pattiz, authorized $13,000 in corporate funds to reimburse these contributions. Westwood also acknowledges that the contribution reimbursements were made by treating them as reimbursements for expenses, and that false entries were made to corporate records to obscure the nature of the payments. It is Westwood's position, however, that it is neither appropriate nor in the public interest to take any action against the company.

The response claims that the corporation first became aware that the contribution and reimbursement scheme may have been illegal prior to the filing of the complaint, when a reporter so informed Mr. Pattiz; and that its Board of Directors took immediate action to ensure against future violations. Among the actions taken were an amendment to Westwood's Code of Ethics that expressly prohibits the making or solicitation of contributions to candidates for federal office, and an order requiring Norman Pattiz to repay the corporation an amount of $13,000 plus interest for the reimbursed contributions.

The response asserts that an investigation and special review of company records show that Mr. Pattiz and other employees first

2104088295O

learned in May of 1989 that the subject contributions and reimbursements might be illegal; that Westwood had not previously or since made or reimbursed campaign contributions; that the subject contributions were reimbursed without prior knowledge or consent of the Board of Directors; that the falsification of corporate financial records was an isolated event "generally intended to avoid setting any future precedent" for reimbursing employees' political contributions; and that the complaint's allegation that the contributions were intended to facilitate the testimony of Mr. Pattiz before Senator Inouye's subcommmittee was "patently false and without any factual basis."

Finally, Westwood argues that there is no reason to conclude that the corporation itself violated the Federal Election Campaign Act of 1971, as amended ("Act"), suggesting that it was merely a "vehicle" used to accomplish an unlawful transaction. The response cites case law to illustrate that in some instances, the Securities and Exchange Commission has named in its complaints senior managers of a corporation without also naming the corporation.

Westwood asserts that it did not benefit from the illegal contributions, and denies the complaint's allegation that the illegal acts of its officers and employees were motivated by the desire of Norman Pattiz to appear before a Senate subcommittee. However, the response acknowledges that Westwood officers and employees violated the Act. Based on information contained in the complaint and responses to the complaint, these officers and employees include the corporation's founder and Chairman of the

2104088295 1

Board; its President and Chief Financial Officer; its Vice President for Financial Operations and Assistant Secretary; its former Comptroller; its Vice President of Corporate Affairs; its Vice President for Business and Legal Affairs (formerly, Director of Business Affairs); its former Vice President and Director of Music Marketing; its former Vice President and Director of Merchandising; and the Executive Vice President and General Manager of Westwood One Radio Networks (formerly, Vice President and General Manager). In addition to the central role played by Norman Pattiz in causing corporate contributions to be made in the names of individuals associated with Westwood, other Westwood officers lent more than just their names to the illegal enterprise. The President and Chief Financial Officer, William Battison, and the Vice President for Financial Operations, Gary Yusko, actively assisted in reimbursing their own and others' contributions with corporate funds. They also participated in the falsification of corporate records in order to conceal the reimbursements.

In prohibiting corporate contributions and expenditures, the Act imposes liability on both corporate officers and the corporation itself. See 2 U.S.C. § 441b(a). Specifically, this provision makes it unlawful for a corporation to make a contribution or expenditure in connection with a federal election, and for its officers to consent to such contributions or expenditures. The Act reflects the fact that a corporation can only act through individuals, and the general rule that the

2104088295 2

actions of corporate officers may be imputed to the corporation for the purposes of both criminal and civil liability. See generally Fletcher Cyc Corp §§ 4877 and 4942. Westwood does not explicitly argue otherwise, but implicitly urges the Commission to proceed against the corporate officers rather than the corporation itself. This Office believes, however, that the undisputed actions of Westwood's top officers are properly imputed to the corporation. The facts show that Westwood officers caused corporate contributions to be made in violation of 2 U.S.C. § 441b(a), and had these illegal contributions made in the names of others. Under 2 U.S.C. § 441f, a person is prohibited from making a contribution in the name of another or knowingly permitting his name to be used to effect such a contribution. These prohibitions apply to any person, including an incorporated entity, that provides the money to others to effect contributions in their names. See AO 1986-41. Moreover, a person who helps or assists in the making of contributions in the name of another also violates this provision. See FEC v. Rodriguez, No. 86-687 Civ-T-10(b) (M.D. Fla. May 5, 1987)(unpublished order denying motion for summary judgment). Commission regulations now explicitly state this interpretation of the provision. 54 F.R. 34, 112 (1989)(to be codified at 11 C.F.R. § 110.4(b)(iii)). Proceeding against the corporation is particularly appropriate here, given both the importance of the officers in the corporate structure and the nature of their involvement in the contribution and reimbursement scheme.

2104082953

Therefore, there is reason to believe that Westwood One, Inc. violated 2 U.S.C. §§ 441b and 441f in connection with the corporate contributions to the Biden for President campaign that were made in the names of Westwood officers, employees, and relatives. Moreover, there is reason to believe that these violations were knowing and willful. Despite Westwood's assertions that its officers were initially unaware that their actions were illegal and the falsification of company records was intended to avoid setting precedent, the very nature of the violations suggests otherwise. The fact that Westwood's contributions were made in the names of individuals rather than in its corporate name, and that each contribution of $1,000 met an individual's upper limit under 2 U.S.C. § 441a(a)(1)(A) indicate at least a rudimentary knowledge of applicable law. In addition, the entry of false information to conceal the nature of the corporate reimbursements is consistent with an effort to conceal acts known to be illegal.

2104082954

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) MUR 2893
)

SUBPOENA TO PRODUCE DOCUMENTS

TO: Westwood One, Inc.
c/o Gerald E. Boltz, Esquire
Rogers & Wells
201 North Figueroa Street
Los Angeles, CA 90012-2638

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas the documents listed on the attachment to this subpoena.

Notice is given that these documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 15 days of your receipt of this subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

2104082955

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand in Washington, D.C. on this 31st day of January, 1990.

Lee Ann Elliott

Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Attachments
Instructions
Definitions
Document Request (2 pages)

2104088829956

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, minutes of director's meetings, audit findings, audit reports and work papers, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

9104088295 7

REQUEST FOR PRODUCTION OF DOCUMENTS

1. Produce and identify all documents and materials that relate, refer, or pertain to fundraising for the Biden for President campaign.

2. Produce and identify all documents and materials that relate, refer, or pertain to contributions made to the Biden for President campaign in the names of William Battison, Thomas Ferro, Marie Hand Ferro, Stephen Jaffe, Andrea Jaffe, Mark Kress, Margaret Kress, Robert Kress, Dean Marion, Debra Seyler, Eric Weiss, Gary Yusko, and Socorro Yusko.

3. Produce and identify all documents and materials that relate, refer, or pertain to reimbursements for political contributions made by Westwood One, Inc. to the individuals named in paragraph two and to any other person.

4. Produce and identify all documents and materials that relate, refer, or pertain to the reviews, audits and investigations, referred to in the letter of Rogers and Wells to the Commission, dated August 3, 1989.

5. Produce and identify all documents and materials that relate, refer, or pertain to the quarterly financial reviews and annual financial statements conducted by Price Waterhouse, covering the 1987 calendar year.

21040882958

6. Produce and identify all documents and materials that relate, refer, or pertain to the reimbursement to Westwood One, Inc. by Norman Pattiz, referred to in the letter of Rogers and Wells to the Commission, dated August 3, 1989.

2104088295 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert F. Bauer, Esquire
Perkins, Coie
1110 Vermont Avenue, N.W.
Washington, D.C. 20005

RE: MUR 2893
Norman J. Pattiz

Dear Mr. Bauer:

On June 9, 1989, the Federal Election Commission notified your client, Norman J. Pattiz, 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 client at that time.

Upon further review of the allegations contained in the complaint, the Commission, on January 26, 1990, found that there is reason to believe Norman Pattiz violated 2 U.S.C. § 441f and 2 U.S.C. § 441b, provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Norman Pattiz. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. All responses to the enclosed subpoena must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the subpoena.

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

2104082960

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 the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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 the General Counsel ordinarily will not give extensions beyond 20 days.

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

If you have any questions, please contact Daniel J. Blessington, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
Factual & Legal Analysis
Subpoena

21040882961

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Norman Pattiz MUR: 2893

Norman Pattiz is the founder and Chairman of the Board of Westwood One, Inc. ("Westwood" or the corporation). Mr. Pattiz admits to the substance of the Kress complaint, i.e., that he arranged for Westwood to make prohibited contributions to the Biden for President campaign by having officers and employees of Westwood and others make contributions in their names to the Biden for President campaign, and by authorizing contribution reimbursements from Westwood to these individuals. Therefore, corporate funds were used to make contributions in violation of 2 U.S.C. § 441b, and the actions of the individuals and the corporation violated 2 U.S.C. § 441f.

The Pattiz response argues, however, that his actions were in good faith, and that he was unaware that his fundraising scheme violated the law. The response contends that once he became aware of the Kress complaint and the possible illegality of his actions, Mr. Pattiz initiated an internal corporate review of the facts and the law. This review, according to the response, is an illustration of good faith on the part of Mr. Pattiz. The response also suggests that the Kress complaint, said to offer a sinister view of Mr. Pattiz's motivation, was grounded in the alleged personal enmity of Mr. Kress for Mr. Pattiz. With respect to the charge that Mr. Pattiz undertook the scheme in order to enable him to appear before a Senate subcommittee, the Pattiz

2104088296 2

response states that the subcommittee hearing was unrelated to the fundraising, and that the appearance of Mr. Pattiz was arranged by Westwood's regular FCC counsel.

Both the complaint and the responses demonstrate that Norman J. Pattiz implemented a plan whereby corporate employees and their relatives made prohibited contributions in their names to the Biden for President campaign in violation of 2 U.S.C. §§ 441b and 441f. Under 2 U.S.C. § 441b, a corporation may not make a contribution in connection with the election of a candidate to federal office, and an officer or director of a corporation is prohibited from consenting to the making of such a contribution. As an officer of the corporation and the instigator of the contribution and reimbursement scheme, Mr. Pattiz violated 2 U.S.C. § 441b.

Under 2 U.S.C. § 441f, a person is prohibited from making a contribution in the name of another, or knowingly permitting his name to be used to effect such a contribution. The prohibitions of 2 U.S.C. § 441f apply to any person that provides the money to others to effect contributions in their names. See AO 1986-41. Moreover, a person who helps or assists in the making of contributions in the name of another also violates that provision. See FEC v. Rodriguez, No. 86-687 Civ-T-10(B) (M.D. Fla. May 5, 1987)(unpublished order denying motion for summary judgment). Commission regulations now explicitly state this interpretation of the provision. 54 F.R. 34, 112 (1989) (to be codified at 11 C.F.R. § 110.4(b)(iii)). The facts demonstrate that Westwood and thirteen individuals violated this provision of the Act at the

2104088299 63

instance of Mr. Pattiz, whose pivotal involvement in the contribution and reimbursement scheme actually caused the aforementioned violations. Therefore, Norman J. Pattiz violated 2 U.S.C. § 441f by his instigation and active assistance in the making of corporate contributions to Biden for President in the names of others.

The Pattiz response indicates that Mr. Pattiz was requested by representatives of Senator Biden to assist them in their fundraising efforts in behalf of the Biden Presidential campaign, and that Mr. Pattiz committed to lending his assistance. The response also indicates that Mr. Pattiz temporized on his commitment, finding himself on the eve of the fundraising event with no money raised. It was at this point, according to the response, that Mr. Pattiz decided to ask Westwood's officers and employees to make contributions and to arrange for the reimbursements. In the sworn statement accompanying the response, Mr. Pattiz states that he authorized the reimbursements without knowledge that corporate reimbursements were illegal.

The response also describes that the contribution reimbursements were accomplished by falsifying them as expense reimbursements to the officers and employees involved in the scheme; supporting entries for these expenses were also falsified in the corporation's books. It is the stated position of Mr. Pattiz, however, that the falsification of these payments stemmed from a dual concern: that of Mr. Pattiz for the prudent use of corporate resources, i.e., expense reimbursements cost the corporation less than bonus payments; and from the concern of

21040882964

corporate officers William Battison and Gary Yusko that word of the contributions could have a deleterious effect on company morale, i.e., obscuring the true nature of the payments could avoid requests from others for corporate funds for their own political contributions.

Based on the foregoing, there is reason to believe that Norman J. Pattiz violated 2 U.S.C. §§ 441b and 441f by his actions in connection with the corporate contributions made in the names of Westwood officers, employees, and their relatives to Biden for President. Moreover, there is reason to believe that the violations by Mr. Pattiz were knowing and willful. Despite his assurances to the contrary, the very nature of the violations suggest that Mr. Pattiz was aware that his actions were illegal from the outset. Mr. Pattiz chose to have Westwood fund the contributions to Biden for President, but enlisted individuals to make the contributions in their names rather than simply making a contribution in the name of the corporation. Moreover, each of the contributions made in the names of Westwood employees and relatives was $1,000, the upper limit of a contribution under 2 U.S.C. § 441a(a)(1)(A). This shows at least a rudimentary knowledge of applicable law. Finally, the falsification of the reimbursements and company records are strong indicators that Mr. Pattiz sought to cover up what he knew to be illegal activity.

2104088296 5

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 2893

SUBPOENA

TO: Norman Pattiz
c/o Robert F. Bauer, Esquire
Perkins, Coie
1110 Vermont Avenue, N.W.
Washington, D.C. 20016

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to the above captioned matter. Notice is hereby given that the deposition is to be taken on March 14, 1990, at the United States Courthouse in Room 1100 at 321 North Spring Street, Los Angeles, California beginning at 10:00 a.m. and continuing each day thereafter as necessary.

Further, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to produce the documents listed on the attachment to this subpoena. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals. The documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 15 days of your receipt of this subpoena.

2104088299 66

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand at Washington, D.C., this 31st day of January, 1990.

Lee Ann Elliott

Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Attachments
Instructions
Definitions
Document Request (2 pages)

2104088299 67

INSTRUCTIONS

In answering this request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Should you claim a privilege with respect to any documents requested, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January of 1987 to the present.

The following requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental submissions the date upon which and the manner in which such further or different information came to your attention.

2104088296 8

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer audit print-outs, minutes of directors meetings, audit findings, reports and work papers, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

9104088299

REQUEST FOR PRODUCTION OF DOCUMENTS

1. Produce and identify all documents and materials that relate, refer, or pertain to your fundraising activities for the Biden for President campaign.

2. Produce and identify all documents and materials that relate, refer, or pertain to contributions made to the Biden for President campaign in the names of William Battison, Thomas Ferro, Marie Hand Ferro, Stephen Jaffe, Andrea Jaffe, Mark Kress, Margaret Kress, Robert Kress, Dean Marion, Debra Seyler, Eric Weiss, Gary Yusko, and Socorro Yusko.

3. Produce and identify all documents and materials that relate, refer, or pertain to reimbursements for political contributions made by Westwood One, Inc. to the individuals named in paragraph two and to any other person.

4. Produce and identify all documents and materials that relate, refer, or pertain to any reviews, audits and investigations conducted by or in behalf of Westwood One, Inc., involving the contributions and reimbursements referred to in paragraphs two and three.

5. Produce and identify all documents and materials that relate, refer, or pertain to the quarterly financial reviews and annual financial statements conducted by Price Waterhouse, covering the 1987 calendar year.

2104088297O

6. Produce and identify all documents and materials that relate, refer, or pertain to your reimbursement of $13,000 to Westwood One, Inc.

7. Produce and identify all documents that relate, refer or pertain to any political contributions made in your name from January of 1987 to the present.

2124088297 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mark H. Kress
1423 Comstock Avenue
Los Angeles, CA 90024

RE: MUR 2893
Mark H. Kress

Dear Mr. Kress:

On June 9, 1989, the Federal Election Commission notified you that it had received your complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

Upon further review of the allegations contained in the complaint, the Commission, on January 26, 1990, found that there is reason to believe that you, Mark H. Kress, violated 2 U.S.C. § 441f, a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. All responses to the enclosed subpoena must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the subpoena.

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

2104082972

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 the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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 the General Counsel ordinarily will not give extensions beyond 20 days.

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

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

If you have any questions, please contact Daniel J. Blessington, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lee Ann Elliott
Chairman

Enclosures
Factual & Legal Analysis
Subpoena
Designation of Counsel Form

2104088297 3

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Mark H. Kress MUR 2893

Mark H. Kress is the principal complainant in this matter, and the former Vice President and Director of Music Marketing of Westwood One, Inc. ("Westwood"). In the complaint, he admits that on June 24, 1987, he personally delivered three checks of $1,000 each made payable to the Biden for President campaign to Norman Pattiz. These checks were in his own name and in the names of his brother, and his fiance. The complaint indicates that on or about June 17, 1987, Norman Pattiz had "summoned" Mr. Kress to his office, and informed Mr. Kress that he wanted three checks made payable to the Biden for President campaign. Mr. Kress admits that he provided these checks to Mr. Pattiz with the understanding that he would be reimbursed by Westwood, and that he was reimbursed by means of a false expense check provided to him on or about July 9, 1987.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, there is reason to believe that Mark H. Kress violated this provision of the Federal Election Campaign Act of 1971, as amended.

2104082974

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 2893

SUBPOENA

TO: Mark H. Kress
1423 Comstock Avenue
Los Angeles, CA 90024

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to the above captioned matter. Notice is hereby given that the deposition is to be taken on February 22, 1990, at the United States Courthouse in Room 1100 at 321 North Spring Street, Los Angeles, California beginning at 10:00 a.m. and continuing each day thereafter as necessary.

Further, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to produce the documents listed on the attachment to this subpoena. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals. The documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 15 days of your receipt of this subpoena.

2104088297 5

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand at Washington, D.C., this 31st day of January, 1990.

Lee Ann Elliott

Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Attachments
Instructions
Definitions
Document Request (1 page)

9104088297 6

INSTRUCTIONS

In answering this request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Should you claim a privilege with respect to any documents requested, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January of 1987 to the present.

The following requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental submissions the date upon which and the manner in which such further or different information came to your attention.

9104082977

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, minutes of directors meetings, audit findings, reports and work papers, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

9104088297 8

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Produce any and all documents, including but not limited to checks and other financial records, that relate, refer, or pertain to any political contributions made in your name, your spouse's name, and your brother's name.

2. Produce any and all documents that relate, refer, or pertain to the reimbursement of political contributions made to you, any member of your family or any other individual known to you.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Margaret M. Kress
1423 Comstock Avenue
Los Angeles, CA 90024

RE: MUR 2893
Margaret M. Kress

Dear Ms. Kress:

On June 9, 1989, the Federal Election Commission notified you that it received your complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

Upon further review of the allegations contained in the complaint, the Commission, on January 26, 1990, found that there is reason to believe you, Margaret M. Kress, violated 2 U.S.C. § 441f, a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. All responses to the enclosed subpoena must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the subpoena.

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

2104088297 9

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 the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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 the General Counsel ordinarily will not give extensions beyond 20 days.

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

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

If you have any questions, please contact Daniel J. Blessington, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
Factual & Legal Analysis
Subpoena
Designation of Counsel Form

2104088290

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Margaret M. Kress MUR 2893

Margaret M. Kress, formerly Margaret McAllister, is the wife of Mark H. Kress, and a signatory to the complaint. The complaint indicates that while she was the fiance of Mark Kress in June of 1987, she provided him with a check for $1,000 in her name made payable to the Biden for President campaign. This check was used to effect a contribution by Westwood One, Inc. She was subsequently reimbursed for the contribution.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, there is reason to believe that Margaret M. Kress violated this provision of the Federal Election Campaign Act of 1971, as amended.

2104088299 81

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Produce any and all documents, including but not limited to checks and other financial records, that relate, refer, or pertain to any political contributions made in your name, your spouse's name, and your brother's name.

2. Produce any and all documents that relate, refer, or pertain to the reimbursement of political contributions made to you, any member of your family or any other individual known to you.

2104088829 82

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) MUR 2893
)

SUBPOENA TO PRODUCE DOCUMENTS

TO: Margaret M. Kress
1423 Comstock Avenue
Los Angeles, CA 90024

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas the documents listed on the attachment to this subpoena.

Notice is given that these documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 15 days of your receipt of this subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

2104088299 83

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand in Washington, D.C. on this 31st day of January, 1990.

Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachments
Instructions
Definitions
Document Request (1 page)

2104088829984

INSTRUCTIONS

In answering this request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Should you claim a privilege with respect to any documents requested, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January of 1987 to the present.

The following requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental submissions the date upon which and the manner in which such further or different information came to your attention.

9104088299 85

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, minutes of directors meetings, audit findings, reports and work papers, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

9104082936

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Produce any and all documents, including but not limited to checks and other financial records, that relate, refer, or pertain to any political contribution made in your name and/or your spouse's name.

2. Produce any and all documents that relate refer, or pertain to any reimbursement for political contributions received by you and/or your spouse or any other person.

9104088829837

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dean Ward Marion
2670 Kelton Avenue
Los Angeles, CA 90064

RE: MUR 2893
Dean Ward Marion

Dear Mr. Marion:

On June 9, 1989, the Federal Election Commission notified you 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, the Commission, on January 26, 1990, found that there is reason to believe that you, Dean Ward Marion, violated 2 U.S.C. § 441f, a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. All responses to the enclosed subpoena must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the subpoena.

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

2104082938

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 the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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 the General Counsel ordinarily will not give extensions beyond 20 days.

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

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

If you have any questions, please contact Daniel J. Blessington, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
Factual & Legal Analysis
Subpoena
Designation of Counsel Form

7104088299

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Dean Ward Marion MUR 2893

Dean Ward Marion is the former Director of Merchandising of Westwood One, Inc. In his response to the complaint, he asserts that Norman Pattiz requested him in June of 1987 to provide a check in the amount of $1,000 made payable to the Biden for President campaign. Mr. Marion later delivered such a check in his name to the personal secretary of Mr. Pattiz. He recalls that he was subsequently reimbursed by the corporation.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, there is reason to believe that Dean Ward Marion violated this provision of the Federal Election Campaign Act of 1971, as amended.

2104088299O

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 2893

SUBPOENA

TO: Dean W. Marion
2670 Kelton Avenue
Los Angeles, CA 90064

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for deposition with regard to the above captioned matter. Notice is hereby given that the deposition is to be taken on February 23, 1990, at the United States Courthouse in Room 1100 at 321 North Spring Street, Los Angeles, California beginning at 10:00 a.m. and continuing each day thereafter as necessary.

Further, pursuant to 2 U.S.C. § 437d(a)(3), you are hereby subpoenaed to produce the documents listed on the attachment to this subpoena. Legible copies which, where applicable, show both sides of the documents, may be substituted for originals. The documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 15 days of your receipt of this subpoena.

2104088299 1

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand at Washington, D.C., this 31st day of January, 1990.

Lee Ann Elliott, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachments
Instructions
Definitions
Document Request (1 page)

2104088299 2

INSTRUCTIONS

In answering this request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Should you claim a privilege with respect to any documents requested, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January of 1987 to the present.

The following requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental submissions the date upon which and the manner in which such further or different information came to your attention.

9104088293

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, minutes of directors meetings, audit findings, reports and work papers, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

9104088299 4

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Produce any and all documents, including but not limited to checks and other financial records, that relate, refer, or pertain to any political contributions made in your name and/or your spouse's name.

2. Produce any and all documents that relate, refer, or pertain to the reimbursement of political contributions made to you, any member of your family or any other individual known to you.

2104088299 5

OGC 5410

HAND DELIVERED

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

90 FEB 14 AM 10:23

Rogers & Wells

Fifteenth Floor
201 North Figueroa Street
Los Angeles, California 90012-2638

TELEPHONE (213) 680-1000
TELECOPIER (213) 680-1234
(213) 680-1070
TELEX 194758 RWLSA

200 PARK AVENUE
NEW YORK, N.Y. 10166
TELEPHONE (212) 878-8000
TELECOPIER (212) 878-8160
(212) 878-8375
TELEX 234493 RKWUR

1737 H STREET, N.W.
WASHINGTON, D.C. 20006
TELEPHONE (202) 331-7760
TELECOPIER (202) 331-0463
TELEX 248439 WASHUR

47, AVENUE HOCHE
75008-PARIS, FRANCE
TELEPHONE 47-63-11-00
TELECOPIER 33-1-4267-5081
TELEX 290617 EURLAW

56 COLEMAN STREET
LONDON EC2R 5BE, ENGLAND
TELEPHONE 01.628.0101
TELECOPIER 441-638-2008
TELEX 884984 USLAW

February 13, 1990

55905/4

90 FEB 14 AM 11:59

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

VIA FEDERAL EXPRESS

Daniel J. Blessington, Esq.
Office of the General Counsel
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

Re: MUR-2893 - Westwood One, Inc.

Dear Mr. Blessington:

Subsequent to your telephone call to me on February 12, to inquire as to whether I received the Federal Election Commission ("Commission") letter of February 1, 1990, the letter and its enclosures were received by Gerald E. Boltz, Esquire of this office on February 13. I have enclosed a copy of the face page of the package received on February 13, 1990, reflecting the date stamp placed upon it by our office upon arrival.

As I represented to you during our February 12, 1990 telephone conversation, I am at a loss to explain why it took so long for this letter to arrive. I do note on the same facing page I have enclosed, that the Commission's letter appears to have been sent "Certified Mail, Return Receipt Requested." I have made inquiry of our mail department and learned that we utilize an outside service to receive our mail at the post office, and that service may have signed the return receipt earlier than today and delivered the letter later. Beyond this explanation, I am at a loss to understand why the Commission's letter was not received until February 13, 1990. As soon as you have received the Commission's return receipt, I would appreciate it if you would let me know who signed for it and on what date it was received.

Obviously, it is the position of Westwood One, Inc.

2104088299 96

that we respectfully be granted an opportunity to begin our fifteen day response period on February 14, 1990 to and including February 28, 1990. Further, as I indicated to you during our telephone conversation of February 12, I will be out of the office on business in New York City from February 14th through 16th and 20th through 22nd, thus making it extremely difficult to fully respond to all that is required in the Commission's letter, including a subpoena duces tecum for Westwood One, Inc. documents. Thus, it may be necessary for me to make a request for additional time on or before February 23, 1990 in accordance with Commission policy. I trust your office will be somewhat sympathetic to my schedule, as well as the rather late arrival of the February 1 Commission letter. In the meantime, I will endeavor to ensure that we accomplish as much as we can to comply with the Commission's subpoena prior to February 28, 1990.

If you have any questions concerning the foregoing, please feel free to direct them to me at (213) 580-1354, or in my absence to Ms. Julie Tatsugi at (213) 580-1253, after February 14. I thank you in advance for your anticipated cooperation in this matter.

Very truly yours,

John W. Cotton/el

John W. Cotton

JWC:ejl
cc: Gerald E. Boltz, Esq.
Ms. Julie Tatsugi

DICTATED BUT NOT READ

9104088299 7

RECEIVED
FEB 13 1990
Ans'd.....

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Gerald E. Boltz, Esquire
Rogers & Wells
201 North Figueroa Street
Fifteenth Floor
Los Angeles, CA 90012-2638

RE: MUR 2893
Westwood One, Inc.

Dear Mr. Boltz:

On June 9, 1989, the Federal Election Commission notified your client, Westwood One, Inc., 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 client at that time.

Upon further review of the allegations contained in the complaint, the Commission, on January 26, 1990, found that there is reason to believe Westwood One, Inc. violated 2 U.S.C. § 441f and 2 U.S.C. § 441b, provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Westwood One, Inc. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. All responses to the enclosed subpoena must be submitted to the General Counsel's Office within 15 days of your receipt of this letter.

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

2104088299 8

MUR 5530

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

90 FEB 26 PM 3:02

LAW OFFICE OF
MICHAEL W. WEINSTOCK
A LAW CORPORATION
9107 WILSHIRE BOULEVARD, SUITE 600
BEVERLY HILLS, CALIFORNIA 90210
TELEPHONE (213) 275-1212
FAX (213) 275-1380

MICHAEL W. WEINSTOCK
MICHAEL A. BRODIE

February 20, 1990

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

90 FEB 26 PM 5:22

Lee Ann Elliott, Chairman
Federal Election Commission
Washington, D.C. 20463

Re: Mur 2893
Dean Ward Marion

Dear Ms. Elliott:

This is to advise you that Dean Ward Marion has retained this firm to represent him in the proceedings before the Federal Election Commission entitled MUR 2893.

Pursuant to your rules, we are enclosing the Statement of Designation of Counsel signed by Mr. Marion on February 16, 1990. Our office will be with him at the deposition on February 23, 1990.

In addition we would appreciate receiving all correspondence concerning this case and Mr. Marion.

Should you have any questions, please do not hesitate to contact us.

Very truly yours,

LAW OFFICES OF MICHAEL W. WEINSTOCK
A Law Corporation

By: Michael A. Brodie

MAB:sr
Enclosure

2104088299

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2893

NAME OF COUNSEL: MICHAEL A. BRODIE, ESQ.

ADDRESS: LAW OFFICES OF MICHAEL W. WEINSTOCK
9107 Wilshire Boulevard, #600
Beverly Hills, California 90210

TELEPHONE: 213/275-1212

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

Feb 16, 1990
Date

Signature

RESPONDENT'S NAME: Dean Ward Marion

ADDRESS: 2670 Kelton Avenue
Los Angeles, California 90064

HOME PHONE: 213/474-2817

BUSINESS PHONE: 818/508-6260

2104088300

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 26, 1990

Mr. Mark H. Kress
1423 Comstock Ave.
Los Angeles, California 90024

MUR 2893

Dear Mr. Kress:

Enclosed is a check for $35.28 to cover your witness fee and mileage to the court house for your deposition last Thursday.

Thank you for your cooperation in this matter.

Sincerely,

Daniel J. Blessington

21040883001

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 26, 1990

Mr. Dean Ward Marion
2670 Kelton Ave.
Los Angeles, California 90064

MUR 2893

Dear Mr. Marion:

Enclosed is a check for $35.28 to cover your witness fee and mileage to the court house for your deposition last Friday.

Thank you for your cooperation in this matter.

Sincerely,

Daniel J. Blessington

9104088300 02

OGC 5540
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
90 FEB 28 PM 12:51

Rogers & Wells
Fifteenth Floor
201 North Figueroa Street
Los Angeles, California 90012-2638

TELEPHONE (213) 580-1000
TELECOPIER (213) 580-1234
(213) 580-1070
TELEX 194758 RWLSA

200 PARK AVENUE
NEW YORK, N.Y. 10166
TELEPHONE (212) 878-8000
TELECOPIER (212) 878-8160
(212) 878-8375
TELEX 234493 RKWUR

1737 H STREET, N.W.
WASHINGTON, D.C. 20006
TELEPHONE (202) 331-7760
TELECOPIER (202) 331-0463
TELEX 248439 WASHUR

47, AVENUE HOCHE
75008-PARIS, FRANCE
TELEPHONE 47-63-11-00
TELECOPIER 33-1-4267-5081
TELEX 290617 EURLAW

56 COLEMAN STREET
LONDON EC2R 5BE, ENGLAND
TELEPHONE 01.628.0101
TELECOPIER 441-638-2008
TELEX 884964 USLAW

February 27, 1990

55905/47

VIA FEDERAL EXPRESS

Daniel J. Blessington, Esq.
Office of the General Counsel
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

90 FEB 28 PM 2:43
FEDERAL ELECTION COMMISSION
MAIL ROOM

Re: MUR-2893 - Westwood One, Inc.

Dear Mr. Blessington:

In response to the Federal Election Commission's ("FEC") subpoena duces tecum, enclosed please find an "Identification of Documents," as well as copies of responsive documents submitted on behalf of Westwood One, Inc. ("the Company"). As you know, the subpoena duces tecum issued to the Company was only received on February 13, 1990 by the Company's counsel. Therefore, pursuant to our discussions with you, as well as Commission rules, the documents are not due until February 28, 1990. To the best of our knowledge, all responsive documents other than those withheld under an appropriate claim of attorney-client or work product privilege, are enclosed herewith.

If you have any questions concerning the enclosed, please feel free to direct them to me at (213) 580-1354.

Very truly yours,

John W. Cotton

JWC:ejl
Enclosures
cc: Gerald E. Boltz, Esq.
Julie Tatsugi, Esq.

21040883003

IDENTIFICATION OF DOCUMENTS PRODUCED BY WESTWOOD ONE, INC. IN RESPONSE TO THE FEDERAL ELECTION COMMISSION SUBPOENA DUCES TECUM OF JANUARY 31, 1990

Request No. 1

Westwood One, Inc. ("the Company") does not have possession, custody or control of any documents or materials that relate, refer or pertain to fundraising for the Biden for President campaign other than as produced in response to Request Nos. 3, 4 and 6 below.

Request No. 2

The Company does not have possession, custody or control of any documents or materials that relate, refer or pertain to contributions made to the Biden for President campaign in the names of William Battison, Thomas and/or Marie Ferro, Stephen and/or Andrea Jaffe, Mark and/or Margaret Kress, Dean Marion, Eric Weiss, Debra Seyler or Gary and/or Socorro Yusko, other than as produced in response to Request Nos. 3, 4 and 6 below.

Request No. 3

The documents provided in response to this request include copies of disbursement invoices, checks, journal and general ledger excerpts, check request forms and excerpts from

9104088300 4

the minutes of certain meetings of the Board of Directors and the Company's Audit Committee. Each document bears a date, title or other form of identifier. Originals, to the extent they exist, are in the possession of the Company. Documents produced pursuant to this category are numbered 0000 to 0024.

Request No. 4

The documents provided in response to this request include certain excerpts of the minutes of certain meetings of the Board of Directors and the Company's Audit Committee, a copy of a "Limited Scope Review" ("the review") performed by Rogers & Wells on the Company's corporate expense disbursements, and the Company's Employee Handbook. Each document bears a date, title or other form of self-identifier. Originals of the Board and Audit Committee minutes and the Employee Handbook are in the possession of the Company. All copies of the review are in the possession of the Company's counsel, Rogers & Wells. Documents produced pursuant to this category are numbered 0013 to 0091.

The Company's counsel has advised the Company to respectfully decline to provide a copy of an investigative report ("the report") compiled solely by counsel in response to the Kress complaint, and the work product of counsel created in preparing the report, as such contains entirely confidential, attorney-client and work product information. The report was not

9104083005

made available for review to anyone other than the members of the Company's Audit Committee. All copies of the report have been kept in the sole possession of the Company's counsel, and no third parties have been permitted to retain any copies.

The Company has determined that the review is not privileged, and thus there has been no waiver of its attorney-client privilege in the production of this document. Should production of such be construed as a waiver of the Company's privilege, however, such should not be construed as a general waiver.

9104083006

Request No. 5

The documents provided in response to this request include the Company's 1987 Annual Report, which contains the audited financial statements prepared by Price Waterhouse, and Price Waterhouse billing invoices for the first and third quarters of the 1987 "quarterly financial reviews." The Company was unable to locate the bill for the second quarter review.

The "quarterly financial reviews" ("the reviews") referred to in the August 3, 1989 letter to the Commission are not in the written, documentary form perhaps suggested by their title. These interim reviews are conducted in accordance with Generally Accepted Auditing Standards ("GAAS") and not audits,

but rather specialized reviews of the Company's quarterly results to ensure no material misstatements occur in the Company's interyear reporting under requirements of Regulation SX of the United States Securities and Exchange Commission ("SEC"). As such, these reviews consist only of audit type procedures designed to ensure no major mid-year accounting errors are encountered, and that no end of year restatement of interim 10Q filings with the SEC are necessary. The Company has included the applicable bills for some of these reviews which are the only documents in the possession of the Company. Documents provided pursuant to this category are numbered 0092 to 0127.

2104088300 7

Request No. 6

The documents provided in response to this request include correspondence, copies of checks and copies of deposit slips. Each document bears a date, title or other form of identifier. The originals of some documents are in the possession of the Company; others are presumably in the possession of third parties. Documents produced pursuant to this category are numbered 0128 to 0133.

BEFORE DEPOSITING CHECK

THIS CHECK IS TENDERED IN PAYMENT OF ITEMS LISTED

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
6/26/87		VENUE FEE MARCH	4115.5511	[illegible]

WESTWOOD ONE

9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232

W

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-4000

[illegible]ERED JUN 2[illegible]

Century City Office
CITY NATIONAL BANK
1800 Century Park East
Los Angeles, California 90067

19-1808/1220

No. 4131

DATE	AMOUNT
06/26/87	$3,000.00

PAY THREE THOUSAND and 00/100

TO THE ORDER OF

MARK KRESS

[illegible]

NOT NEGOTIABLE

2104088300 08

0000

BEFORE DEPOSITING CHECK

THIS CHECK IS TENDERED IN PAYMENT OF ITEMS LISTED

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
6/26/87		VENUE FEE REC	4115.3512	

WESTWOOD ONE 9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232

ENTERED JUN 29 1987

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-8000

Century City Office
CITY NATIONAL BANK
1800 Century Park East
Los Angeles, California 90067

19-7031220

No. 4130

DATE 06/26/87 AMOUNT $2,000.00

PAY TWO THOUSAND and 00/100

TO THE ORDER OF

THOM FERRO

NOT NEGOTIABLE

9104088300009

0001

PLEASE DETACH THIS STATEMENT
BEFORE DEPOSITING CHECK

THIS CHECK IS TENDERED IN PAYMENT OF ITEMS LISTED BELOW

INVOICE DATE	REFERENCE	DESCRIPTION	GL CODE	AMOUNT
7/26/87		RECORDING COSTS JUDGS	4130.5510	[illegible]

WESTWOOD ONE 1640 WASHINGTON BOULEVARD CULVER CITY CA 90232

WESTWOOD ONE
1640 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-8000

ENTERED JUN 2 6 1987

[illegible] NATIONAL BANK
[illegible] County Plaza
Los Angeles, California 90067

4129

DATE	AMOUNT
06/26/87	$4,000.00

PAY FOUR THOUSAND and 00/100

TO THE ORDER OF GARY WUSKO

[illegible]

[illegible] NEGOTIABLE

[redacted]

0002

2104088300 10

PLEASE DETACH THIS STATEMENT
BEFORE DEPOSITING CHECK

THIS CHECK IS TENDERED
PAYMENT OF ITEMS LISTED

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
6/26/87		RECORDING [illegible]	4121.5511	[illegible]

WESTWOOD ONE

9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-8000

Century City Office
CITY NATIONAL BANK
1800 Century Park East
Los Angeles, California 90067

19-7606/1220

NO. 4132

DATE	AMOUNT
06/26/87	$4,000.00

PAY FOUR THOUSAND and 00/100

TO THE ORDER OF

WILLIAM BATTISON

ENTERED JUN 2 8 1987

WESTWOOD ONE

NOT NEGOTIABLE

⑈210408830⑈11

0003

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUNT
56666		04126	JOEL SALKOWITZ	87-25	384.62
56660		04125	JANIS HAHN	87-25	288.46
57763		04125	JANIS HAHN	87-28	288.46
57768		04126	JOEL SALKOWITZ	87-28	384.62
58067		04125	JANIS HAHN	87-29	288.46
58081		04036	TM COMMUNICATIONS, INC.	JULY/MUJIN	2606.25
57255		04126	JOEL SALKOWITZ	87-27	384.62
57249		04125	JANIS HAHN	87-27	288.46
57066		04126	JOEL SALKOWITZ	87-26	384.62
56344		04036	TM COMMUNICATIONS, INC.	JUNE	2606.25
58071		04126	JOEL SALKOWITZ	87-29	384.62
56774		04125	JANIS HAHN	87-26	288.46
				ACCT 4090-6801 TOTAL	8577.30
4110-3902	ARTIST CONTRACTS				
57745		02845	DIRE STRAITS OVERSEAS	DIRE STRAI	15000.00
4110-4902	ARTIST CONTRACTS/R E				
57227		04369	ARCOS MANAGEMENT SERVI	MUSICALE	5000.00
4110-5202	ARTIST CONTRACTS				
56568		02298	MONARCH ENTERTAINMENT	D.EDMUNDS	3000.00
4110-5502	ARTIST CONTRACTS				
56570		04344	PMC INC.	J.RODMAN	500.00
57804		03916	THE JUDDS	START TOUR	50000.00
57041		04341	Q B Q ENTERTAINMENT, I	VOID	-17500.00
57042		04362	RODNEY DANGERFIELD	PRI.PARTY	17500.00
56503	NYC PARTY	04341	Q B Q ENTERTAINMENT, I	R DNGRFLD	17500.00
				ACCT 4110-5502 TOTAL	68000.00
4110-5511	ARTIST CONTRACTS/HEART				
57830		04013	HEART	TOUR START	100000.00
4110-5514	ARTIST CONTRACTS				
56686	1ST PMT.ON OXY/	01095	CREATIVE ARTISTS AGENC	1ST PMTOXY	50000.00
4115-5205	VENUE FEES/I C				
57225		00963	THE BOTTOM LINE	THE TRUTH	1500.00
4115-5511	VENUE FEES/HEART				
57801		00596	MARK KRESS	HEART	3000.00
4115-5513	VENUE FEES/REO				
57800		00218	THOM FERRO	REO	2000.00
4120-1005	RECORDING & MIXING				
56508	CRENSHAW,FESTIV	00127	W.F. DAWES	PD/HOTEL	430.00

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUN
56547	LARRY KING	02904	AME, INC.	259942	25.5
56546	IDB	02904	AME, INC.	259943	15.9
57091		03793	AMI TELEVISION	216	462.5
56871		03902	BROADCAST NEWS SERVICE	80681	400.5
56870	WASHINGTON DC	03902	BROADCAST NEWS SERVICE	80682	550.5
56877	DEMENTO	02904	AME, INC.	260656	15.9
56879	GRANT	02904	AME, INC.	260497	90.0
				ACCT 4120-5502 TOTAL	7638.0
4120-5504	RECORDING&MIXING/OTHER				
56711	AMNESTY INTERNA	00682	THE VILLAGE RECORDER	17009	95.8
56691	MUTUAL	04036	TM COMMUNICATIONS, INC.	JUNE	2606.2
58040		02634	RMR STUDIOS	5677	359.0
58041		02634	RMR STUDIOS	5672	359.0
57430		02634	RMR STUDIOS	5643	359.0
56411	RNRNF	02634	RMR STUDIOS	5609	359.0
56410	RNRF	02634	RMR STUDIOS	5614	304.0
56408		02634	RMR STUDIOS	5602	304.0
				ACCT 4120-5504 TOTAL	4746.1
4120-5505	RECRDNG&MIXING/OTHER-SPLS				
56565	AUDIO RECORDING	04343	MARRIOT CORPORATION	315937VAND	922.8
57269	PER DIEM/DRIVIN	02532	ROBERT DEMUTH	W/E 5/24	365.0
57893	LUTHER VANDROSS	03874	SUNSET SOUND	11645	1986.6
57892	HUNTER S & COLL	03874	SUNSET SOUND	11648	1969.8
57851		02962	ROSEANNE LONGWORTH	EARLE/KNIG	1002.5
57785		04349	AMERICAN FEDERATION OF	VOID	-2304.2
57834		04186	JIM CARROCCIO	EAELE/KNIG	700.0
57441		03144	HIT CITY WEST	M.CARVER	375.0
57224		04370	JACKSON BROWNE MANAGEM	AMNESTY SP	443.5
57213		02955	PAUL SCHWARTZ	W/E 6/5	97.5
57212		04186	JIM CARROCCIO	W/E 6/5	900.0
57211		02962	ROSEANNE LONGWORTH	W/E 6/5	1053.5
56328	L.VANDROSS	04186	JIM CARROCCIO		310.0
56338	PER DIEM 6/5-7/	02960	RON MORGAN	FESTIVAL	3760.0
56339		02962	ROSEANNE LONGWORTH	VANDROSS	438.7
57159		03919	ALECK PETERS	BOSTON	180.0
57161		04366	DARREN HILL	5/21&5/22	455.0
57165		03897	MARK VELASQUEZ	BOSTON	595.0
57184		02532	ROBERT DEMUTH	5/16	390.0
57185		02532	ROBERT DEMUTH	5/24	1050.0
57190		02981	ROSS HUMPHREY	4/22	840.0
57191		02981	ROSS HUMPHREY	5/16	360.0
57192		02981	ROSS HUMPHREY	5/24	840.0
56766	GLADY'S KNIGHT	04349	AMERICAN FEDERATION OF	G.KNIGHT &	2304.2
				ACCT 4120-5505 TOTAL	18333.9
4120-5511	RECRDNG&MIXIING/HEART				

2104088301 3

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUNT
57802		02686	WILLIAM BATTISON	HEART	4000.00
4120-5512	RECRDNG&MIXIING/THE JUDDS				
57799		02216	GARY YUSKO	JUDDS	4000.00
57459		02904	AME, INC.	261279	119.71
			ACCT 4120-5512 TOTAL		4119.71
4120-5513	RECORDING&MIXING/REO SPEE				
57719	M&M MILKEY WAYS	02904	AME, INC.	262643	94.89
57459		02904	AME, INC.	261279	119.72
			ACCT 4120-5513 TOTAL		214.61
4120-6504	RECORDING & MIXING				
58042	HEART	02634	RMR STUDIOS	5676	324.00
57429		02634	RMR STUDIOS	5650	324.00
56412	TOM PETTY	02634	RMR STUDIOS	5608	244.00
56409	BON JOVI	02634	RMR STUDIOS	5603	324.00
			ACCT 4120-6504 TOTAL		1216.00
4140-3302	STATION TIME COSTS				
57377		00383	WNEW-FM 102.7	40098	3300.00
4140-3702	STATION TIME COST/SE				
57679		03311	KYOK-AM STEREO	3237	2500.00
58169		02834	KDIA RADIO	1188	2000.00
57117		02422	WRKS-FM	50305	7430.00
57121		01089	WGPR - 107.5 FM	16590	1200.00
56798		02834	KDIA RADIO	1084	2500.00
			ACCT 4140-3702 TOTAL		15630.00
4140-3802	STATION TIME COSTS				
57505		03558	WASH-FM RADIO	060587	2500.00
57381		03558	WASH-FM RADIO	6/5 INV	2500.00
57119		02996	KYUU FM 99.7	85812205	2075.00
			ACCT 4140-3802 TOTAL		7075.00
4140-4103	STATION TIME/TC				
57703		04380	WTHP 98.3 FM	041687	374.85
57701		04383	WQIM MAJIC 95 FM	042687	448.80
57700		04383	WQIM MAJIC 95 FM	042687	140.35
57699		04383	WQIM MAJIC 95 FM	30	589.05
56911		03003	KDLZ 107.5 FM * KHVN 9	3245	4384.00
56910		03106	WILD 1090 AM	1079	244.80
56909		03278	WGCI-FM.....	004702	1668.98
56908		03008	KKFX SEATTLE RADIO	6061	850.00
56907		03365	FM..... WEKS AM	95806	3570.00
56906		03009	WTMP - AM RADIO	8462	1311.25
56905		03290	WBLZ FM 103.5.....	87044085	389.00

0906

2104083014

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 4129

DATE	AMOUNT
06/26/87	$4,000.00

PAY TO THE ORDER OF FOUR THOUSAND and 00/100

GARY YUSKO

WESTWOOD ONE

Cindy J Gyuko

"004129" :122016066: 019-178781" "0000400000"

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 4130

DATE	AMOUNT
06/26/87	$2,000.00

#146
1614
JUL -9 1987

PAY TO THE ORDER OF TWO THOUSAND and 00/100

THOM FERRO

WESTWOOD ONE

Cindy J Gyuko

"004130" :122016066: 019-178781" "0000200000"

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 4131

DATE	AMOUNT
06/26/87	$3,000.00

PAY TO THE ORDER OF THREE THOUSAND and 00/100

MARK KRESS

WESTWOOD ONE

Cindy J Gyuko

"004131" :122016066: 019-178781" "0000300000"

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 4132

DATE	AMOUNT
06/26/87	$4,000.00

PAY TO THE ORDER OF FOUR THOUSAND and 00/100

WILLIAM BATTISON

WESTWOOD ONE

Cindy J Gyuko

"004132" :122016066: 019-178781" "0000400000"

9104088301 5

0007

2104088830016

8000

For Deposit Only

046 184 484

For Deposit
B of A
03160 - 06103

For deposit only
Gary Yuasa

19-142 323

FIRST INTERSTATE BANK
TO THE ORDER OF
CITICORP SAVINGS
JUL - 9 1987
146 REDONDO
Account No. 031-5-14063

JY ST 60
PAY ANY BANK, P.O.
RSA-AA

JY ST 02
PAY ANY BANK, P.O.
BANK OF AMERICA, N.T. & S.A.
LOS ANGELES, CA.

BY CNB

For Deposit
Only

1W

CHECK REQUEST FORM

DATE 6-26 REQUESTED BY _____

AMOUNT $ 4000.00 DATE NEEDED AM

PURPOSE Recording Judds

PAYABLE TO GJ YUSKO

SEND TO _____

RELATED SHOW _____

O.K.'D BY _____

Office Use: Date Paid _____ Check # _____ Code _____

2104088301 7

WESTWOOD ONE

Los Angeles: [illegible] New York: [illegible]

0009

IW

CHECK REQUEST FORM

DATE 6-26 REQUESTED BY

AMOUNT $ 4000.00 DATE NEEDED AM

PURPOSE time fee Hunt

PAYABLE TO Battison

SEND TO

RELATED SHOW

O.K.'D BY

Office Use: Date Paid Check # Code

2104088300 18

1W

CHECK REQUEST FORM

DATE 6-26 REQUESTED BY

AMOUNT $ 2000.00 DATE NEEDED AM

PURPOSE venue fee R&O

PAYABLE TO Thom Ferro

SEND TO

RELATED SHOW

O.K.'D BY

Office Use: Date Paid Check # Code

2104088300119

WESTWOOD ONE

Los Angeles: 5700 Wilshire Boulevard Culver City, California 90036 (213)954-4000 New York: 200 Third Avenue New York, New York 10017 (212)889-4000

WWO FOL-01 R-89

0011

IW

CHECK REQUEST FORM

DATE 6-26-87 REQUESTED BY _____

AMOUNT $ 3000.00 DATE NEEDED _____

PURPOSE venue fees for Heart per MKraus request
(split payments)

PAYABLE TO Mark Kraus

SEND TO _____

RELATED SHOW _____

O.K.'D BY _____

Office Use: Date Paid _____ Check # _____ Code _____

2104088300 20

WESTWOOD ONE

Los Angeles: 5700 Wilshire Boulevard Culver City, California 90036 (213)934-4700 New York: 320 Park Avenue New York, New York 10017 (212)832-4700

0012

MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF WESTWOOD ONE, INC.

On May 26, 1989

Pursuant to prior notice duly given, a special meeting of the Board of Directors of Westwood One, Inc. (the "Corporation") was convened at approximately 11:35 a.m., May 26, 1989, at the offices of Westwood One, Inc. in Culver City, California. The Board members in attendance were Norman J. Pattiz, William J. Battison, Laurence J. Freeman, and Paul G. Krasnow. Joseph B. Smith arrived at approximately 11:40 a.m. Brian K. Heimerl was out of the country and unable to attend. Also in attendance were John W. Cotton and Julie Tatsugi of Rogers & Wells, counsel to the Corporation. Mr. Freeman acted as Chairman of the meeting and Mr. Krasnow acted as Secretary. All discussions at the meeting related to legal advice sought and provided to the Board of Directors related to matters whose litigation was anticipated. Accordingly, all discussions recited herein are subject to the attorney-client and attorney-work product privileges.

The Board members and Mr. Cotton then discussed the recommendations by the Audit Committee.

The Board members and Mr. Cotton also discussed a possible review of the Corporation's records.

9104088302 1

Thereafter, the Board members, except as indicated, unanimously adopted the following resolutions, as recommended by the Audit Committee:

1. RESOLVED, that Norman Pattiz reimburse the Corporation $13,000 plus interest.

In this regard, Mr. Cotton recommended to Mr. Pattiz that he seek advice from his personal counsel. (Messrs. Pattiz and Battison abstained from voting on this resolution.)

2. FURTHER RESOLVED, that all officers sign annual statements, confirming the lack of any impropriety in the disbursement or recording of corporate funds;

3. FURTHER RESOLVED, that the Audit Committee conduct a special limited scope review of expense disbursement records, with the assistance of Rogers & Wells and, as necessary, Price Waterhouse (Messrs. Pattiz and Battison abstained from voting on this resolution);

4. FURTHER RESOLVED, that if the special limited scope review disclosed other irregular disbursements or records, the Board would consider authorizing an audit of the Corporation (Messrs. Pattiz and Battison abstained from voting on this resolution);

2104088302 2

5. FURTHER RESOLVED, that the Corporation revise its check-signing procedure to prohibit anyone from signing or co-signing any check on which he or she is a payee;

6. FURTHER RESOLVED, that the Corporation's Code of Ethics be revised to prohibit the making or solicitation of political contributions;

7. FURTHER RESOLVED, that the Corporation consider the establishment of a Political Action Committee;

8. FURTHER RESOLVED, that following the limited financial record review, the Audit Committee should consider any additional appropriate personnel. (Messrs. Pattiz and Battison abstained from voting on this matter.)

Thereupon the Board further resolved that the meeting was conducted on a privileged basis under the attorney-client privilege, and that none of the members were to discuss the matter with anyone other than in the presence of counsel. Furthermore, the Board resolved that Rogers & Wells retain all copies of its report to the Audit Committee but that Mr. Heimerl be allowed to review the report with counsel.

2104088302 3

The meeting was then thereby adjourned at approximately 12:45 p.m.

_____
Secretary of the Meeting

Attest:

_____
Chairman

9104088830024

MINUTES OF MEETING OF THE BOARD OF DIRECTORS

OF WESTWOOD ONE, INC.

August 9, 1989

Pursuant to prior notice duly given, the Directors of Westwood One, Inc. (the "Company") held a meeting on August 9, 1989 at the offices of the Company at 9540 Washington Boulevard, Culver City, California, commencing at approximately 3:30 p.m.

The following directors, constituting a quorum of the Board of Directors were present: Norman J. Pattiz, William J. Battison, Laurence J. Freeman, and Paul G. Krasnow. The following directors were absent: Brian K. Heimerl and Joseph B. Smith.

Also present were Gerald E. Boltz, John W. Cotton and David Parlato of Rogers & Wells, counsel to the Company.

Mr. Pattiz, as Chairman of the Board, called the meeting to order and declared that a quorum was present. Mr. Pattiz called upon Larry Freeman and Mr. Boltz. Thereafter an attorney client privileged discussion ensued relating to advice sought and provided to the company regarding a matter in which litigation was anticipated.

9104088302 5

MINUTES OF THE AUDIT COMMITTEE

OF WESTWOOD ONE, INC.

On May 9, 1989

Pursuant to prior notice duly given, and upon advice of counsel Rogers & Wells, William J. Battison, as Chairman of the Audit Committee of Westwood One, Inc. (the "Corporation") convened a meeting of the Audit Committee at approximately 3:30 p.m., May 9, 1989, at the offices of Westwood One, Inc. in Culver City, California. Committee members in attendance were William J. Battison, Lawrence J. Freeman and Paul G. Krasnow. Also in attendance were Gerald E. Boltz and Julie Tatsugi of Rogers & Wells, counsel to the Corporation. Mr. Freeman acted as Chairman of the Meeting and Mr. Krasnow acted as Secretary. All discussions at the meeting related to legal advice sought and provided to the Committee relating to matters whose litigation was anticipated. Accordingly, all discussions were subject to the attorney-client and attorney-work product privileges.

Mr. Battison explained that he was excusing himself from the meeting and recusing himself from participating in the matters under consideration by the Committee.

2104088302 6

Mr. Boltz explained that the discussions at the meeting and other communications with counsel regarding this matter were confidential and protected by the attorney/client privilege and work product doctrine. In order to preserve the confidentiality and privilege, the Committee members were instructed by Mr. Boltz not to have any discussions or communications with anyone else inside or outside the Corporation regarding this subject unless counsel was present.

The Committee authorized Rogers & Wells to conduct a full investigation regarding this matter, and to report back to the Committee.

Thereupon, it was agreed that the next meeting of the Committee would take place on May 18, 1989 at 3:30 p.m. The meeting was thereby adjourned at approximately 4:40 p.m.

Secretary of the Meeting

9104088302 7

MINUTES OF AUDIT COMMITTEE

OF WESTWOOD ONE, INC.

On May 18, 1989

Pursuant to prior notice duly given, and upon advice of counsel a meeting of the Audit Committee of Westwood One, Inc. (the "Corporation") was convened at approximately 3:50 p.m., May 18, 1989, at the offices of Westwood One, Inc. in Culver City, California. Committee members in attendance were Lawrence J. Freeman and Paul G. Krasnow. Also in attendance were Gerald E. Boltz, John W. Cotton and Julie Tatsugi of Rogers & Wells, counsel to the Corporation. Mr. Freeman acted as Chairman of the meeting and Mr. Krasnow acted as Secretary. All discussions at the meeting related to legal advice sought and provided to the Committee relating to matters whose litigation was anticipated. Accordingly, all discussions were subject to the attorney-client and attorney-work product privilege.

Thereupon, it was agreed that the Committee would hold another meeting on May 26, 1989, at 2:30 P.M., and that a meeting of the Board of Directors would be held on May 26, 1989, at 3:30 P.M. The meeting was thereby adjourned at approximately 6:00 P.M.

Secretary of the Meeting

2104088302 8

MINUTES OF THE AUDIT COMMITTEE MEETING

OF WESTWOOD ONE, INC.

On May 26, 1989

Pursuant to prior notice duly given, a meeting of the Audit Committee of Westwood One, Inc. (the "Corporation") was convened at approximately 10:30 a.m., May 26, 1989, at the offices of Westwood One, Inc. in Culver City, California. Committee members in attendance were Laurence J. Freeman and Paul G. Krasnow. Also in attendance were John W. Cotton and Julie Tatsugi of Rogers & Wells, counsel to the Corporation. Mr. Freeman acted as Chairman of the meeting and Mr. Krasnow acted as Secretary. All discussions at the meeting related to legal advice sought and provided to the Committee, relating to matters whose litigation was anticipated. Accordingly, all discussions were subject to the attorney-client and attorney-work product privileges.

The Committee then resolved that, it would recommend to the Board of Directors that the Board take the following actions:

1. Request that Norman Pattiz reimburse the Corporation in the sum of $13,000 plus legal interest from June 26, 1987 to the date of reimbursement.

9104083029

2. Require that the Corporation's officers submit signed annual statements confirming the lack of any impropriety in the disbursement or recording of corporate funds.

3. Authorize a limited review of the Corporation's expense reimbursements by Rogers & Wells, with the assistance of Price Waterhouse if necessary.

4. Authorize the revision of the check-signing procedure of the Corporation, to prohibit anyone from signing or co-signing any check on which he or she is a payee.

5. Authorize the revision of the Corporation's Code of Ethics to add a prohibition against the solicitation or making of political contributions for or on behalf of the Corporation.

6. Consider the formation of a political action committee (PAC).

2104088030

The Committee further resolved that at a future date, depending upon the results of the special limited scope review of the Corporation's records, it would consider any other appropriate action.

The meeting was thereby adjourned at approximately 11:30 a.m.

Secretary of the Meeting

9104088303 1

MINUTES OF THE AUDIT COMMITTEE MEETING

OF WESTWOOD ONE, INC.

August 9, 1989

Pursuant to prior notice duly given, and upon advice of counsel, meeting of the Audit Committee of Westwood One, Inc. (the "Company") was convened at approximately 3:00 p.m. on August 9, 1989, at the offices of Westwood One, Inc. located in Culver City, California. Committee members in attendance were Gerald E. Boltz, John W. Cotton and David C. Parlato of Rogers & Wells, counsel to the Company. Mr. Freeman acted as Chairman of the meeting and Mr. Krasnow acted as Secretary. Thereafter, a discussion with counsel was held relating to legal advice sought and provided, regarding matters in which litigation was anticipated.

Upon motion duly made, seconded, and unanimously carried, the Audit Committee RESOLVED to submit the Limited Scope Review (the "Report") to the Board of Directors.

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting was adjourned at approximately 3:30 p.m.

Secretary of the Meeting

9104088303032

TO: The Audit Committee of
Westwood One, Inc.

August 14, 1989

FROM: Rogers & Wells
Gerald E. Boltz
John W. Cotton
Julie Tatsugi
Counsel to Westwood One, Inc.

RE: Limited Scope Review

I. Introduction

On May 26, 1989, the Audit Committee of Westwood One, Inc. (the "Company") requested a limited scope review of corporate expense disbursements to be performed by Rogers & Wells, counsel to the Company. The review was prompted by the attempted filing on or about April 21, 1989 of an unverified Complaint with the Federal Election Commission ("FEC") by Mark Kress, a former employee of the Company. The unverified Complaint alleged that on or about June 17, 1987, Norman J. Pattiz, Chairman of the Board of Directors and Chief Executive Officer of the Company, requested that eight Company employees and their friends and spouses contribute $1,000 each to the Biden presidential campaign. After political contributions had been made by the eight employees and five nonemployee relatives, Kress alleges that all thirteen were subsequently

2104088303 3

reimbursed by the Company with incorrect entries posted to the Company's accounting records showing that the reimbursement of the political contributions were business expenses.

On May 9, 1989, the Audit Committee authorized Rogers & Wells to conduct an investigation with respect to the allegations made by Kress. Through interviews with the employees named in the unverified Kress Complaint, it was determined that William J. Battison ("Battison"), President and Chief Financial Officer, and Gary J. Yusko ("Yusko"), Vice President, Financial Operations, had in fact mischaracterized reimbursements totaling $13,000 on the Company's accounting records as "venue fees" in order to avoid setting a precedent for future political campaign contributions to be made by the Company. Neither the Audit Committee nor a majority of the Board of Directors had any notice of the reimbursements or misrepresentations on the Company accounting records prior to the filing of the unverified Kress Complaint.

None of the employees who participated in the campaign contributions claim to have had any knowledge of any other reimbursements by the Company for political contributions by employees, nor of any other instances in which the Company's records regarding any disbursements were misrepresented or falsified in any manner.

2104088304

As a precautionary measure, on May 26, 1989, the Company's Audit Committee authorized a limited review to be conducted by Rogers & Wells. The Company's expense reimbursement accounting entries were tested for irregularities in the Company's internal controls.

II. Scope of the Audit - Sampling Criteria

Pursuant to the Audit Committee's request for a limited scope review, Rogers & Wells obtained computer-generated general ledger and journal entries for the Company's cash disbursements during the period January 1, 1987 through November 30, 1988. A total of 103 transactions were selected for review with approximately forty items selected in 1988 and sixty items selected in 1987. The total dollar amount of the 103 items was $422,044.48.

The sample selection criteria focused on disbursements made to the employees named on the Kress Complaint of even dollar amounts exceeding $1,000. Also, greater scrutiny was placed on disbursements to employees for venue fees, promotional expenses, and multiple, less than $1,000 disbursements made on the same day to the same payee. These types of expenses were similar to the disbursements cited in the Kress Complaint. The Company's external auditor, Price

9104088035

0027

Waterhouse, annually reviews all disbursements of $20,000 or more. Nevertheless, Rogers & Wells sampled a few items exceeding $20,000 in their review when such expenses were incurred as venue fees.

The 103 items selected for review were highlighted by Rogers & Wells with felt-tip pen on the ledgers and journals provided by the Company ("original listing"). Copies of the original listing were retained by Rogers & Wells for control purposes. Yusko received the original listing of audit items on June 12 and gathered the necessary support documentation for the audit to commence. Sample of pages from the original listing are attached as Exhibit A.

III. The Review Process

On June 20, 1989, John W. Cotton, partner and Laura F. Lee, summer associate/1/ of Rogers & Wells performed the first phase of the audit by examining corporate records, copies of cheques, the endorsements on the back of the cheques, receipts and expense reimbursement request forms for evidence of irregularities in the Company's accounting entries.

/1/ Ms. Lee was employed prior to law school by an multinational bank as an internal auditor.

2104088303 6

Outstanding audit items that lacked sufficient source documents or supporting documentation were assigned an exception number. Mr. Cotton assigned exception numbers 1-33 and Ms. Lee assigned exception numbers 51-79. Yusko was able to clear a few of the exceptions on the same day.

On June 23, 1989, Rogers & Wells produced a report which listed 53 outstanding exception items categorized into 4 types of disbursements; disbursements to employees, venue fees payments, third party payees, and promotion expenses. Refer to Exhibit B (Exception Report Number 1) attached to this report.

Yusko researched these outstanding disbursement exceptions and presented further documentation to Mr. Cotton on June 27, 1989, reducing the total number of exceptions to 15. In eliminating the other outstanding items, all of the payments which were made as venue fees to third party payees were cleared. (See Category B on Exception Report Number 1, Exhibit B.) All of these clearances were supported by the backside of the cheques which reflected proper third party deposits. While there were no physical receipts provided for any of these, it is apparent they were not cashed by any Company employees or officers.

2104088303037

All third party payee disbursements (See Category C on Exception Report Number 1, Exhibit B) appear to be proper based on the third party endorsements on the backside of the cheques.

Promotion/Sweepstakes expenses (See Category D on Exception Report Number 1, Exhibit B) appear to be properly deposited in the accounts of the third party payees, without countersignature by any Company officers or employees. However, Item Nos. 61, 62, 69 and 76 were for the receipt of American Express cheques allegedly to be used for cash payments of prizes given in conjunction with promotions contained within Company programs. These amounts total approximately $3,600. Due to the insignificant amount, as well as the representations of Yusko that these cheques were legitimately used for various promotional sweepstakes events, no further examination was performed for these disbursements.

Of the 15 outstanding audit items, all were disbursements that had been made to employees for business expenses. Six items involved location fees and "spiff payment" disbursements to Richard Kimball ("Kimball"), two items involved reimbursements for tour expenses to other employees, five items involved sales commissions calculations, and two items involved wages paid to R. Morgan, a contract driver for

2104088303 8

the Company. Thirteen of the fifteen exceptions were disbursements made in 1987. (Yusko indicated that the Company recordkeeping procedures had become more stringent in 1988 than they had been in 1987.) (See Exhibit C - Exception Report Number 2.) On July 18, Mr. Cotton and Ms. Lee met with Yusko, Kimball, and Battison and eliminated 11 more exceptions. These are discussed passim below.

IV. Audit Findings

The findings of the limited scope review are summarized as follows:

1. Location recording expense reimbursement made to Kimball were not always supported by receipts or request forms. Six disbursements of this type totaling $7,300 were deposited by Kimball into his personal bank account for location recording expenses. It could not be determined from the corporate records if these reimbursements were for actual expenses incurred since no receipts were remitted by Kimball. (See Exhibit D, attached) However, in interviews with Yusko and Kimball, it was indicated that location expenses often are not conducive to obtaining receipts because of the rush of activity and lack of financial sophistication on the part of payees at the concert sites.

2104088303 9

Kimball was interviewed on July 18 regarding his recollection of the six disbursements. He indicated that all six exception items were concert-related "spiff" expenses, which are unrelated to contractual venue fees and union fees. "Spiff payments," as described by Kimball, represent disbursements paid as facilitation fees to workers at a particular concert site so that they may complete special tasks above and beyond their normal duties. For example, if the recording process at a particular concert site required a microphone or holding cables to be placed in a difficult or extremely dangerous place, a "spiff" of perhaps twenty dollars to a worker might provide enough motivation for the task to be done.

Kimball explained that "spiffs" are an industry custom in the touring business, and that it would be virtually impossible to record on location without them. Despite the fact that union workers are paid an hourly wage by contract, work breaks and other delays which union workers are permitted to waive can often be avoided with a "spiff". Often, time is of the essence in setting up and dismantling recording equipment so as not to disrupt or impede the live performance schedule. "Spiffs" were also necessary for hauling particularly heavy or long cable wiring onstage.

2104083040

In reviewing Kimball's location recording expense forms for spiff fees, he appeared to request amounts of three hundred dollars per city for each concert, with greater amounts requested only for larger metropolitan locations having a stronger union influence. Kimball indicated that he used his past site experience in requesting spiff fee advances. Despite the lack of receipts to support his claims, these amounts seem consistent with the types of needs one would encounter on arranging for a concert recording, and the uniformity of the requested amounts provide even further support for consistency. For example, twenty dollars paid to fifteen people to set-up and dismantle equipment for one concert recording seems to be a reasonable number of spiff-related expenses. Kimball claims that none of the spiff payments were given to Company employees, but instead were paid to third party workers. Therefore, we find no evidence of mismanagement of spiff funds.

Furthermore, the Company had implemented stricter internal controls in 1988 so that Kimball documented most of his spiff payments on a "Location Recording Expense Form". (See Exhibit E, attached). Because of the informal, hectic demands of recording on location, the Company's present policy of advancing spiff funds to Kimball and later obtaining a record of how these funds were used seems justified. Kimball

2104088304 1

apparently is the only employee who received "spiff" advances during the period reviewed.

We would recommend that employees receiving "spiff" advances should be required to document how many union workers received specific amounts as a "spiff." Kimball noted that he planned to have an envelope stamped with a grid to track his spiff expenses as he incurred them on-site.

2. Per diem disbursements to employees for business trips were sometimes made in advance of departure. According to Yusko, Company policy dictates that so long as the actual number of days out-of-town correspond to the number of days of per diem expenses advanced, no over- or under-compensation for per diem expenses is necessary. It could not be determined from our sample whether employees were reimbursing the corporation for per diem advances that exceeded the actual per diem earned. We accordingly pass no judgment on the Company's per diem procedure since we found no evidence of abuse. The Company does require a statement and approving signature by a supervisor before a per diem advance is made, which provides some level of assurance that per diem advances are properly monitored.

2104088304 2

3. American Express Travelers Cheques used for promotional purposes or sweepstakes cannot presently be audited to determine if Company funds were actually disbursed to third party payees as prizes. Yusko indicated that travelers cheques were sometimes given to employees to award to members of the public in conjunction with promotions within the Company programs. The use of Company cheques that would identify the third party payees were not part of the promotional package given to the winner. Yusko reports that he believes travelers cheques are handed directly to third party payees, typically as part of a vacation package award, to be cashed by the winner. We recommend that traveler cheque disbursements exceeding $1,000 include a report from the Company employee identifying the name and social security number of the recipient.

4. Sales commissions and wage calculations appear to be properly documented in the Company records. The Company employs Account Executives who are assigned to specific tour sponsors. For example, if Oxy-10 paid a certain amount to the company to sponsor a Starship tour, the Account Executive who arranged for the sponsorship would receive a sales commission. These account executives reported to the company's Director of National Sales.

9104088304 3

In examining the sales commission contracts maintained by Battison, it was verified that Messrs. Rudnick, and Schonfeld were under contract at a gross fixed commission of $5,000 per sponsorship until December 1987, and thereafter contracted at a sliding scale commission rate of 5% of the gross amount paid by a sponsor.

Mr. Kress generally received a negotiated commission for his work in arranging sponsorship and tours. This commission could range from 10% to 22.8% of adjusted net revenue on a particular tour. Copies of relevant documents showing Kress' commission payout calculations are attached as Exhibit F.

Among the sales commission items selected for review, calculations of amounts disbursed to Account Executives were properly documented and verified without exception. (See Exhibit B for specific transactions.)

V. Recommendations

The recommendation of Rogers & Wells to the Audit Committee at this time would be that no further audit of the Company disbursements is necessary for 1987 and 1988. This recommendation is based on the fact that only a fractional

2104088304

portion of the sampled items raised the potential for the diversion of corporate funds for an employee's personal use. The audit sample was comprised of those types of disbursements that would most likely reflect this type of problem and neither falsification nor other misconduct in the Company's expense disbursements was evidenced for any of the items audited.

Attached are partial schedules of the original listing and all exception reports generated at the various phases of the audit, including remarks on the status of specific support and source documentation that were necessary to complete the review. The audit was greatly facilitated by the cooperation and efficiency of Yusko in researching and obtaining disbursement documentation.

2104088304 5

9104088304 6

0038

EXHIBIT A

ACCOUNTING METHOD IS ACCR

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUNT
57189		00005	RONALD HARTENBAUM	W/E 5/29	77.70
57194		04156	STUART DAVID GOLDBERG	W/E 5/30	348.90
57195		04156	STUART DAVID GOLDBERG	W/E 6/6	549.98
57199		00296	THOMAS RUDNICK	W/E 5/22	190.00
57200		03516	THOMAS C.N. EVANS	W/E 5/30	491.53
57204		03536	WENDY KAUFMAN	W/E 5/30	80.00
				ACCT 4650-1003 TOTAL	8826.02
4650-1004	REIM. EXPENSE				
57285		00157	BRIAN HEIMERL	REIM.EXPEN	1500.00
4650-1005	REIM. EXPENSE				
56632		03125	RICH PIOMBINO	W/E 5/22	160.07
57271	REIM.FOR USE OF	02962	ROSEANNE LONGWORTH	RD FUNDS	550.00
56626		00802	MICHAEL CARVER	W/E 5/24	35.70
57796		03125	RICH PIOMBINO		336.42
57837		04398	LEROY AIELLO	FIT PARTY	42.22
56590		00570	GLEN SIGMON	W/E 5/22	20.00
56582		03177	DAVID L. NEIDORF	W/E 5/23	417.65
56581		03177	DAVID L. NEIDORF	W/E 5/16AD	15.50
57214	ROCHESTER, PHIA.	00012	RICHARD KIMBALL	7/1 - 7/11	800.00
57160		04366	DARREN HILL	BOSTON	85.00
57186		02532	ROBERT DEMUTH	W/E 5/16	138.33
57187		02532	ROBERT DEMUTH	W/E 5/24	321.34
57201		00127	W.F. DAWES	W/E 6/6	183.58
57206		03177	DAVID L. NEIDORF	W/E 5/30	199.90
56756		00012	RICHARD KIMBALL	L.EXPENSE	1800.00
				ACCT 4650-1005 TOTAL	5135.61
4650-1009	REIM. EXPENSES				
57710	THE JUDDS	04384	KEN STILTS COMPANY, IN	060587	650.55
57787		04391	WAYNE SMITH	JUDDS TOUR	500.00
57180		00596	MARK KRESS	2/14-4/25	562.79
				ACCT 4650-1009 TOTAL	1713.34
4650-1013	REIM.EXPENSE/REO SPEEDWAG				
56914	ADVANCE FOR B E	03913	REO SPEEDWAGON	ADVANCE	2000.00
57848		03913	REO SPEEDWAGON	FOR D.BUCK	3500.00
				ACCT 4650-1013 TOTAL	5500.00
4650-2001	REIM.EXPENSE				
57810		00004	BERT KLEINMAN PROGRAMM	EXPENSES	1368.85
57325		02709	MARY & NORM PATTIZ	AUTO EXP	214.57
				ACCT 4650-2001 TOTAL	1583.42
4650-2002	REIM.EXPENSE				
56640		00549	STEVE JENKINS	W/E 5/17	191.31
56639		00549	STEVE JENKINS	W/E 5/10	30.83

57 58

0039

2104083047

FOR PERIOD ENDING 11/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUNT
4625-1014	PROMOTION/STARSHIP TOUR				
66308		03297	WINTERLAND PRODUCTIONS VOID		-179.25
4625-1015	PROMOTION/FLEETWOOD MAC				
66074		03297	WINTERLAND PRODUCTIONS	754656	140.25
66075		03297	WINTERLAND PRODUCTIONS	256211	38.97
66076		03297	WINTERLAND PRODUCTIONS	256200	27.48
66077		03297	WINTERLAND PRODUCTIONS	256063	105.35
			ACCT 4625-1015 TOTAL		312.05
4625-1016	PROMOTIONS/FOUR PLAY				
66772	FOUR PLAY	04837	PHOENIX MANAGEMENT, IN	1889	1250.00
65438		04124	DANA BUCK	4 PLAYTOUR (72)	1000.00
			ACCT 4625-1016 TOTAL		[illegible]0.00
4625-3007	PROMOTIONS-WKLY SHOW				
66100		02308	TELEMARKETING CORP. OF	8711040906	560.00
65221	HBO/COCO COLA	00191	GARY MANDEL	51835	1646.57
65543	FIBERCON	00121	HINDA DISTRIBUTORS, IN	35208	809.50
66092	U2 PRESENTS	04613	ALBERSTONE ENTERPRISES	171149	408.37
66107	CLEARSIL FUTURE	00121	HINDA DISTRIBUTORS, IN	35346	2844.34
66109	L A GEAR	00191	GARY MANDEL	52037	996.70
66110	COCO COLA/HBO	00191	GARY MANDEL	52036	1646.57
66111	WILD IRISH ROSE	00121	HINDA DISTRIBUTORS, IN	35353	131.67
66113	LEVIS	00191	GARY MANDEL	52039	424.13
66120		00049	WELLINGTON AGENCIES, I	425990	-144.00
66671	CHICAGO OFFICE	00121	HINDA DISTRIBUTORS, IN	35111	517.81
66662	AD USE	00121	HINDA DISTRIBUTORS, IN	36212	182.00
66661	LEVIS	00121	HINDA DISTRIBUTORS, IN	35843	398.34
66660	AD DEPT USE	00121	HINDA DISTRIBUTORS, IN	35841	102.94
66659	CLEARSIL	00121	HINDA DISTRIBUTORS, IN	358970	125.50
66658	CLEARSIL	00121	HINDA DISTRIBUTORS, IN	35898	1330.20
66406	FOLGERS	02317	ABRACADABRA	1110871	647.52
			ACCT 4625-3007 TOTAL		12628.16
4630-1007	PRINTING & ART/CONCERTS				
65835		00230	DREN, INC.	4150 A	213.00
65836		00230	DREN, INC.	4153	1065.00
66936		00230	DREN, INC.	4180	13530.82
66937		00230	DREN, INC.	4151	1171.50
66938		00230	DREN, INC.	4164	2076.75
66939		00230	DREN, INC.	4162	266.25
66940		00230	DREN, INC.	4163	106.50
66941		00230	DREN, INC.	4171,69,65	639.00
66942		00230	DREN, INC.	4166	1384.50
66943		00230	DREN, INC.	4170	1065.00
66944		00230	DREN, INC.	4167	200.00
66945		00230	DREN, INC.	12/7 &1224	319.50

2104083048

0040

ACCOUNTING METHOD I

FOR PERIOD ENDING 01/31/88

G/L ACCOUNT -------- VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUNT
69272	LOCATION EXPENS	00012	RICHARD KIMBALL	CHUCKBERRY	300.00
69266	PER DIEM 1/29-1	00802	MICHAEL CARVER	CHUCKBERRY	105.00
69445		04964	ELECTRONIC LADY STUDIO	14524	2313.81
69444		04964	ELECTRONIC LADY STUDIO	14525	1588.57
68251	MOTLEY CRUE/CAR	04186	JIM CARROCCIO	W/E 12/10	1000.00
68252	MOTLEY CRUE/CAR	02948	MICHAEL HORNER	W/E 12/10	1200.00
68256	MOTLEY CRUE/CAR	02962	ROSEANNE LONGWORTH	W/E 12/10	1500.00
71991		00802	MICHAEL CARVER	VOID	-105.00
				ACCT 4120-5505 TOTAL	28613.53
4140-3702	STATION TIME COST/SE				
69119		03343	WJPC	112987	3500.00
69118		02422	WRKS-FM	120264	3400.00
69127		02834	KDIA RADIO	1641	2000.00
69343		03343	WJPC	17020	2000.00
				ACCT 4140-3702 TOTAL	8900.00
4140-3802	STATION TIME COSTS				
69128		02996	KYUU FM 99.7	85949503	2500.00
69129		02996	KYUU FM 99.7	85949504	1882.50
				ACCT 4140-3802 TOTAL	4382.50
4140-4102	STATION TIME COSTS				
68149		00383	WNEW-FM 102.7	DEC.,87	4800.00
4140-4103	STATION TIME/TC				
69375		03282	WKND 1480.....	12654	1020.00
69376		03282	WKND 1480.....	12609	637.50
69378		04872	WANT	110053	467.50
69190		03292	WFXC FOXY FM 107....	54733029	1445.00
69392		03009	WTMP - AM RADIO	12431	1311.35
69391		03009	WTMP - AM RADIO	12430	382.50
69390		02422	WRKS-FM	110238	3400.00
69389		04383	WQIM MAJIC 95 FM	26	589.05
69388		03107	WILLIS BROADCASTING CO	871227	2203.20
69387		03280	WOKB RADIO.....	30	1062.00
69156		03275	XHRM FM 92.5.....	0112888	1071.00
69155		03275	XHRM FM 92.5.....	112887	1160.35
69154		03293	WZAK FM.....	7616	612.00
69153		03327	WXYV.....	47105	3081.35
69152		04383	WQIM MAJIC 95 FM	22	701.35
69151		03107	WILLIS BROADCASTING CO	871129	1232.50
69150		03107	WILLIS BROADCASTING CO	871129	2448.00
69149		03574	WOKJ - WJMI	2049	1300.07
69148		03317	KRNB-FM	744	3060.67
69147		03008	KKFX SEATTLE RADIO	NOVEMBER	1062.50
69582		03282	WKND 1480.....	12414	3250.00
				ACCT 4140-4103 TOTAL	39397.49

9104088830500

EXHIBIT B

A. Disbursements to employees

Exception No.	Employee name/ Payee	Amount Disbursed	G/L Date	Support Docs. Missing	Description
57	D. Buck	$2,000	6/30/87	receipts	Reimb. Exp. Cash Adv.
58	D. Buck	3,500	6/30/87	receipts	Reimb. Exp. Cash Adv.
72	D. Buck	1,000	8/31/87	receipts	Promo. Cash Adv.
11	J. Carroccio	1,800	9/30/87	receipt and back of check	Rec/Mix Heart
17	J. Carroccio	1,000	1/5/88	receipt and back of check	Rec/Mix Motley Crew
13	D. Field	1,000	9/30/87	receipt and back of check	Per diem Frank Sinatra
79	D. Field	1,000	8/31/87	receipt and back of check	Neil Young Auto Exp.
60	G. Gratzer	3,000	9/30/87	receipt and back of check	Reimb. Exp. REO
66	G. Gratzer	1,000	6/30/87	receipt and back of check	Heart

78	G. Gratzer	3,000	10/31/88	receipt and back of check	Promo G. Michael
18	M. Horner	1,200	1/5/88	receipt and back of check	? - no info.
10	R. Kimball	1,000	7/15/87	receipt and back of check	location exp.
14	R. Kimball	1,500	11/30/87	receipt and back of check	location exp. cars
20	R. Kimball	1,500	2/29/88	receipt and back of check	loc. fee
32	R. Kimball	1,000	3/5/87	receipts	Prod. Exp. Bon Jovi
59	R. Kimball	900	7/31/87	receipts	Reim. Billy Idol
74	R. Kimball	1,400	7/31/88	receipts	Location E G. Monis
50	M. Kress	5,000 6,000 (single request)	1/31/87	Need calculation	Sales Commission
51	M. Kress	12,500	1/31/87	Need calculation	Sales Commission
53	M. Kress	5,464	2/28/87	Need calculation	Sales Commission
55	M. Kress	14,000	6/30/87	Need calculation	Sales Commission

15	R. Morgan	2,400	11/30/87	receipt back side ch.	wages
16	R. Morgan	1,600	12/31/87	receipts	wages
75	R. Morgan	1,150	6/30/88	receipts	auto exps.
70	T. Powell	800 xz	8/31/87	receipts and back side ch.	promo
56	T. Rudnick	4,000	6/30/87	calculations	sales commission
54	G. Schonfeld	3,642	3/31/87	calculations	REO commission

B. Venue Fees

21	Fox Assocs.	1,000	3/31/88	receipts and back of check	Kinks
22	Bottom Line	1,500	3/31/88	receipts and back of check	J. Brame
23	San Diego Sports Arena	2,400	3/31/88	receipts and back of check	Inxs
24	The Roxy	1,200	5/30/88	need request, receipt and back of check	G. Parker
26	Great Woods Ctr.	2,000	8/31/88	receipt and back of check	S. Winwood

26	Great Woods Ctr.	2,000	8/31/88	receipt and back of check	Steve Winwood
27	Blossom Music Ctr.	3,000	8/31/88	receipt and back of check	Huey Lewis
28	Blossom Music Ctr.	1,000	8/31/88	receipt and back of check	Inxs
29	The Chanell	1,000	8/31/88	receipt and back of check	Rick James
30	Center Stage	1,500	8/31/88	receipt and back of check	Little Feat
33	Shoreline Amphit	2,500	8/31/87	receipt	Billy Idol
34	Ron Gaudette	1,275	8/31/87	receipt	Neil Young

C. **Third Party Payee**

19	Bill Graham Presents	2,100	2/25/88	receipts and back of check	Yes
77	Radio Advertising Bureau	12,000	3/31/88	receipts	? - no info.
25	Touring By Moonlight	5,000	5/31/88	receipts and check request	Robert Plant
31	Studio On Wheels	5,400	9/30/88	receipts and back of check	? - no info.

0046

65	Maxine & Zelda Products	8,000	4/30/87	receipts/cal calculations	? - no info.

D. **Promotions/Sweepstakes**

61	American Express	1,010	2/28/87	Receipts; information regarding use and need	
62	Amercian Express	303	2/28/87	Need receipts	
63	CBS promo	10,000	3/31/87	Receipts	Ok'd by Kress
64	CBS promo	1,600	3/31/87	Receipts	?
67	Fashion Institute	26,229	6/30/87	Receipts	?
68	Anheuser Busch	7,450	6/30/87	Receipts	?
69	American Express	1,313	8/31/87	Receipts	Hawaii
71	TIX - Fleetwood Mac	25,000	11/31/87	Receipts and back of check	Fleetwood Mac
76	American Exp.	1,000	2/29/88		Folgers

9104088830556

EXHIBIT C

A. Disbursements to employees

Exception No.	Employee name/ Payee	Amount Disbursed	G/L Date	Support Docs. Missing	Description
79	D. Field	1,000	8/31/87	receipt and copy of check	Neil Young Auto Exp.
60	G. Gratzer	3,000	9/30/87	receipt and copy of check	Reimb. Exp. REO
10	R. Kimball	1,000	7/15/87	location exp. form, receipts and check	location exp.
14	R. Kimball	1,500	11/30/87	location recording expense form	location exp.
20	R. Kimball	1,500	2/29/88	location recording expense form	loc. fee
32	R. Kimball	1,000	3/5/87	location recording expense form	Prod. Exp. Bon Jovi
59	R. Kimball	900	7/31/87	location recording expense form	Reim. Billy Idol
74	R. Kimball	1,400	7/31/88	location recording expense form	Location E G. Monis

0050

50	M. Kress	5,000 6,000 single request	1/31/87	Need calculation	Sales Commission
51	M. Kress	12,500	1/31/87	Need calculation	Sales Commission
53	M. Kress	5,464	2/28/87	Need calculation	Sales Commission
15	R. Morgan	2,400	11/30/87	receipt copy of check	wages
16	R. Morgan	1,600	12/31/87	receipt copy of check	wages
56	T. Rudnick	4,000	6/30/87	calculations	sales commission
54	G. Schonfeld	3,642	3/31/87	calculations	REO commission

9104088830599

EXHIBIT D

PLEASE DETACH THIS STATEMENT BEFORE DEPOSITING CHECK

[redacted]30/87 3307 [redacted]

THIS CHECK IS TENDERED IN PAYMENT OF ITEMS LISTED

INVOICE	DATE	AMOUNT	G/L ACCT.	DESCRIPTION	AMOUNT
CARS/FLEET	11/30/87	1500.00	[illegible]	RECORDING & MIXING	1500.00

Exception #14

TOTALS 1500.00 TOTAL DISCOUNTS 0.00 NET CHECK 1500.00

WESTWOOD ONE RADIO, INC. 9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232-1985

WESTWOOD ONE RADIO, INC.
9540 WASHINGTON BLVD., CULVER CITY
CALIFORNIA 90232-1985 • (213) 204-5000

Century City Office
CITY NATIONAL BANK
1888 Century Park East
Los Angeles, California 90067

18-1606/1220

NO. 3307

DATE	CHECK NO.	AMOUNT
11/30/87	33077	***$1,500.00

PAY TO THE ORDER OF

ONE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS

RICHARD KIMBALL.
3288 WRIGHTWOOD DR.
STUDIC CITY, CA. 91604

WESTWOOD ONE RADIO, INC.

NON NEGOTIABLE

⑈033077⑈ ⑆123044066⑆ 019-178781⑈

0052

[redacted]

IW

CHECK REQUEST FORM

DATE 11/19/87 REQUESTED BY R. Kimball

AMOUNT $ 1500.00 DATE NEEDED 12/1/87

PURPOSE Location Expenses to Record TK CARS on 12/8 & 9 in St. Louis, Mo., Columbia, Mo., & Memphis, Tn. & Electrical Mo on 12/10-12 & 13/87 in Fresno, Ca & San Francisco, Ca.

PAYABLE TO RICHARD KIMBALL

SEND TO

RELATED SHOW Superstar Series

O.K.'D BY

Office Use: Date Paid _____ Check # _____ Code _____

2140.8.3061

ENTERED NOV 3 0

0053

2104088306 2

EXHIBIT E

WESTWOOD ONE RADIO NETWORKS

9540 Washington Blvd.
Culver City, California 90232-3689
Telephone (213) 204-5000
Telex 4996015

LOCATION RECORDING EXPENSE FORM

ARTIST: _____

DATES: _____

VENUES: _____

_____

PARKING: $ _____

SECURITY: _____

STAGE HANDS: _____

MISCELLANEOUS: _____

_____

TOTAL: _____

2104088830063

0055

2104088306 4

0056

EXHIBIT F

WESTWOOD ONE RADIO NETWORKS

Hold for 11:00AM meeting on 12/2
→ file Kress

MEMORANDUM

TO: Gary Yusko
FROM: Norm Pattiz
DATE: November 26, 1986
RE: MUSIC MARKETING

I have scheduled a meeting with Mark Kress on Tuesday, December 2 at 11:00am to discuss music marketing with specific attention to revising the current incentive and commission structure.

Please pull together all necessary information so that we can discuss in advance of the meeting.

- KRESS' DEAL FROM '86
- REVISED COMMISSION STRUCTURE FOR DYLAN/PATTY/SUN COUNTRY
- BUDGET - ACTUAL THROUGH OCT.
- SCHEDULE BASE SALARY + COMM PAYMENTS + AMOUNTS OUTSTANDING

2104088306S

DATE COMMISSION PAID	RECEIVED FROM SUN COUNTRY	PAID TO KRESS
04/08/86	100,000	3,368
04/25/86	100,000	3,368
07/14/86	100,000	3,368
08/28/86	100,000	3,368
10/28/86	65,000	2,189
	$465,000	$15,661
AMOUNTS OWED BY SUN COUNTRY		
	10,000	339
	$475,000	$16,000
AMOUNTS PAID TO STEVIE NICKS & BRODIE	405,000	
	$70,000	22.86% PERCENT OF ADJUSTED REVENUE TO BE PAID AS COMMISSIONS TO KRESS

2104088306 66

WESTWOOD ONE
BUDGET TO ACTUAL COMPARISON
OCTOBER 1986

MARK KRESS - TOUR SPONSORSHIP

	PERIOD			YEAR-TO-DATE		
	OCTOBER					
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
REVENUE	(200,000)	(65,000)	(135,000)	(1,900,000)	(465,000)	(1,435,000)
ARTIST PAYMENTS	150,000	0	150,000	1,425,000	775,000	650,000
SALARIES	6,666	10,300	(3,634)	73,334	93,987	(20,653)
PAYROLL TAXES	667	1,247	(580)	7,333	10,661	(3,328)
COMMISSIONS	5,000	2,189	2,811	47,500	20,661	26,839
TRAVEL	5,000	5,810	(810)	55,000	35,029	19,971
REIMBURSED EXPENSES	4,000	4,794	(794)	36,000	70,518	(34,518)
ENTERTAINMENT	1,000	83	917	11,000	25,196	(14,196)
TOUR SUPPORT-SALARY	4,000	2,167	1,833	36,000	12,623	23,377
MERCHANDISING	0	12,471	(12,471)	40,000	94,168	(54,168)
	(23,667)	(25,939)	2,272	(168,833)	672,843	(841,676)

210408830067

TO: MARK KRESS
FROM: GARY YUSKO
DATE: MARCH 12, 1986
RE: SUN COUNTRY/STEVIE NICKS COMMISSION

IN REFERENCE TO YOUR MEMO DATED MARCH 11, 1986, YOU INDICATE THAT WESTWOOD WOULD OWE YOU COMMISSIONS OF $16,000 ON THE STEVIE NICKS TOUR SPONSORSHIP DEAL. MY RECORDS INDICATE THAT YOU ARE TO RECEIVE A COMMISSION EQUIVALENT TO 10% OF THE GROSS PROFIT ON THE TRANSACTION. PER MY CALCULATIONS, THAT WOULD ENTITLE YOU TO A COMMISSION AMOUNT AGGREGATING $7,000, CALCULATED AS FOLLOWS:

INCOME		
MONIES FROM SUN COUNTRY		$475,000
EXPENSE		
AMOUNT PAYABLE TO STEVIE	400,000	
AMOUNT PAYABLE TO BRODIE	5,000	
		405,000
GROSS PROFIT		70,000
KRESS PERCENTAGE - 10%		$7,000

IF YOU HAVE ANY QUESTIONS, PLEASE CALL.

CC: NORM
ARTHUR

2104088306 68

March 11, 1986

To: Gary Yusko
From: Mark Kress
RE: Sun Country/Stevie Nicks Commission

Norm asked me provide you the details of our agreement on payment of commissions to me on the sale of this tour sponsorship.

The following is the payment schedule worked out with Sun Country and the commission payment due me upon receipt of each payment.

Timing	$ Due from S.C.	$ Payable to MK
Signing of contract	100,000	3,368
Start of tour (4/11)	100,000	3,368
After 20 dates	100,000	3,368
After 35 dates	100,000	3,368
After 50 dates	75,000	2,528
Totals	$475,000	$16,000

The first payment from the client should be in shortly.

cc. Norm

2104088830069

RON HARTENBAUM

MEMO TO: MARK KRESS
FROM: RON HARTENBAUM
DATE: MARCH 7, 1986
SUBJ: TOUR SPONSORSHIP COMMISSION

cc: Gary Yusko

As you know, salespeople earn a $5,000 commission for putting a tour sponsorship together with a national advertiser.

We are all very pleased that John Brodie is the first salesperson to make such a deal given the Stevie Nicks Sun Country Wine Cooler tour.

Since the commission relates to music marketing/tour sponsorship and not advertising sales, it is very clear that the $5,000 commission comes out of your budget.

If you can explain why it should be otherwise, please give me a call and let's discuss. If you agree with my logic, one possible time that the commission should be paid is when Sun Country forwards its money to our company.

I was very excited to read the press release on the tour and look forward to a great 1986 in your area.

-Ron

2104088307O

0062

WESTWOOD ONE RADIO NETWORKS

9540 Washington Boulevard
Culver City, California 90232-7
Telephone: (213) 204-8
Telex: 4996015 WWN

MARK KRESS
Vice President
Music Marketing
Westwood One Radio Networks

To: Advertiser Sales and Sales Managers

From: Mark Kress

Re: Music Marketing Sales Commissions

Date: December 11, 1987

This is to outline the revised commission schedule for Music Marketing sales.

A commission will be paid to an account executive (or sales manager when appropriate) only when he or she is instrumental in the initiation or development of a music marketing program which becomes a reality. This commission will be paid at the rate of 5% of the gross margin of the program. Gross margin is defined as the difference between the net advertiser payment minus Westwood One's net cost of the sponsorship or promotion.

For example, an advertiser might pay us $500,000 net fee for a tour sponsorship, while our payment to the artist might be $350,000. The gross margin of $150,000 would be commissionable at 5%, or $7,500. This commission will be payable on collection.

Please call me if you have any questions.

cc: B. Battison
G. Batusic
J. Sharell
G. Yusko

2104088307 1

21040883072

INTRODUCTION

Welcome to Westwood One, Inc.

This handbook summarizes many of the personnel policies, procedures and benefits of the Westwood One, Inc. ("the Company"). However, the Company may make additions, deletions or other changes to the handbook from time to time, without notice.

If you have questions about any of the subjects covered in this handbook, please contact your supervisor or the Personnel Department.

After you have read the entire handbook, please sign the Employee Acknowledgement and the other attachments at the end of the handbook and return them to the Compliance Counsel.

THIS HANDBOOK IS NOT A CONTRACT OF CONTINUED EMPLOYMENT. YOUR EMPLOYMENT WITH THE COMPANY IS "AT WILL" AND THIS MEANS THAT YOUR EMPLOYMENT MAY BE TERMINATED BY YOU OR BY THE COMPANY WITH OR WITHOUT CAUSE AND WITH OR WITHOUT NOTICE.

I. GENERAL POLICIES

1.1 EQUAL OPPORTUNITY

It is our policy to afford equal opportunity in all our personnel practices to all employees and applicants for employment regardless of race, color, religion, sex, age, national origin, marital status, medical condition, veteran status, disability or other legally protected status.

This policy extends to all personnel actions including, but not limited to: hiring, placement, upgrading, transfer and promotion; implementing social and recreational programs; determining rates of pay, benefits, and other forms of compensation; selection for training; discipline; and layoff, termination and rehire. It is our objective to hire and promote individuals based solely on job-related standards such as education, training, experience and personal qualifications.

Any instance of alleged discrimination must be promptly reported to your supervisor, or the Personnel Department which is responsible for investigating and resolving all such reports.

1.2 SEXUAL HARASSMENT

Sexual harassment of employees in the work-place is unacceptable and will not be tolerated by the Westwood One Companies. Unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature, constitute sexual harassment when: (a) submission to the conduct is either an explicit or implicit term or condition of employment; (b) submission to or rejection of the conduct is used as a basis for employment decisions affecting the person involved; or (c) the conduct has the purpose or effect of substantially interfering with the individual's work performance or environment.

You are expected to refrain from behavior or conduct which could be interpreted as sexual harassment.

Any instance of alleged sexual harassment must be promptly reported to your supervisor or to the Personnel Department which is responsible for investigating and resolving all such reports. Confidentially will be maintained to the extent permitted by the circumstances.

1.3 OPEN DOOR POLICY

In order to promote open communications within the Company, you are encouraged to make suggestions and seek solutions by speaking to your supervisor or department head.

0065

210408830073

You are also encouraged to initiate dialogue with your supervisor concerning your work performance on a regular basis.

2104088307 4

II. REVIEW AND COMPENSATION

2.1 90-DAY REVIEW PERIOD

It is the policy of the Company to review and evaluate job performance for all newly hired, re-hired, promoted, or transferred employees, on or before the completion of ninety (90) days on the job.

The 90-day review period provides you with an opportunity to demonstrate your qualifications and ability to adapt to the new job. It also provides the Company with the opportunity to evaluate your performance and progress. You may be evaluated on many items, including, but not limited to, attendance, quality of work, quantity of work, conformance with Company policies, and adaptability.

It should be noted that the successful completion of the 90-day review period does not change your status with the Company as an employee-at-will, which means that your employment is terminable by you or by the Company, at any time.

2.2 PERFORMANCE APPRAISAL

Your work performance will be reviewed approximately once a year by your supervisor to let you know how well you meet the requirements of your job.

A review of your performance provides an opportunity for you and your supervisor to meet and discuss job performance and recommendations for improved performance.

It should be noted that your compensation will not be increased automatically.

2.3 PAYROLL PROCEDURES

All employees will be paid by check twice a month, on the fifteenth (15th) day and on the last day of the month. In the event that either date falls on a weekend, payroll checks will be distributed on the Friday prior to the date.

Your paycheck will have an attached statement which includes your gross and net pay as well as itemized deductions.

Written authorization, signed by the employee, must be submitted to the Accounting Department if a person other than the employee is to pick up the check.

2104083075

2.4 PAYROLL DEDUCTIONS

The Company makes payroll deductions for Social Security income tax purposes as required by law. At the time of hire, you must complete a withholding exemption certificate (Form W-4). This form will determine the amount of wages withheld for state and federal income taxes.

Where applicable, deductions will also be made for State Disability Insurance or other payroll deductions required by law or as authorized by the employee.

It is recommended that you periodically review your statement of earnings and deductions for accuracy.

2.5 AUTOMATIC PAYROLL DEPOSIT

This program enables you to have your net pay automatically deposited into your personal checking or savings account each pay period and provides an earnings statement/deposit receipt that may be retained for your records. You are eligible to participate in this program if you use a bank that is a member of the Federal Reserve Automated Clearing House.

If you are interested in having your paycheck automatically deposited, please obtain an authorization form from the Personnel Department, fill in the requested information and return it.

2104088307 6

III. EMPLOYEE BENEFITS

3.1 CLASSIFICATION OF EMPLOYEES

To determine eligibility for various benefits, the following classifications are used:

Full-time Employees - Employees hired for an indefinite period of time and scheduled to work during normal business hours. (Usually a minimum of forty (40) hours each week.)

Part-time Employees - Employees hired for an indefinite period of time and normally scheduled to work between sixteen (16) and twenty (20) hours each week.

Temporary Employees - Employees hired for a limited duration. Unless otherwise noted, only regular full-time employees who have completed at least thirty (30) days of continuous employment are eligible for the benefits explained in this handbook.

3.2 HOLIDAYS

During the first week of each year, the Company will publish a list of the holidays that will be observed by the Company during the calendar year. (If you would like to observe a holiday that is not observed by the Company, you may request a "floating holiday" as set forth in the next section.)

In the event that you are absent on either: 1) the last scheduled workday preceding a holiday, or; 2) the first scheduled workday following a holiday, you will not be paid for the holiday unless such absence is approved in advance. An employee on leave without pay will not be paid for holidays.

3.3 FLOATING HOLIDAYS

After you have completed at least three (3) months of employment, you may take advantage of the "floating holiday(s)" which may be given to each employee as set forth in the list of holidays issued by the Company each year. A "floating holiday" may be observed in increments of one-half (1/2) day.

As with all discretionary time away from work, you must obtain approval from your supervisor of a "floating holiday" at least two (2) weeks in advance of the proposed date.

3.4 SICK DAYS

You should notify your supervisor each and every day that you are unable to report for work due to illness or an emergency. In the event that your supervisor is unavailable, you may notify the

0069

2104083077

Personnel Department, provided however, that you communicate with your supervisor at some point during the day.

FAILURE TO REPORT AN ABSENCE TO EITHER YOUR SUPERVISOR OR THE PERSONNEL DEPARTMENT MAY RESULT IN DISCIPLINARY ACTION OR TERMINATION.

During the first three (3) months of employment, you will not be entitled to any paid sick days. During months four (4) through twelve (12) of your employment, you will be entitled to four (4) paid sick days. Thereafter, you will be entitled to a maximum of seven (7) paid sick days during any anniversary year.

If you are absent from work for five (5) consecutive days or more, you will be required to submit a physician's statement which sets forth the reason for the absence. At the discretion of your supervisor or the Personnel Department, a physician's statement may be requested when the absence is less than five (5) days.

Depending upon the duration of your illness or injury, you may be entitled to disability benefits. To learn whether you are qualified to receive such benefits, you should contact the Personnel Department.

3.5 VACATIONS

Vacation time starts accruing from your date of hire and accrues as follows:

Length of Employment	Rate of Accrual	Maximum Accumulation
First Year through Fifth Year	10 days per year	15 days
Sixth Year through Tenth Year	15 days per year	20 days
Eleventh Year and over	20 days per year	25 days

After your first six (6) months of continuous employment with the Company, you will be eligible to use the vacation time that you have accrued to date. For example, you will have accrued five (5) days of vacation time after six (6) months on the job. YOU MAY NOT TAKE ANY VACATION TIME IN ADVANCE OF THE DATE THAT IT HAS BEEN EARNED.

In the event that you do not use your accrued vacation time, it will "carry over" from one anniversary year to the next. However, you will stop accruing vacation time once you have accumulated the maximum number of accrued, but unused vacation days as set forth above ("maximum accumulation"). In such event, you must use some of the days that you have already accumulated before you will accrue any more vacation time.

0070

2104088307 8

For example, if you do not take any vacation during your first year of employment, you will have accrued and accumulated ten (10) days of vacation time at the end of the year, which will carry over to your next anniversary year. However, during your second year of employment you will stop accruing any more vacation time once you have accumulated a total of fifteen (15) days of unused vacation time.

A request for vacation should be submitted, in writing, to your supervisor no less than two (2) weeks prior to the first day of your proposed vacation.

If the dates chosen for your vacation are in conflict with the Company's needs, you may be asked to choose different dates. In general, if there are conflicting vacation schedules between employees within the same department, the employee with the most seniority will have the first choice of vacation dates.

In the event that your employment is terminated with the Company, you will be paid for all accrued, but unused, vacation time, prorated on a daily basis.

210408830879

3.6 LEAVE OF ABSENCE

A leave of absence is defined as any excused absence from work and will be granted by the Company only in the case of medical necessity, bereavement, or as required by law. A request for a leave of absence should be submitted to your supervisor.

Normally, you will not be paid during a leave of absence unless otherwise noted in the handbook.

A. MEDICAL LEAVE

The right to take a medical leave and the length of the leave will be strictly related to your health and ability to work. You may take an unpaid medical leave of absence for a reasonable period of time, not to exceed four (4) months.

A medical leave of absence must be supported by a physician's statement which includes the reason for the leave and the expected duration of the leave. Such physician's statement should be provided to the Company prior to the leave. (In the event that prior notice is not possible, the medical statement should be provided to the Company within fifteen (15) days after the commencement of your leave.)

You should contact your supervisor weekly during your leave, in order to inform the Company of your medical condition and the date that you will be able to return to work.

The Company treats employees directly affected by pregnancy, childbirth, or related medical conditions the same as other employees with temporary disabilities.

The Company will reinstate an employee returning from a medical leave to the job the employee previously held, unless the job is no longer available. In the event the job is no longer available, the Company will make a reasonable good faith effort to place the employee in a substantially similar job.

Upon notice to the Company, an employee is entitled to utilize accrued vacation time or sick days, if any, as a supplement to a leave.

B. MILITARY LEAVE

Employees who are members of the National Guard, reserve corps of any branch of the armed forces of the United States, or of the Naval Militia, will be granted a leave of absence of up to seventeen (17) calendar days each year for purposes of training, encampment and exercises, as required. During such absence, the Company will pay you the difference between your regular wages and your military pay.

Employees who leave the Company to serve in the military are entitled to an unpaid leave of absence for the period of time specified by law. Veterans, reservists and National Guardsmen are entitled to reemployment consistent with relevant state and federal laws.

C. JURY DUTY

Upon notice to your supervisor or the Personnel Department, you may attend jury duty in accordance with your legal obligation. When serving on jury duty, the Company will pay you the difference between your regular wages and jury duty pay, for a period not to exceed ten (10) working days during a calendar year. The Company reserves the right to require verification prior to payment.

D. WITNESS DUTY

If you are required by law to appear in court as a witness you must provide your supervisor or the Personnel Department with reasonable advance notice. For the first two days that you serve as a witness, the Company will pay you your regular salary less any witness pay. The Company reserves the right to require verification prior to payment.

0072

2104088300

E. VOTING TIME

Employees who are unable to reach their precinct to vote in a statewide election during non-working time will be allowed to take time off at the beginning or end of their shift for this purpose. You must request this time off at least two (2) days prior to the election day. No more than two (2) hours of time may be taken to vote without loss of pay.

F. BEREAVEMENT LEAVE

In the event of a death in your immediate family, you will be granted a leave with pay for a period of up to five (5) days. (In the context of this section, your immediate family consists of your spouse, parents, children, siblings, grandparents, grandchildren, mother-in-law and father-in-law.) You should notify your supervisor as soon as possible concerning the death in your family.

3.7 EMPLOYER-PROVIDED BENEFITS

The Company provides the following benefit plans for full-time employees, except those covered by a collective bargaining agreement:

Medical Insurance
Disability Insurance
Dental Insurance
Term Life Insurance
Accidental Death and Dismemberment Insurance
Profit Sharing Plans

During your first month of the job, you will be given literature concerning the above benefits from the Personnel Department, which will contain information concerning the eligibility requirements, waiting periods, and conversion privileges, if any.

Insurance benefits are not vested. The Company may change, modify, or discontinue coverage for any type of health benefit or insurance at any time.

Employees covered by a collective bargaining agreement should contact the Personnel Department for information regarding their benefits.

Part-time and temporary employees are not entitled to any benefit plans.

THE ACTUAL PLAN DOCUMENTS, POLICIES, CONTRACTS AND VARIOUS RULES AND REGULATIONS ARE THE FINAL AUTHORITIES IN ALL MATTERS RELATING TO THE BENEFITS DESCRIBED IN ANY SUMMARY, AND WILL GOVERN IN THE EVENT OF ANY CONFLICT WITH ANY SUMMARY. FOR COPIES OF THOSE

0073

2104088830381

DOCUMENTS AND COMPLETE DETAILS, PLEASE REFER TO THE LITERATURE PROVIDED FOR EACH BENEFIT WHICH IS AVAILABLE FROM THE PERSONNEL DEPARTMENT.

3.8 EXPENSE REIMBURSEMENT

The Company will reimburse all reasonable and necessary expenditures actually incurred by an employee as a result of authorized business for the Company.

You should keep the following guidelines in mind when incurring expenditures on behalf of the Company and in preparing your expense report:

* You should use discretion when spending Company funds and each expenditure should be reasonable and necessary.

* AN EXPENSE REPORT SHOULD BE COMPLETED AS SOON AS POSSIBLE. A PROPERLY COMPLETED EXPENSE REPORT MUST BE SUBMITTED WITHIN SIXTY (60) DAYS OF THE DATE THE EXPENSE WAS INCURRED OR YOU WILL NOT BE REIMBURSED.

* You should complete and sign each expense report and submit it to your supervisor for approval.

* All expenditures of twenty-five dollars ($25.00) or more must be supported by a receipt attached to the related expense report. If an expenditure involves a calculation, such as for mileage reimbursement, the details of how the amount was derived should be included on the report.

* All meals in excess of twenty-five dollars ($25.00) must be paid by credit card and the credit card receipt must be attached to the report. Accordingly, entertainment expenditures for Company purposes should not be held at "cash only" establishments.

* When more than one Company employee is present at a business meal or function, the expense should be incurred and reported by the senior employee in attendance.

* In the event that you must travel on behalf of the Company, airline reservations should be made through the Company's designated travel agent who will bill the Company directly for the charge. The lowest possible fare should be obtained for all Company related travel.

You should contact your supervisor or the Accounting Department if you have any questions concerning an expense report or related procedures.

0074

2104088308082

IV EMPLOYEE GUIDELINES

4.1 CODE OF ETHICS

As an employee or director of Westwood One, Inc., you must read, understand and agree to abide by the terms of the following Code of Ethics ("Code").

A. BUSINESS DECISIONS

Your decisions regarding the Company's business with any other person or entity must be based solely upon valid business considerations of the Company. You must not permit a business decision involving the Company to be influenced by personal or other unrelated interests or factors.

B. ACCEPTANCE OF FREE SERVICES, PAYMENTS, OR GIFTS

You and every member of your immediate family, are prohibited from directly or indirectly accepting any:

1) commissions, profits, payments, loans;
2) free services or products, or;
3) entertainment, travel, or gifts

from a person or entity doing, or seeking to do, business with the company; any person or entity with an interest in the news, editorials or music programs prepared by the Company, or any entity referred to in Paragraph 4.1.D below. (Any offer of such gifts or services should be reported in a Disclosure Certificate to the Compliance Counsel.)

The provisions of this Paragraph relating to entertainment, travel, and gifts do not apply to the courtesies openly accepted and given as part of the usual business amenities, such as Christmas gifts or business luncheons, which cost less than $100.

C. COMPENSATING OTHERS

You must never make, or offer to make, payments to any person or entity in the course of seeking or retaining business for the Company. No secret or illegal payments, kickbacks, bribes or other payments, in any form whatsoever, should ever be made or received in order to obtain a benefit for yourself or the Company.

D. CONFLICTS OF INTEREST

You must not represent the Company in any transaction if an outside

0075

2104083083

business interest or personal relationship might affect your ability to represent the Company's interests fairly and impartially.

While it is not possible to list all situations that might involve a conflict of interest, below are some examples of interests and activities that, if not disclosed to Company, would constitute a violation of this Code.

THE CONTINUATION OF ANY INTEREST OR ACTIVITY THAT MIGHT OTHERWISE CONSTITUTE A CONFLICT OF INTEREST SHALL NOT BE DEEMED TO BE A VIOLATION OF THIS CODE OF ETHICS IF IT HAS BEEN FULLY DISCLOSED TO THE COMPANY BY FILING A DISCLOSURE CERTIFICATE WITH THE COMPLIANCE COUNSEL, UNTIL SUCH TIME AS THE COMPANY REQUESTS THAT SUCH INTEREST OR ACTIVITY BE DISPOSED OF, DISCONTINUED OR LIMITED.

1) Financial Interests

You, or any member of your immediate family, may not own more than 5% of the stock or assets of any corporation or other entity that: a) competes with the Company, or; b) transacts, or is seeking to transact business with the Company, or; c) is engaged in any of the following activities:

i) The operation of any record company, radio station or network,
ii) The station representation business,
iii) The advertising agency business,
iv) The manufacture or sale of studio, satellite, data transmission, or radio equipment,
v) The production, licensing, advertising, purchasing or selling of any music record or radio program or any element thereof,
vi) The manufacture or sale of any products or services manufactured or sold by or which compete with any products manufactured or sold by the Company,
vii) The performance of any services performed by the Company,
viii) The furnishing of supplies, products, or services to the Company,
ix) The publishing of trade publications for the radio or music industry, or
x) The compilation of data for music chart rankings.

2) Outside Affiliations Or Employment

You may not act as a director, trustee, officer, owner,

0076

2104088300384

partner, or employee of any other organization involved in the radio, music or entertainment business, regardless of whether or not payment is received.

Although the Company discourages the performance of outside work by its full time employees,you may accept an outside position after having obtained written permission from the Compliance Counsel.

Service by an employee as a director, trustee, officer or representative as a volunteer without compensation, for a non-profit organization such as a board of a school, hospital or social organization, does not require approval.

3) Other Activities And Interests

In addition to the above, you should not engage in any other activities or interests which could be considered detrimental or inappropriate to the Company.

E. CONFIDENTIALITY

You are prohibited from disclosing or using in any way, except as required in the course of your employment with the Company, any trade secrets or confidential and proprietary business or technical information of the Company, whether or not the information was conceived of or prepared by you.

Such information includes, but is not limited to information concerning the Company's customers, suppliers, procedures, operations, techniques, products, services, methods, formulas, systems, reports, investments, financial data, business plans, costs, employees, purchasing, accounting, marketing, sales, compensation, pricing, profits, opportunities, research, and development.

Proprietary information includes, in particular, data or formulas used in the determination of rankings of records appearing in the "Radio & Records National Airplay" music charts section of Radio & Records, a trade newspaper published by Radio & Records, Inc. a subsidiary of the Company.

All records, documents and software which contain such information are the exclusive and valuable property of the Company, and must not be removed from the Company premises or used in any way, or for any purpose, other than as may be required in the course of employment with the Company.

This confidentiality requirement applies to you both during and after of your employment with the Company.

0077

2104088305

F. INSIDER TRADING

As an employee of the Company, you may have access to material, nonpublic information regarding the Company, its subsidiaries, their customers and suppliers, or any other publicly traded company and you are prohibited from buying or selling the Company's securities based on such information, or passing the information to another person. All of these actions are generally called "insider trading." It is irrelevant whether such action is taken directly or indirectly and there are no exceptions for personal or independent reasons. It is the explicit intent of this Policy that even the appearance of impropriety be prohibited.

Generally, you should consult with the Company's Compliance Counsel before you buy or sell any of the Company's securities. In the event that you violate the Company's Insider Trading Policy, you my be subject to sanctions which include, but are not limited to, dismissal for cause.

1) Material Information

Generally, information is material if a reasonable investor would consider it important in deciding whether or not to buy or sell securities. Information is also material if it would be likely to affect the market price of the securities.

Non-exclusive examples of probably material information include: annual or quarterly financial results; a significant change in earnings or earnings projections; unusual gains or losses in major operations; negotiations and agreements regarding significant acquisitions, divestitures, or business combinations (generally, mergers and acquisitions); a significant increase or decrease in dividends; and major management changes.

2) Family Members

The Insider Trading Policy applies equally to your immediate family. Your immediate family includes your spouse, children and any relative who shares your household. The Company holds its employees responsible for the trading activities of their immediate families.

3) No Trading Before Dissemination of Information

You may not trade until material, nonpublic information has been generally disseminated. As a rule-of-thumb, information has been generally disseminated on the third business day following its public announcement. Thus, for example, if information were announced on Friday

0078

2104088830886

morning, you generally could buy or sell the Company's securities beginning on the following Wednesday. However, the "rule" is only a guide and you must consult with the Company's Compliance Counsel before buying or selling the Company's securities.

4) Controlling Person Liability

You are potentially liable as a "controlling person" if you knowingly or recklessly disregard a likely insider trading violation by a person under your control or supervision if you failed to take appropriate steps to prevent the violation. The Company, its officers and directors, and managerial personnel may all be "controlling persons" and therefore potentially liable. Thus, you must be alert to possible insider trading violations by the people you supervise and you must take appropriate measures to prevent such violations. You must contact the Compliance Counsel immediately if you suspect even the possibility of a violation.

G. PAYOLA AND PLUGOLA POLICY

You are prohibited from soliciting or accepting any money, service, or other valuable consideration from any person or entity, other than the Company, in connection with the broadcast of any material over the Company's radio network or over any station.

If you have any direct or indirect participation in the selection of broadcast matter, you are prohibited from: (a) engaging in any outside business or economic activity which would create a conflict of interest in the selection of broadcast matter; (b) soliciting or accepting any money, service, entertainment, or other consideration in return for the broadcast of any matter (unless disclosure of same is provided to the broadcasting station prior to the broadcast and announced at the time of the broadcast); or (c) promoting or mentioning over the air (except by means of appropriately logged announcement) any activity or matter in which the employee has a direct or indirect financial interest.

You must read and sign the Declaration concerning payola and plugola, as a new employee. In addition, you may be required by the Company to sign the Declaration on a periodic basis.

H. EXPLOITATION OF RELATIONSHIP WITH THE COMPANY

You must not improperly exploit your relationship with the Company or use the Company's name in connection with any activity or transaction that has not been previously authorized by an officer of the Company.

0079

2104088307

I. POLITICAL CONTRIBUTIONS

You are prohibited from soliciting or making, either directly or indirectly, alone or together with any other person or persons, group, or entity, any political contributions on behalf of, or for the benefit of, the Company or any of its subsidiaries.

J. AFFIDAVITS, DECLARATIONS OR REPORTS

You must not solicit, accept, prepare or utilize any affidavit, declaration or report which you know or suspect to be materially false or misleading.

K. AWARENESS OF UNETHICAL OR ILLEGAL CONDUCT

If, in conducting business for the Company, you become aware of any conduct by an employee under your supervision or control which violates this Code of Ethics or which may be illegal, you must advise the Compliance Counsel.

You must comply with the established accounting and record keeping procedures of the Company in order to ensure that all records are maintained accurately. In the event that you know or suspect that a false, misleading or incomplete entry has been made in the records of the Company, you must advise your supervisor or the Compliance Counsel.

L. PENALTIES

In the event that you compromise or violate this Code of Ethics, you will be subject to dismissal and possible criminal or civil proceedings under applicable laws.

M. NON-APPLICABILITY

This Code is not intended to cover individual political, civic, religious, charitable or professional interests or activities of employees or members of their immediate families, and such interest and activities need not be disclosed.

N. PROCEDURES

If you are aware of any possible conflict of interest that involves you or your family, please indicate it on a Disclosure Certificate available from the Compliance Counsel. If any situation later develops that requires disclosure, or if you have any doubt as to a particular situation, you should promptly file a Disclosure Certificate with the Compliance Counsel.

0080

2104088830888

Please note that you are under an affirmative obligation to report in writing to the Company's Compliance Counsel any known or suspected violation of the Code by an employee under your supervision or control.

If you have any questions at any time concerning the Code of Ethics, you should contact the Compliance Counsel.

4.2 DISCIPLINARY ACTION

Your employment with the Company is "at will." This means that it may be terminated by you or by the Company with or without cause and with or without notice. Nevertheless, the Company normally uses other disciplinary actions in response to employee errors or shortcomings.

The Company may use one or more of the following actions:

1) Verbal warning: Your immediate supervisor may talk with you.

2) Written warning: A written warning may be given for repeated or more serious violations or problems. (Written warnings will be included in your personnel file.)

3) Termination: The Company reserves the right to discharge any employee, at any time, with or without any prior notice or warning.

The following activities are expressly prohibited and could subject you to disciplinary action, up to and including discharge:

1) Use or possession of alcohol or illegal drugs during working hours, or reporting to work under the influence of alcohol or illegal drugs, or trafficking in illegal drugs;

2) Misappropriation or intentional destruction of property belonging to the Company or to any other employee;

3) Dishonesty, including falsifying your employment application, or other data requested by the Company such as time cards, daily work reports, or other documents;

4) Possession of firearms or illegal weapons on Company premises;

5) Violation of the Company's policy with respect to equal employment opportunity or sexual harassment;

6) Violation of the Company's Code of Ethics, including but not limited to the provisions concerning confidentiality, conflicts of interest and payola/plugola;

2104088300389

7) Lack of courtesy to guests, customers, or fellow employees; including, but not limited to, obscene or abusive language, horseplay, fighting, or other forms of verbal or physical violence on Company premises;

8) Failure to follow the instructions and assignments of your supervisor, or performing such assignments in an insubordinant manner;

9) Excessive or unexcused tardiness or absenteeism;

10) Carelessness or failure to maintain satisfactory standards of workmanship and productivity;

11) Failure to report all accidents to management immediately;

12) Acceptance of gifts or gratuities from customers or suppliers;

13) Solicitation or sale of items or services for third parties on Company's premises, without Company's prior permission;

14) Unsatisfactory job performance or failure to successfully complete the 90 day review period;

15) Failure to report to work without notifying supervisor.

While the foregoing list identifies activities and conduct for which you may be terminated or disciplined, it is only representative and not inclusive. You should not infer that these or similar activities must be present in order to justify termination of employment.

2104083090

4.3 MISCELLANEOUS GUIDELINES

A. Injuries on the Job

You must report immediately to your supervisor any injury that occurs on the job or on the Company's premises - no matter how minor.

If medical attention is required, a doctor should be consulted. After treatment, you must give the doctor's report to your supervisor or the Personnel Department so that the Company will learn the extent of your injury and your ability to perform your job.

If you are temporarily disabled as a result of an injury on the job and cannot work, you will be provided with all benefits to which you are entitled under workers compensation law.

B. Personnel Records

The Company needs to maintain accurate and complete information concerning each employee's work history as well as his or her address, telephone number, and insurance beneficiaries. In addition, other information may be required by the Personnel Department in order to comply with local, state and federal laws.

You are responsible for keeping personnel records up-to-date at all times. Therefore, any change in your address, telephone number, dependent status, insurance beneficiaries, the person(s) to notify in case of emergency, or other pertinent information should be reported immediately to your supervisor and the Personnel Department.

C. Work Environment

Maintaining a safe working environment is the responsibility of each employee. The Company requests that you keep your work area clean and organized at all times.

D. Personal Property

The Company will not be responsible for the loss, theft, damage or destruction of any personal property on its premises, including any vehicles parked in a lot owned or leased by the Company.

E. Telephones

The Company's telephones are for business use and therefore you should keep any personal telephone calls to a minimum (less than five minutes in length). Employees should report and reimburse the Company for all long distance telephone charges.

F. Dressing for the Job

Your work attire should be appropriate for your job. Your choice of clothing should be governed by good taste, modesty and concern for safety.

G. Bulletin Boards

Information of general interest may be posted on the Company's bulletin boards. Posted items may include current job openings, state and federal labor laws, and changes in Company policies or procedures.

0083

2104083091

The Personnel Department is responsible for approving, posting, and removing all information from the board. If you have an item which you wish to have posted, please submit it to the Personnel Department.

2104088309 2

ATTACHMENT A

EMPLOYEE ACKNOWLEDGEMENT

I have read and understand the provisions of the Employee Handbook for Westwood One, Inc. Specifically I acknowledge and agree that:

1. I must act in accordance with the Code of Ethics including, but not limited to, the provisions concerning conflicts of interest, insider trading, confidentiality and payola and plugola.

2. I am an employee-at-will, which means that: a) I have the right to terminate my employment with the Company at any time, and; b) Company has the right to terminate my employment at any time, with or without cause and with or without notice. The "at will" nature of my employment cannot be changed, except by a written document executed by an officer of the Company.

By:_____
(Signature)

Name:_____
(Please Print)

Title:_____

Date:_____

2104088309 3

ATTACHMENT B (Employee)

DISCLOSURE CERTIFICATE

I have read and am familiar with the Westwood One, Inc. Code of Ethics (the "Code"). Except as set forth below, neither I nor, to the best of my knowledge, any member of my immediate family, either directly or indirectly, alone or together with any other person or persons, group, or entity has any interest or is engaged in any activity which might be interpreted as a violation of the Code.

The exceptions are: (Write "none" if there are no exceptions; otherwise state exceptions fully. Additional signed sheets may be attached, if necessary.)

I understand that, unless I am advised to the contrary, any interest or activity reported above does not constitute a violation of the Code. I further understand that I am obligated to submit a new Disclosure Certificate when changed or new circumstances warrant.

I hereby acknowledge that I have an affirmative obligation to report in writing any and all violations or suspected violations of the Code by any employee under my supervision or control to the Company's Compliance Counsel.

I hereby affirm that I will obtain written permission from the Compliance Counsel before trading in the Company's securities, and that I will inform the Compliance Counsel in writing who my brokers are and arrange to have notices and confirmations of all my trading activity in the Company's securities automatically forwarded by my brokers to the Compliance Counsel.

By:_____
(Signature)

Name:_____
(Please Print)

Title:_____

Date:_____

2104088309 4

ATTACHMENT B (Officer)

DISCLOSURE CERTIFICATE

I have read and am familiar with the Westwood One, Inc. Code of Ethics (the "Code"). Except as set forth below, neither I nor, to the best of my knowledge, any member of my immediate family, either directly or indirectly, alone or together with any other person or persons, group, or entity has any interest or is engaged in any activity which might be interpreted as a violation of the Code.

The exceptions are: (Write "none" if there are no exceptions; otherwise state exceptions fully. Additional signed sheets may be attached, if necessary.)

I understand that, unless I am advised to the contrary, any interest or activity reported above does not constitute a violation of the Code. I further understand that I am obligated to submit a new Disclosure Certificate when changed or new circumstances warrant.

I hereby acknowledge that I have an affirmative obligation to report in writing any and all violations or suspected violations of the Code by any employee under my supervision or control to the Company's Compliance Counsel.

I hereby affirm that I will obtain written permission from the Compliance Counsel before trading in the Company's securities, and that I will inform the Compliance Counsel in writing who my brokers are and arrange to have notices and confirmations of all my trading activity in the Company's securities automatically forwarded by my brokers to the Compliance Counsel.

I further confirm that I have not participated in, nor am I aware of any impropriety in the disbursement or allocations of the Company's funds or assets, or of the funds or assets of its subsidiaries, or in the recording of the same in the books or records of the Company or any of its subsidiaries.

By:_____
(Signature)

Name:_____
(Please Print)

Title:_____

Date:_____

> 1040883095

ATTACHMENT C

DECLARATION

I, _____ hereby declare as follows:

1. I have read and will comply with the provisions of sections 317 and 507 of the Communications Act of 1934, as amended, and the provisions of the FCC Sponsorship Identification Rule (73.1212), as set forth on the attached pages.

2. I fully understand that any person who violates section 507 of the Act is subject to the penalties set forth in section 507(g), consisting of a fine of up to Ten Thousand Dollars ($10,000.00), imprisonment up to one year, or both.

3. I will also comply with the policy of Westwood One, Inc. ("Company") which prohibits any employee from: (a) engaging in any outside business or economic activity which would create a conflict of interest in the selection of broadcast matter; (b) accepting any favors, loans, entertainment or other consideration from persons seeking the airing of any broadcast matter in return therefore; and (c) promoting over the air (except by means of an appropriate logged commercial announcement) any activity or matter in which the employee has a direct or indirect financial interest.

4. I also hereby declare that during my employment with the Company, I have at all times complied with the provisions of sections 317 and 507 of the Communications Act of 1934, as amended, the FCC Sponsorship Identification Rule (73.1212) and the Company policy set forth above.

Executed at _____ (City), _____ (State), this _____ day of _____, 19____.

I declare under penalty of perjury that the foregoing is true and correct.

By: _____
(Signature)

Name: _____
(Please Print)

Title: _____

0088

2104088309 96

SECTION 317 OF THE COMMUNICATIONS ACT OF 1934, AS AMENDED
ANNOUNCEMENT OF PAYMENT FOR BROADCAST

(a) DISCLOSURE OF PERSON FURNISHING - (1) All matter broadcast by any radio station for which any money, service or other valuable consideration is directly or indirectly paid, or promised to or charged or accepted by, the station so broadcasting, from any person, shall, at the time the same is so broadcast, be announced as paid for or furnished, as the case may be, by such person: provided, that "service or other valuable consideration" shall not include any service or property furnished without charge or at a nominal charge for use on, or in connection with, a broadcast unless it is so furnished in consideration for an identification in a broadcast of any person, product, service, trademark, or brand name beyond an identification which is reasonably related to the use of such service or property on the broadcast. (2) Nothing in this section shall preclude the Commission from requiring that an appropriate announcement shall be made at the time of the broadcast in the case of any political program or any program involving the discussion of any controversial issue for which any films, records, transcriptions, talent, scripts, or other material or service of any kind have been furnished, without charge or at a nominal charge, directly or indirectly, as an inducement to the broadcast of such program.

(b) DISCLOSURE TO STATION OF PAYMENTS - In any case where a report has been made to a radio station, as required by Section 507 of this Act, of circumstances which would have required an announcement under this section had the consideration been received by such radio station, an appropriate announcement shall be made by such radio station.

(c) ACQUIRING INFORMATION FROM STATION EMPLOYEES - The licensee of each radio station shall exercise reasonable diligence to obtain from its employees, and from other persons with whom it deals directly in connection with any program or program matter for broadcast, information to enable such licensee to make the announcement required by this section.

(d) WAIVER OF ANNOUNCEMENT - The Commission may waive the requirement of an announcement as provided in this section in any case or class of cases with respect to which it determines that the public interest, convenience, or necessity does not require the broadcasting of such announcement.

(e) RULES AND REGULATIONS - The Commission shall prescribe appropriate rules and regulations to carry out the provisions of this section.

SECTION 507 OF THE COMMUNICATIONS ACT OF 1934, AS AMENDED
DISCLOSURE OF PAYMENTS TO INDIVIDUALS CONNECTED WITH BROADCASTS

(a) PAYMENTS TO STATION EMPLOYEES - Subject to subsection (d) of this section, any employee of a radio station who accepts or agrees to accept from any person (other than such station), or any person (other than such station) who pays or agrees to pay such employee, any money, service or other valuable consideration for the broadcast of any matter over such station shall, in advance of such broadcast, disclose the fact of such acceptance or agreement to such station.

(b) PRODUCTION OR PREPARATION OF PROGRAMS - Subject to subsection (d) of this section, any person who, in connection with the production or preparation of any program or program matter which is intended for broadcasting over any radio station, accepts or agrees to accept, or pays or agrees to pay, any money, service or other valuable consideration for the inclusion of any matter as a part of such program or program matter, shall, in advance of such broadcast, disclose the fact of such acceptance or payment or agreement to the payee's employer, or to the person for whom such program or program matter is being produced, or to the licensee of such station over which such program is broadcast.

2104088309097

(c) SUPPLYING OF PROGRAM OR PROGRAM MATTER - Subject to subsection (d) of this section, any person who supplies to any other person any program or program matter which is intended for broadcasting over any radio station shall, in advance of such broadcast, disclose to such other person any information of which he has knowledge, or which has been disclosed to him, as to any money, service or other valuable consideration which any person has paid or accepted, or has agreed to pay or accept, for the inclusion of any matter as a part of such program or program matter.

(d) WAIVER OF ANNOUNCEMENTS UNDER SECTION 317(d) - The provisions of this section requiring the disclosure of information shall not apply in any case where, because of a waiver made by the Commission under section 317(d) of this title, an announcement is not required to be made under section 317 of this title.

(e) ANNOUNCEMENT UNDER SECTION 317 AS SUFFICIENT DISCLOSURE - The inclusion in the program of the announcement required by section 317 of this title shall constitute the disclosure required by this section.

(f) SERVICE OR OTHER VALUABLE CONSIDERATION DEFINED - The term "service or other valuable consideration" as used in this section shall not include any service or property furnished without charge or at a nominal charge for use on, or in connection with, a broadcast, or for use on a program which is intended for broadcasting over any radio station, unless it is so furnished in consideration for an identification in such broadcast or in such program of any person, product, service, trademark, or brand name beyond an identification which is reasonably related to the use of such service or property in such broadcast or such program.

(g) PENALTIES - Any person who violates any provision of this section shall, for each such violation, be fined not more than $10,000 or imprisoned not more than one year, or both.

FCC SPONSORSHIP IDENTIFICATION RULE (73.1212)

(a) When a broadcast station transmits any matter for which money, service, or other valuable consideration is either directly or indirectly paid or promised to, or charged or accepted by such station, the station, at the time of the broadcast, shall announce: (1) That such matter is sponsored, paid for, or furnished, either in whole or in part, and (2) by whom or on whose behalf such consideration was supplied: provided, however, That "service or other valuable consideration" shall not include any service or property furnished either without or at a nominal charge for use on, or in connection with, a broadcast unless it is so furnished in consideration for an identification of any person, product, service, trademark, or brand name beyond an identification reasonably related to the use of such service or property on the broadcast. (i) For the purposes of this section, the term "sponsored" shall be deemed to have the same meaning as "paid for".

(b) The licensee of each broadcast station shall exercise reasonable diligence to obtain from its employees, and from other persons with whom it deals directly in connection with any matter for broadcast, information to enable such licensee to make the announcement required by this section.

(c) In any case where a report has been made to a broadcast station as required by section 507 of the Communications Act of 1934, as amended, of circumstances which would have required an announcement under this section had the consideration been received by such broadcast station, an appropriate announcement shall be made by such station.

(d) In the case of any political broadcast matter or any broadcast matter involving the discussion of a controversial issue of public importance for which any film, record, transcription, talent, script, or other material or service of any kind is furnished, either directly or indirectly, to a station as an inducement for broadcasting such matter, an announcement shall be made both at the beginning and conclusion of such broadcast on which such material or service is used that such film, record, transcription, talent, script, or other material or service has been furnished to such station in connection with the transmission of such broadcast matter: provided, however, That in the case of any broadcast of 5 minutes' duration or less, only one such announcement need be made either at the beginning or conclusion of the broadcast.

2104088309 8

(e) The announcement required by this section shall, in addition to stating the fact that the broadcast matter was sponsored, paid for or furnished, fully and fairly disclose the true identity of the person or persons, or corporation, committee, association or other unincorporated group, or other entity by whom or on whose behalf such payment is made or promised, or from whom or on whose behalf such services or other valuable consideration is received, or by whom the material or services referred to in paragraph (d) of this section are furnished. Where an agent or other person or entity contracts or otherwise makes arrangements with a station on behalf of another, and such fact is known or by the exercise of reasonable diligence, as specified in paragraph (b) of this section, could be known to the station, the announcement shall disclose the identity of the person or persons or entity on whose behalf such agent is acting instead of the name of such agent. Where the material broadcast is political matter or matter involving the discussion of a controversial issue of public importance and a corporation, committee, association or other unincorporated group, or other entity is paying for or furnishing the broadcast matter, the station shall, in addition to making the announcement required by this section, require that a list of the chief executive officers or members of the executive committee or of the board of directors of the corporation, committee, association or other unincorporated group, or other entity shall be made available for public inspection at the location specified by the licensee under section 73.3526 of this chapter. If the broadcast is originated by a network, the list may, instead, be retained at the headquarters office of the network or at the location where the originating station maintains its public inspection file under section 73.3526 of this chapter. Such lists shall be kept and made available for a period of two years.

(f) In the case of broadcast matter advertising commercial products or services, an announcement stating the sponsor's corporate or trade name, or the name of the sponsor's product, when it is clear that the mention of the name of the product constitutes a sponsorship identification, shall be deemed sufficient for the purpose of this section and only one such announcement need be made at any time during the course of the broadcast.

(g) The announcement otherwise required by section 317 of the Communications Act of 1934, as amended, is waived with respect to the broadcast of "want ad" or classified advertisements sponsored by an individual. The waiver granted in this paragraph shall not extend to a classified advertisement or want ad sponsorship by any form of business enterprise, corporate or otherwise. Whenever sponsorship announcements are omitted pursuant to this paragraph, the licensee shall observe the following conditions:

(1) Maintain a list showing the name, address, and (where available) the telephone number of each advertiser;

(2) Make this list available to members of the public who have a legitimate interest in obtaining the information contained in the list. Such list must be retained for a period of two years after broadcast.

(h) Any announcement required by section 317(b) of the communications Act of 1934, as amended, is waived with respect to feature motion picture film produced initially and primarily for theatre exhibition.

NOTE: The waiver heretofore granted by the Commission in its Report and Order adopted November 16, 1960 (FCC 6a-1369; 40 FCC 95), continues to apply to programs filmed or recorded on or before June 20, 1963, when Section 73.654, the predecessor television rule, went into effect.

(i) Commission interpretations in connection with the provisions of the sponsorship identification rules are contained in the Commission's Public Notice, entitled "Applicability of Sponsorship Identification Rules," dated May 6, 1963 (40 FCC 141), as modified by Public Notice, dated April 21, 1975 (FCC 75-418). Further interpretations are printed in full in various volumes of the Federal Communication Commission Reports.

2104088309 9



0092

CONTENTS

1 Financial Highlights
2 To Our Stockholders
4 Entertainment
8 News
10 Sports
12 Talk Programming
14 Positioning
16 Management's Discussion and Analysis of Financial Condition and Results of Operations
17 Selected Consolidated Financial Data
18 Consolidated Balance Sheet
19 Consolidated Statement of Income
20 Consolidated Statement of Stockholders' Equity
21 Consolidated Statement of Cash Flows
22 Notes to Consolidated Financial Statements
27 Report of Independent Accountants
28 Common Stock Prices
Inside Back Cover
10-K Availability
Board of Directors and Corporate Officers

ANNUAL MEETING

The Annual Meeting of Stockholders will be held at 10:00 A.M. on Monday, April 18, 1988, at the Century Plaza Hotel in the Redwood Room, 2025 Avenue of the Stars, Los Angeles, California 90067. Notice of the Meeting, proxy and proxy material are being mailed with this document.

2104088310 1

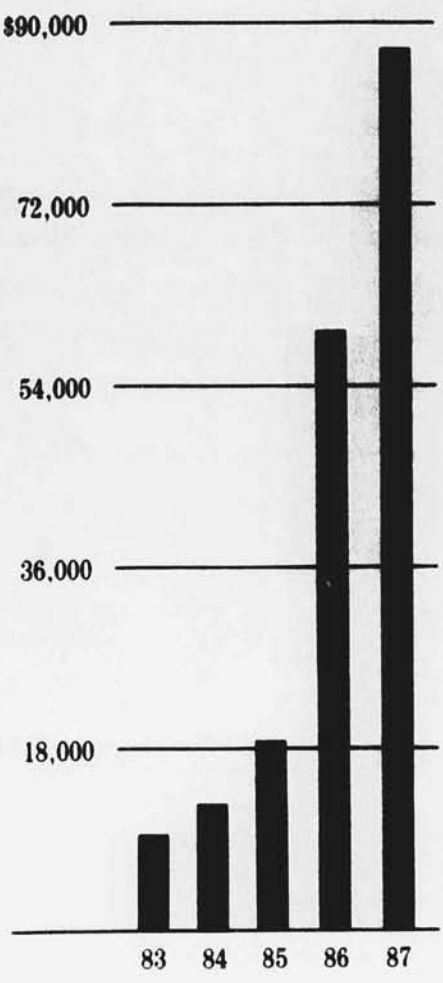
FINANCIAL HIGHLIGHTS

(In thousands, except per share data)	Fiscal year ended November 30,		
For the year:	1986	1987	Change
Revenue	$ 59,297	$ 87,214	47%
Net income	$ 7,286	$ 8,919	22%
Earnings per share	$.62	$.73	18%
Average shares outstanding	11,685	12,303	5%

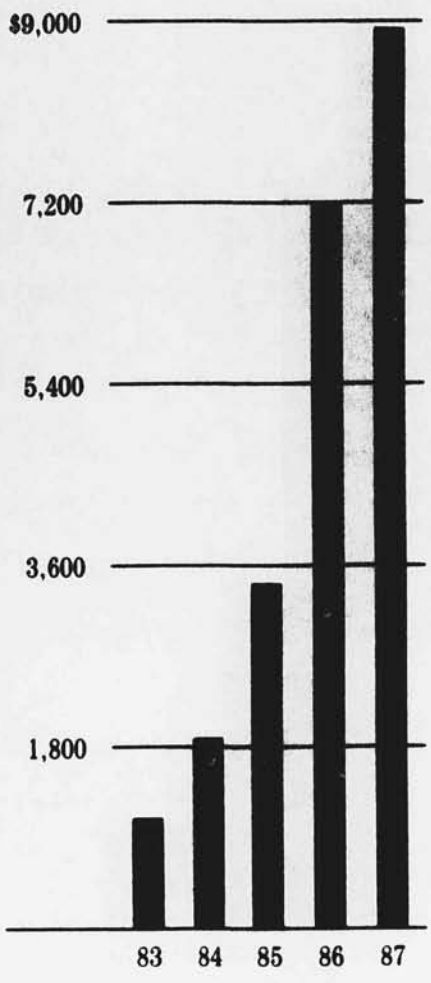
(In thousands)	November 30,		
At year end:	1986	1987	Change
Working capital	$123,290	$ 33,040	-73%
Total assets	194,410	242,713	25%
Stockholders' equity	74,716	84,343	13%

2104088310 2

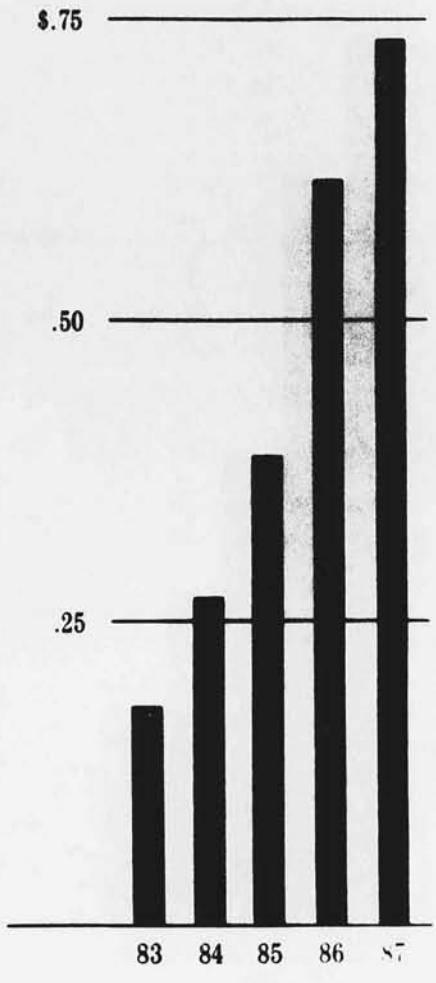
REVENUE
In Thousands



NET INCOME
In Thousands



EARNINGS PER SHARE



0094

TO OUR STOCKHOLDERS



NORMAN J PATTIZ

We are pleased to report that fiscal 1987 was a banner year for Westwood One. Record revenue, net income and earnings per share were reported for the year.

Revenue for the fiscal year ended November 30, 1987, increased 47% to $87,214,000, as compared to $59,297,000 in the prior fiscal year. Net income increased 22% to $8,919,000, or $.73 per share, compared to $7,286,000, or $.62 per share, in fiscal 1986.

In February 1987, the Company announced a three-for-two split of its common and Class B stock. The additional shares were distributed to shareholders in March 1987.

We began fiscal 1987 with one overall objective — to increase our market share through internal growth and acquisition. We achieved our objective, but only after battling some unexpected obstacles. The network radio industry began experiencing a period where growth was below its recent double-digit levels. In addition, the growing consolidation of the network radio industry we foresaw in 1986 was taking longer than anticipated to materialize.

During this period we developed systems which would allow us to optimize the value of our commercial inventory, while we were also evaluating potential acquisition candidates which would provide opportunities for revenue and earnings growth within the Company's historical profile.

In January 1987, we acquired Radio & Records, Inc. Radio & Records is a weekly trade publication which is a primary information resource for the radio and music industry. It provides authoritative coverage of the industry's news and views while providing the industry's most trusted airplay information.

In August 1987, we forged a deal with the National Broadcasting Company, Inc., a subsidiary of the General Electric Company, to acquire the NBC Radio Networks. We began an alliance of a young and aggressive radio operation with the network that started the entire industry over 60 years ago. The agreement brought with it a 20-year news supply and license agreement with NBC News in addition to the exclusive broadcast rights to the 1988 Summer Olympics in Seoul, South Korea, not to mention a score of talent and programming.

Several other significant events occurred in fiscal 1987. Mutual launched the Mutual P.M. network in early 1987. The P.M. network incorporated a flexible programming service consisting of news originating from the West Coast, entertainment, talk and music elements. Mutual entered into a multi-year affiliation agreement with Legacy Broadcasting Inc. The affiliation will represent a substantial increase in Mutual's audience over the term of the contract. In May, the Company entered into an unprecedented agreement with Voice of America-Europe to broadcast a series of programs over its VOA-Europe network. The agreement marked the first time in history the Voice of America had carried commercially sponsored programming on any of its international outlets. Additionally, Westwood One teamed up with several national advertisers to cosponsor six major concert tours including groups such as Heart, Fleetwood

2104088103

0095

Mac and The Judds. Finally, we joined Coca-Cola USA in two major promotions to promote Coca-Cola products. Westwood One programs were promoted on over 80 million Coke cups over the summer months, while Coca-Cola was provided tremendous consumer awareness for its products.

In October 1987 the value of the Company's stock, like that of most companies, was severely effected by stock market conditions. That downturn had nothing to do with the growth prospects for the Company for they have never been better. We have broadened our radio audiences and have increased the awareness of Westwood One in the advertising and investment communities. We look forward to many more successful years for Westwood One with your continued support and the support of our dedicated employees.



WILLIAM J BATTISON

Norman J. Pattiz
Chairman of the Board
and Chief Executive Officer

William J. Battison
President and Chief
Financial Officer

2104088310 4

0096



FRANK SINATRA

In discussing the year 1987 at Westwood One, it has to begin with the Company's acquisition of the nation's oldest radio network — the NBC Radio Network, which was purchased by Westwood One in August.

Acquiring NBC brought with it that network's vast resources in news, young adult news with NBC's Source, Talknet and NBC Radio Entertainment, highlighted by such programs as *The Jazz Show with David Sanborn, Legends of Rock,* and *Countdown USA,* among others. NBC Radio Sports completes a strong package that will include exclusive coverage of the 1988 Summer Olympics.

The NBC acquisition further enhances the Westwood One Companies' vast roster of programs, that includes news and sports via the Mutual Broadcasting System, talk programs with Mutual's Larry King and Dr. Toni Grant; along with such Westwood One Radio Network staples as *Off the Record with Mary Turner* and *Scott Shannon's Rockin' America Top 30 Countdown,* along with so many others.

Westwood One produces and distributes more programs, concerts and special events than any of its competitors. Producing weekly hit shows for every type of listener and every type of music. That's far more radio entertainment programming than is served up by Capital Cities/ABC, CBS and United Stations combined, and easily more than all of the other competing networks and syndicators.

Westwood One's line up of programs can be heard presently on more than 5,000 U.S. radio stations, in virtually every English speaking country around the world and now Westwood One is the first and only commercial radio network to provide programming to English-speaking Europeans on V.O.A. Europe. Over ten hours of programming is provided every week to V.O.A Europe.



STEVE WINWOOD

Perhaps equally significant is Westwood One's emphasis on targeting a widely diverse audience. In the past year our programs serviced every major radio format: rock, black/urban, country, contemporary hits, adult contemporary, talk, "lite" hits, easy listening, Spanish-language and nostalgia.



HEART IN CONCERT

P10408831 05

PL 0097

Yet Westwood One refuses to rest on its laurels, moving boldly into the satellite age to bring radio audiences an endless array of special events and exclusives that expand an already dynamic focus.

Westwood One is the only radio network that has complete control of its programming from concept to production to distribution. In examining the enormous variety and depth of the Westwood One programming roster, concert broadcasts continue to shine as a major component in the Company's arsenal. The Company's state-of-the-art mobile recording studios criss-cross the nation, putting music fans on the scene of almost every major live show. Accordingly, Westwood One is the biggest and most respected name in live concert recording and production.

In Concert, Westwood One's 90-minute bi-weekly series of rock concert events, remains radio's favorite rock & roll performance series. The series in the past year has featured such bands as Bruce Hornsby and the Range, Europe, the Fabulous Thunderbirds, REO Speedwagon, The Cure and many others. It also includes a monthly BBC Concert Classic from our exclusive access to the British Broadcasting Corporation archives, including vintage sets



BON JOVI

from the likes of Led Zeppelin, Elton John, Genesis, the Jeff Beck Group with Rod Stewart and Traffic.

It's been another blockbuster year for the popular *Superstar Concert Series*, which has been providing top live entertainment to rock stations since 1983. Such performers as Heart, Bon Jovi, Huey Lewis and the News, Robert Palmer, Stevie Nicks, Steve Winwood, Van Halen and Whitesnake — all of them exclusives — have recently appeared on the most listened-to rock concert series on radio.

The Miller Sound Express serves the black radio marketplace in much the same fashion that *In Concert* does for rock radio stations. It's also a bi-weekly concert series showcasing the biggest names in urban contemporary and crossover sounds, from Aretha Franklin and the O'Jays to Chaka Khan, Patti LaBelle, Luther Vandross, Stephanie Mills and Jermaine Jackson.



TANYA TUCKER



STEPHANIE MILLS

0098



FLEETWOOD MAC

Westwood One likewise produces a series of *Pop Concerts* that feature artists including Chicago, James Taylor, Joni Mitchell, Julian Lennon and Jackson Browne.

The name Mickey Gilley is literally synonymous with country concerts. Every major country act has performed in his famed Texas nightclub at one time or another, and Westwood One has been there every week since 1979 with *Live from Gilley's*. The show has spotlighted such acts as Tanya Tucker, Mel Tillis, Freddie Fender, Charlie Daniels and Mickey Gilley himself, to name but a few.



JAMES TAYLOR

Live from Gilley's is augmented each month by a special series entitled *Westwood One Presents* featuring such great country artists as: Hank Williams, Jr., Jerry Lee Lewis, Lee Greewood, The Oak Ridge Boys and Ricky Scaggs, recorded live by Westwood One's mobile studios, in concert throughout the country.

Concert simulcasts represent another area in which Westwood One has emerged as the world industry leader, producing digital stereo audio via satellite for such attractions as Van Halen, The Pretenders, Paul Simon's Graceland: The African Concert, Tina Turner and Phil Collins, in conjunction with HBO, Showtime and MTV.

Westwood One, through its Music Marketing Division, strengthens its relationships with artists and advertisers by being the first and only radio network to sponsor or co-sponsor major concert tours. In 1987 alone, advertisers teamed up with Westwood One to promote such products as Sun Country Wine Coolers, Milky Way, Kenwood electronic equipment, Oxy-10, and Coors beer through co-sponsoring six concert tours: Heart, The Judds, REO Speedwagon, Fleetwood Mac, The Starship and The Four-Play Tour.

These relationships with artists also allow Westwood One to showcase its versatility in the area of weekly series incorporating music and interviews, where it continues to be a programming force.

Heading the list is *Off the Record Specials* with Mary Turner, far and away the most listened-to rock radio interview series on the air — anywhere. It's heard throughout America, Canada, Australia, New Zealand, the Orient and on VOA Europe.



MEL TILLIS

Turner, as host, has the distinction of being perhaps as well-known as the rock & roll elite she interviews. Literally everyone who's anyone in rock has graced the Mary Turner microphone primarily because she's the best there is.

0099

Westwood One's other music and interview series include *Special Edition, Star Trak Profiles, In the Spotlight, Rock Chronicles, Rock & Roll Never Forgets, Legends of Rock, Lee Arnold on a Country Road, Musical, Encore, The Jazz Show with David Sanborn,* and *Hits Calientes.*

Countdown programs have become increasingly popular in Westwood One's line-up of shows. Heading off the list is *Scott Shannon's Rockin' America Top 30 Countdown.* It's a fast-paced three hours packed with interviews, features, entertainment, outrageous comedy and, naturally, the week's Top 30 hits. Other countdown programs featured by Westwood include *The Countdown,* a two-hour weekly series that presents the Top 25 black and urban contemporary music tracks as well as interviews with various featured artists; the *National Music Survey,* a weekly three-hour chronicle of the top adult contemporary hits along with artist interviews; *Future Hits,* an hour-long, satellite-delivered look at tomorrow's contemporary hits today; *Countdown USA,* a four-hour weekly show featuring the Top 40 singles for contemporary hit radio along with artist interviews; and last but hardly least, there's the *Dr. Demento Show,* a program that defies categorization. Our favorite purveyor of dementia is still radio's number one spinner of bizarre discs and musical oddities.

Westwood One specials once again ran the formatic gamut from rock to pop to country to urban contemporary — highlighted by such Big Events as *Prince's Trust '87, Moonlight, Memories & Miller, 60's at the Beeb, Amnesty International Concert, The Beatles: Rubber Soul To Sergeant Pepper, Country Music Association Awards, A Very Special Christmas, John Lennon, Remembered* and four specials commemorating *Rolling Stone* magazine's 20th anniversary.



JOHN LENNON



THE OAK RIDGE BOYS



MEDIA/GOLD

On the short feature front, Westwood One has developed a similarly diverse group of features, each one tailored to meet a particular programming need. Included in this category are *Off the Record, Star Trak, Shootin' the Breeze, Psychedelic Psnack* and *Earth News Radio.*

The Company's ability to create this impressive assortment of entertainment programming is a testament to the quality of personnel, facilities and services which Westwood One has invested in for now and the future.

0100

In the first eight months of 1987 Westwood One, through its subsidiary, the Mutual Broadcasting System, covered every major news event with its worldwide team of correspondents, anchors, producers and editors providing up-to-the-second reports of every story as it happened. In August, Westwood One made news of its own when we purchased the NBC Radio Networks.

Among the major news events covered in 1987 were the historic visit of Soviet leader Mikhail Gorbachev to Washington; the deployment of American naval forces on the frigate *Stark*; Gary Hart's stunning departure and even more stunning return to the presidential race; the Iran-Contra scandal with Oliver North, Fawn Hall and the rest of a memorable cast; the crash of the stock market; the Senate's rejection of Robert Bork as a Supreme Court Justice; the rescue of little Jessica McClure from an abandoned well in Texas; the sex and financial scandal involving Jim and Tammy Bakker and their PTL empire; the Bicentennial of the U.S. Constitution; the 10th anniversary of Elvis Presley's death; several ghastly plane, ship, and train disasters; and a series of strong earthquakes which jolted Southern California.



SUPREME COURT NOMINEE ROBERT BORK



GARY HART

Westwood One's acquisition of the NBC Radio Networks in August 1987 brought with it the name and proud 61 year old tradition of NBC News on the radio. Combining NBC News with Mutual's 54-year tradition reaffirms our steadfast commitment to the finest in news-gathering and reporting and results in a product vastly superior to any of our competition. The acquisition also brought with it some interesting and unique synergies.

While maintaining separate identities and anchor staffs, the blending of behind the scenes resources led to a stronger news organization than either network had by itself prior to the acquisition by Westwood One; it also led to some significant cost savings. In Washington and Los Angeles, the NBC Radio news bureaus were moved to the Westwood One/Mutual facilities. Around the globe, Mutual and NBC combined their separate news-gathering forces.

Westwood One began doing what no other radio network was doing: originating newscasts from Los Angeles on a daily basis through its Mutual PM network. As part of our innovative service, we broadcast six hourly newscasts every day from a brand new West Coast news bureau located in Westwood One's corporate headquarters. Anchored by an experienced L.A. correspondent, Kari Moran, these newscasts are aired during West Coast evening drive time, and demonstrate the Company's commitment to meeting the needs and interests of listeners in that big and growing region of the country.

We pioneered a new form in information programming during 1987. Combining traditional news documentary techniques with heavy use of contemporary music, high production values,



STOCK MARKET CRASH HEADLINE NEWSPAPERS

0101

appropriate clips from sound tracks, and narration in a conversational style, we produced a series of programs which were carried not only by Mutual news affiliates, but also by music-intensive stations which normally shy away from long-form information programming. During the year, we used this new form to produce four special programs – *Pain and Pride: Remembering Vietnam* on Memorial Day weekend; *The Summer of 1967: Summer of Love, Fall of Innocence* on Labor Day weekend; and two Year in Review shows, one devoted to the major stories of 1987 and the other to the most note-worthy personalities,





DAVID FROST

sports events, and entertainment news. The response was so favorable that we plan to produce other special reports in the new format on a regular basis in the future.

David Frost was added to the Mutual line-up to produce a 13-week series of reports on the 1988 election campaign titled *The Next President*. The programs include in-depth interviews with Presidents Reagan, Ford, and Carter, as well as with all major candidates in the campaign. Mutual secured exclusive radio rights to the series in a consortium with *U.S. News and World Report*, the *New York Times* and Orbis TV syndicators.

The news operations of Mutual and the NBC Radio Networks have won it all: virtually every major award for which a radio network news operation is eligible. These awards included the silver baton from the Columbia-DuPont Journalism Awards, several National Headliner Awards, a Golden Cindy Award, the George Foster Peabody Award, the Overseas Press Club Award, several Ohio State Awards, multiple Sigma Delta Chi Awards and an Edward R. Murrow Award.

The combined facilities and behind-the-scenes resources of Mutual News and NBC Radio Network News, the Westwood One banner now flies over the strongest players in network radio news.



U.S. STARK REUTERS HOFFMAN NEWSPHOTOS

0102

In 1987 Mutual Sports offered the most complete and comprehensive sports coverage in all of network radio. With a year-round schedule of special sports events, Mutual brought an arena of sports to the airwaves, including its all inclusive daily sports reports, updated and on the air five times per day Monday through Friday. *Wide Weekend of Sports* with Mutual air personalities like Tony Roberts and Bill Rosinski led the way with up-to-date reports sixteen times daily Saturday and Sunday. Nobody had more to offer in 1987 than Mutual Sports.

Mutual featured 1987's best golf and most complete coverage. Mutual has the most unique and extensive golf coverage network radio has to offer, being the only network to have roving play-by-play men on the golf course. Veteran golf reporter Al Wester brought with him over thirty years of golf broadcasting experience for the best detailed and exclusive play-by-play broadcasts of: the U.S. Open, P.G.A. Championship, World Series of Golf, plus nine other important pro golf events, all on Mutual.

Major tennis action was also on the calendar of the 1987 Sports year, bringing courtside coverage of the nation's most prestigious tournament, the United States Open Championship. Mutual was there with daily live location reports for two weeks from the National Tennis Center in New York where all the action took place.



NOTRE DAME UNIVERSITY OF MICHIGAN



U.S. OPEN



US OPEN UPI BETTMAN NEWSPHOTOS

Football was the game of the year on Mutual. It all started with the Kick-Off Classic and Mutual's complete coverage from the Meadowlands in New Jersey. The Fighting Irish of Notre Dame were brought to national radio exclusively by Mutual Sports with Tony Roberts and Tom Pagna broadcasting all eleven regular season games. In addition, the force behind the team, Coach Lou Holtz, joined in each week to give his outlook on the team and its direction for Mutual's exclusive Notre Dame pregame coaches show. Other Major College Football on Mutual included such top-twenty teams as: Oklahoma, Penn State and 1987-88 National Champions, Miami, all culminating with a big bowl package. The winter holidays sparkled as Mutual provided unparalleled coverage of the All American, Aloha, Holiday and Sugar Bowl games.

0103

Mutual also featured unrivaled coverage of the NFL with our Sunday afternoon doubleheaders. Mutual lined up its NFL schedule as the season unfolded for the best possible match-ups of 1987. The expert crew of NFL announcers included: former NFL All-Pro Jack Ham, former Los Angeles Rams wide receiver Jack Snow, Tony Roberts and Joel Meyers bringing their knowledge to Mutual listeners all over the country.

Not to be overlooked is the Network's year-round coverage of major auto racing. From Daytona to Indianapolis, Bill Bowser and Bob Sherman were track side for in-depth up-to-the-minute special reports of the nation's most important auto races.



THE ROSE BOWL



INDIANAPOLIS 500

Joining Mutual during 1987 was boxing Middleweight World Champion Sugar Ray Leonard. *The Spirit of Sports* with Sugar Ray Leonard included interviews with sports legends who discussed their careers, strategies and futures on the air. *The Spirit of Sports* brought new insights and interesting facts to you daily from the Mutual studios.

The acquisition of the NBC Radio Networks brought with it the rights to some of the biggest college post-season bowl games: the Orange Bowl, the Rose Bowl, the Liberty Bowl, the Fiesta Bowl and the Gator Bowl, along with the exclusive radio rights to the 1988 Summer Olympic Games in Seoul, Korea.

Mutual Sports had an exciting, eventful year for listeners and advertisers in 1987 and, when combined with the NBC Radio Networks, is looking forward to even more in 1988, starting with its coverage of major college basketball and continuing to bring you the best in radio sports.



SUGAR RAY LEONARD

0104



BRUCE WILLIAMS

The emergence of the talk radio format in the last 10 years has been driven by the needs of radio stations that program to adult audiences to have something more than music to attract audience. This has become particularly important to AM radio stations who now, more than ever before, rely on the talk format to hold audiences in the face of the increasing popularity of FM. Westwood One, through its subsidiaries; the NBC Radio Network, the Mutual Broadcasting System and Talknet, provides more nationally distributed talk radio than any other program producer in the country.



BOB MADIGAN

2104083113



LARRY KING

Larry King, who recently celebrated his tenth anniversary on the radio with Mutual, is America's preeminent talk show interview host. His nightly four hour program is the standard on which all other interview shows are based.

Dr. Toni Grant represents an area of talk radio that is increasingly attractive to listeners, that of trained psychological self-help. Long regarded as the media's first and foremost radio psychologist, Dr. Grant nightly answers questions from listeners that range from relationship issues to self motivation and personal development.

Mutual starts the morning off right with the award winning program *America in the Morning*, starring Jim Bohannon. The versatile Bohannon not only hosts this daily hour long morning magazine show, but also fills the Saturday night Larry King time slot with his own unique *Jim Bohannon Show* with interviews and call-ins.

The acquisition of NBC brought tremendous talk radio resources to Westwood One, primarily through its Talknet program network. Talknet provides 84 hours a week of compelling talk programming that is cleared by stations in six to twelve hour blocks. Stars in the Talknet lineup included Bruce Williams, Neil Meyers, Bob Madigan, Dara Welles, and Dr. Harvey Ruben.



NEIL MYERS

0105

Bruce Williams anchors the nightly Talknet offering with three hours of general interest and financial information beginning at 7:00 p.m. Eastern Time. Long known as a talk radio superstar, Bruce answers a wide range of personal interest questions from listeners around the country.

Neil Meyers hosts three hours of general information programming from 10:00 p.m. to 1:00 a.m. Eastern Time. A multi-talented individual, Neil provides a natural balance to Bruce in Talknet's core six hour block.

The concept behind Talknet is that the callers are the real stars of the



DARA WELLES

Dara Welles, who does Talknet overnight, and Bob Madigan and Dr. Harvey Ruben, who anchor Talknet over the weekends. Their programs round out the Company's talk radio services so that a radio station always has a source of quality programming available.



BOB BINIGANI

the significant share of audience that Talknet garners for its host stations at night. In some markets, the night time ratings, as well as the overall audience numbers, are the highest enjoyed by the station throughout its broadcast day. This, coupled with the fact that Talknet is distributed free to stations in exchange for network commercials, makes the Company's talk radio programming extremely attractive to radio stations targeted at adult audiences.

The rest of the Company's talk radio programming is concentrated during the overnight period and on weekends. Hosting programs in these dayparts are



DR. HARVEY RUBEN

program. They provide the variety and interest to keep the programming always alive, listenable and entertaining. Radio stations' success in the use of this programming is evidenced by



JIM HANNON

0106

Westwood One strategically positions itself between radio stations and national advertisers. This positioning is accomplished by providing quality programming to radio stations seeking to increase their listening audiences and by selling a portion of the commercial inventory available within the programs to national advertisers desiring to reach large listening audiences with specific demographic characteristics.

At Westwood One, we began 1987 with one overall objective — to increase our market share through internal growth and acquisition. With the acquisition of the NBC Radio Networks in August 1987, we assured ourselves of meeting that objective and solidified our position as the nation's second largest radio network. We also moved within striking distance of becoming the nation's largest radio network.

The NBC Radio Networks are comprised of three entities: National Radio Network, Inc.; The Source, Inc.; and Talknet, Inc. National Radio Network, Inc. is comparable to the operations of the Mutual Broadcasting System, providing news and entertainment programming to adult audiences. The Source, Inc. is the number one rated youth-oriented network, providing news and entertainment programming to the 18–34 year old demographic group. Talknet, Inc. produces and distributes live national talk-format radio programs to radio stations across the country. The acquisition of the NBC Radio Networks was the perfect complement to Westwood One's existing operations.



NFL PLAYERS



PAUL SIMON

We achieved our objective by continuing to produce more programs for more radio stations than anyone else in the business, and these programs are part of a proven line-up of winners with radio stations, advertisers and an incredibly broad-based listening audience.

Westwood One is clearly the most dynamic company in network radio. Its diversified line-up of programs and specials allows national advertisers, through a single purchase, to have their commercial messages broadcast nationally to every conceivable demographic audience at a fraction of the cost of alternative vehicles.



IRAN'S AYATOLLAH KHOMEINI AND REUTERS BEITMAN NEWSPHOTOS

2104088311 5

0107

The Company's unequalled variety of program environments differentiates Westwood One from its competition. The attention paid to finding the right programming environment enables the Company to deliver an audience that is right for the national advertiser.

This process involves not only selling a spot, but developing promotions with clients and their advertising agencies to augment the commercial message. By employing various merchandising concepts that reinforce the advertising campaign, Westwood One is able to magnify the impact of the client's advertising dollars.



MARK DE TRAVIS, JIM MASON



LARRY KING

The Company not only grew within the network radio business, but also by diversifying into other areas which allow us to strengthen our relationships with our three main constituents: radio stations, the music industry and national advertisers. This diversification was also accomplished through acquisition, with the most significant being our acquisition of *Radio & Records*, the primary resource for the radio and music industry, providing authoritative coverage of the industry's news and views while providing the industry's most trusted airplay information. That's why *Radio & Records* is considered *The Wall Street Journal* of the music industry.

For these reasons, Westwood One has achieved a rapid, consistent and cohesive growth. By continuing to be dynamic and innovative, Westwood One will continue to be the best of everything in network radio.

0108

Results of Operations

Westwood One derives substantially all of its revenue from the sale of advertising time within its radio programs to national advertisers. Revenue increased to $87,214,000 in fiscal 1987 from $59,297,000 in fiscal 1986 and $19,103,000 in fiscal 1985. This growth is primarily attributable to the Company's acquisition of several entities in fiscal 1987, including the NBC Radio Networks and Radio & Records, the purchase of the network radio assets of Mutual in fiscal 1986, along with obtaining higher average advertising rates for its advertising time throughout both periods.

The Company's gross profit, as a percentage of revenue, decreased to 65% in fiscal 1987 from 67% in fiscal 1986 and 75% in fiscal 1985. The decrease was primarily attributable to the acquisition of the NBC Radio Networks and Radio & Records in 1987 along with costs associated with delivering the Company's news programming subsequent to its December 1985 acquisition of Mutual.

The Company's selling expenses, as a percentage of revenue, increased to 26% in fiscal 1987 from 25% in fiscal 1986 and 1985. The majority of selling expenses consists of fixed percentage commissions; however, in fiscal 1987 the Company participated in significant advertising and marketing campaigns with sponsors which were designed to foster the Company's industry profile.

General and administrative expenses, as a percentage of revenue, increased to 19% in fiscal 1987 from 17% in fiscal 1986 and 16% in fiscal 1985. The increase was attributable to additional operating expenses resulting from the Company's acquisitions in fiscal 1987 and 1986.

Interest expense (net of interest income), as a percentage of revenue, was 3% in 1987. In prior periods the amount was insignificant. The amount represents the cost of the Company's $100,000,000; 6¾% convertible subordinated debenture net of interest income earned on that amount prior to its use for acquisition purposes.

The Company's income before taxes increased to $15,321,000, or 18% of revenue, in fiscal 1987 from $14,313,000, or 24% of revenue, in fiscal 1986 and $6,431,000, or 34% of revenue, in fiscal 1985. Net income increased to $8,919,000, or 10% of revenue, in fiscal 1987 from $7,286,000, or 12% of revenue, in fiscal 1986 and $3,473,000, or 18% of revenue, in fiscal 1985. The Company's effective income tax rates in fiscal 1987, 1986 and 1985 were 42%, 49% and 46%, respectively. The decrease in fiscal 1987 is primarily attributable to a reduction of federal income tax rates effective July 1, 1987, while the increase in fiscal 1986 was due to the amortization of certain intangible assets, which is not deductible for tax purposes.

Earnings per share increased to $.73 in fiscal 1987 from $.62 in fiscal 1986 and $.39 in fiscal 1985, after retroactive adjustment for a three-for-two stock split paid in March 1987. The weighted average number of shares used to compute earnings per share increased by 5% in fiscal 1987, 31% in fiscal 1986 and 21% in fiscal 1985.

In December 1987 the Financial Accounting Standards Board issued FAS No. 96, Accounting for Income Taxes. The pronouncement supercedes the previous accounting literature and requires a Company to use an asset and liability approach for financial accounting and reporting of income taxes. The Company must adopt this method of accounting for its fiscal 1990 financial statements, although the Company may adopt the statement earlier. In the year the Company adopts FAS 96, it will record a one-time gain in excess of $1,000,000, assuming there are no further changes in existing federal or state tax rates. The one-time gain results from the accrual of taxes in prior years at rates higher than what the tax will actually be paid at in the future based on existing federal and state tax laws. Presently, the Company has not decided when it will adopt FAS 96.

Liquidity and Capital Resources

The Company's financial condition is very strong. The ratio of current assets to current liabilities was 1.9 to 1 at November 30, 1987, compared to 9.8 to 1 at November 30, 1986. At November 30, 1987, stockholders' equity increased to $84,343,000 from $74,716,000 at November 30, 1986. The decrease in the current asset ratio in 1987 was primarily attributable to the utilization of the proceeds of the Company's $100,000,000 convertible subordinated debentures for acquisitions in fiscal 1987. The increase in stockholders' equity is primarily attributable to the Company's profitable operations.

At November 30, 1987, the Company's primary source of liquidity was $26,032,000 in cash and marketable securities and a $10,000,000 unsecured bank line of credit with interest at the lenders prime rate. At November 30, 1987, the Company had no borrowings under its line of credit, but did have $100,000,000 of convertible subordinated debentures outstanding. Interest is payable semiannually and accrues at the rate of 6¾% on the debentures.

Management believes that the Company's cash and capital resources will be sufficient to finance current and forecasted operations. However, the company is actively seeking potential acquisitions and, depending upon the size and terms of any such acquisitions, additional financing may be required

2140831-17

0109

SELECTED CONSOLIDATED FINANCIAL DATA

(In thousands, except per share data)	Fiscal year ended November 30,				
	1983	1984	1985	1986	1987
Revenue	$ 9,424	$ 12,832	$ 19,103	$ 59,297	$ 87,214
Direct expenses	3,003	3,403	4,860	19,519	30,190
Gross profit	6,421	9,429	14,243	39,778	57,024
Selling, general and administrative and other expenses	4,181	5,887	7,812	25,465	41,703
Income before taxes	2,240	3,542	6,431	14,313	15,321
Provision for income taxes	1,115	1,594	2,958	7,027	6,402
Net income	$ 1,125	$ 1,948	$ 3,473	$ 7,286	$ 8,919
Earnings per share	$.18	$.26	$.39	$.62	$.73

	At November 30,				
	1983	1984	1985	1986	1987
Current assets	$ 2,684	$ 10,783	$29,688	$137,303	$ 71,378
Working capital	1,043	7,750	25,110	123,290	33,040
Total assets	4,526	17,455	41,492	194,410	242,713
Long-term debt	580	1,341	—	100,000	100,000
Stockholders' equity	1,910	11,739	33,744	74,716	84,343

Results for the fiscal year ended November 30, 1987, include the operations of NBC Radio Networks, acquired in August 1987.
Results for the fiscal year ended November 30, 1986, include the operations of Mutual, acquired in December 1985.

2104088311 8

0110

CONSOLIDATED BALANCE SHEET

(In thousands)	November 30, 1986	1987
Assets		
Current assets:		
Cash	$ 2,793	$ 450
Marketable securities (Note 5)	111,043	25,582
Accounts receivable	13,388	28,727
Deferred production costs	8,343	11,907
Prepaid expenses and other	1,736	4,712
Total current assets	137,303	71,378
Property and equipment, net (Note 4)	8,683	22,166
Long-term production costs	10,063	13,905
Station affiliation agreements, net of accumulated amortization of $430,000 and $850,000, respectively	16,770	22,061
Excess of cost over net assets of acquired companies, net of accumulated amortization of $450,000 and $1,902,000, respectively	17,551	106,508
Other	4,040	6,695
	$194,410	$242,713
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 2,190	$12,920
Accrued expenses and other	3,496	13,407
Deferred income taxes (Note 8)	8,327	12,011
Total current liabilities	14,013	38,338
Convertible debentures (Note 5)	100,000	100,000
Other liabilities	718	12,415
Deferred income taxes (Note 8)	4,963	7,617
Total liabilities	119,694	158,370
Commitments (Note 9)		
Stockholders' equity (Notes 3, 6 and 7):		
Preferred stock:		
Authorized, 10,000,000 shares, none outstanding	—	—
Common stock, $.01 par value:		
Authorized, 117,000,000 shares;		
Outstanding shares, 12,297,364 at November 30, 1986 and 12,050,614 at November 30, 1987	123	120
Class B stock, $.01 par value:		
Authorized, 3,000,000 shares;		
Outstanding shares, 245,083 at November 30, 1986 and 357,583 at November 30, 1987	2	4
Additional paid in capital	60,558	61,267
Retained earnings	14,033	22,952
Total stockholders' equity	74,716	84,343
	$194,410	$242,713

See accompanying notes to consolidated financial statements.

21408831-9

0111

CONSOLIDATED STATEMENT OF INCOME

(In thousands, except per share data)

	Fiscal year ended November 30		
	1985	1986	1987
Revenue	$19,103	$59,297	$87,214
Direct expenses	4,860	19,519	30,190
Gross profit	14,243	39,778	57,024
Selling expenses	4,729	14,854	22,524
General and administrative expenses	3,018	10,179	16,660
Interest expense	65	432	2,519
	7,812	25,465	41,703
Income before taxes	6,431	14,313	15,321
Provision for income taxes (Note 8)	2,958	7,027	6,402
Net income	$ 3,473	$ 7,286	$ 8,919
Earnings per share	$.39	$.62	$.73

See accompanying notes to consolidated financial statements.

21040883120

0112

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(In thousands)	Common Stock Shares	Common Stock Amount	Class B Stock Shares	Class B Stock Amount	Additional Paid In Capital	Retained Earnings
Balance at November 30, 1984	7,932	$8,201	—	$ —	$ —	$ 3,538
Net income for fiscal 1985	—	—	—	—	—	3,473
Reorganization (Note 6)	165	(8,119)	231	2	8,117	—
Conversion of class B stock	1	—	(1)	—	—	—
Issuance of common stock (Note 6)	1,863	18	—	—	18,764	—
Issuance of common stock under stock option plan (Note 7)	3	—	—	—	14	—
Dividend (Note 6)	—	—	—	—	—	(264)
Balance at November 30, 1985	9,964	100	230	2	26,895	6,747
Net income for fiscal 1986	—	—	—	—	—	7,286
Conversion of class B stock	23	—	(23)	—	—	—
Issuance of common stock (Note 6)	2,265	23	—	—	32,603	—
Issuance of class B stock (Note 6)	—	—	38	—	853	—
Issuance of common stock under stock option plan (Note 7)	45	—	—	—	207	—
Balance at November 30, 1986	12,297	123	245	2	60,558	14,033
Net income for fiscal 1987	—	—	—	—	—	8,919
Repurchase of common stock (Note 6)	(267)	(3)	—	—	(4,667)	—
Issuance of class B stock (Note 6)	—	—	113	2	1,967	—
Less unamortized deferred compensation (Note 6)	—	—	—	—	(1,687)	—
Issuance of warrants (Note 3)	—	—	—	—	5,000	—
Issuance of common stock under stock option plan (Note 7)	21	—	—	—	96	—
Balance at November 30, 1987	**12,051**	**$ 120**	**358**	**$4**	**$61,267**	**$22,952**

See accompanying notes to consolidated financial statements

0113

CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands)	Fiscal year ended November 30		
	1985	1986	1987
Net income	$ 3,473	$ 7,286	$ 8,919
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	3,142	7,119	12,159
Deferred income taxes	3,021	6,995	6,338
Disposition of station affiliation agreements	—	—	669
Changes in assets and liabilities			
Increase in accounts receivable	(713)	(10,304)	(15,339)
Increase in prepaids	(1,381)	(145)	(2,976)
Increase in accounts payable and accruals	444	4,951	11,010
Net cash from operating activities	7,986	15,902	20,780
Cash flows from investing activities:			
Purchase of property and equipment	(2,265)	(1,631)	(7,949)
Acquisition of companies	—	(32,028)	(74,267)
Purchase of station affiliation agreements	—	—	(3,380)
Production costs	(8,655)	(12,808)	(15,602)
Other	—	(53)	(2,813)
Net cash used by investing activities	(10,920)	(46,520)	(104,011)
Cash flows from financing activities:			
Repurchase of common stock	—	—	(4,670)
Issuance of common stock	18,796	28,513	97
Issuance of convertible debentures	—	96,013	—
Decrease in long-term debt	(1,433)	—	—
Cash dividends paid	(264)	—	—
Net cash from financing activities	17,099	124,526	(4,573)
Net increase (decrease) in cash and marketable securities	14,165	93,908	(87,804)
Cash and marketable securities at beginning of year	5,763	19,928	113,836
Cash and marketable securities at end of year	$19,928	$113,836	$ 26,032

See accompanying notes to consolidated financial statements

0104083122

0114

NOTE 1 — Summary of significant accounting policies:

Principles of Consolidation

The consolidated financial statements include the accounts of all wholly-owned subsidiary companies. All significant intercompany transactions have been eliminated.

On March 23, 1987 the Company effected a three-for-two split of its common stock and Class B stock. All previously reported share and per share amounts have been restated to give effect to the increase in the number of shares outstanding.

Revenue Recognition

Revenue is recognized when the Company's programs are broadcast.

Marketable Securities

Marketable securities consist principally of money market funds, marketable equity securities, and government debt obligations scheduled to mature within one year. All such investments are stated at cost, which approximates market.

Depreciation

Depreciation is computed using the straight line method over the estimated useful lives of the assets.

Production Costs

The current portion of deferred production costs includes expenditures for recorded material not broadcast as of the balance sheet date and the portion of costs related to aired programs when the Company expects to re-broadcast the material within twelve months.

Long-term production costs are amortized using the straight line method over the period of expected benefit, not to exceed five years.

Intangible Assets

The excess of cost over net assets of acquired companies is being amortized by the straight line method over periods not exceeding 40 years. Other intangible assets, some of which are deductible for tax purposes, principally comprised of values assigned to station affiliation agreements, are also being amortized by the straight line method over periods not exceeding 40 years.

Income Taxes

Deferred taxes are provided for timing differences, resulting principally from deferred production costs and various subsidiaries preparing their tax returns on the cash basis of accounting. Investment tax credit is recorded using the flow through method as a reduction of the current tax provision.

Earnings per Share

Earnings per share in fiscal 1985, 1986 and 1987 is based upon the weighted average number of common shares outstanding during each period which were 8,915,000 shares in fiscal 1985, 11,685,000 shares in fiscal 1986, and 12,303,000 shares in fiscal 1987.

NOTE 2 — Consolidated Statement of Cash Flows:

In accordance with the Statement of Financial Accounting Standards No. 95, "Statement of Cash Flows," the Company has changed from presenting a consolidated statement of changes in financial position to a consolidated statement of cash flows for the fiscal year ended November 30, 1987 and has also restated its consolidated financial statements for the years ended November 30, 1986 and 1985 to include a consolidated statement of cash flows.

Non-cash investing and financing activities consisted of transactions relating to the acquisitions of companies made during the three year period ended November 30, 1987. As a result of these acquisitions, the Company assumed certain liabilities and issued common stock and warrants to purchase common stock as follows:

(In thousands)	1986	1987
Liabilities assumed	$ —	$21,328
Warrants issued	—	5,000
Common stock issued	5,173	—
Fair value of assets acquired for other than cash	$5,173	$26,328

Cash paid for interest was $65,000, $639,000 and $6,750,000 in fiscal 1985, 1986 and 1987, respectively.

0115

NOTE 3 — Acquisitions:

In August 1987, the Company acquired from the National Broadcasting Company, Inc. (NBC), a subsidiary of General Electric Company, all of the issued and outstanding common stock of National Radio Network, Inc., The Source, Inc. and Talknet, Inc., each being a wholly-owned subsidiary of NBC for $50 million in cash, a warrant to purchase 1,000,000 shares of common stock at $36.40 per share and the assumption of certain liabilities. The acquisition was accounted for as a purchase. The results of operations were included in the consolidated statement of income from August 1987. The excess of cost over net assets of acquired companies resulting from the transaction is being amortized over 40 years.

The pro forma unaudited combined condensed results of operations of the Company and NBC Radio Networks for the year's ended November 30, 1986 and 1987 is presented as though the combination had occurred on December 1, 1985 after giving effect to certain pro forma adjustments are as follows:

(In thousands, except per share data)

	1986	1987
Revenue	$ 110,612	$101,524
Net Income	4,375	3,505
Earnings per share	$.37	$.28

The foregoing pro forma results of operations principally reflect one year's depreciation and amortization of assets on the accounting basis recognized in recording the purchase, reduction of corporate, administrative, technical service and news allocations and the income tax benefit arising from the inclusion of the pro forma results of operations of the NBC Radio Networks to effect the purchase.

During fiscal 1987, the Company made several other acquisitions, each of which has been accounted for as a purchase. The results of operations of such acquisitions have been included in the consolidated financial statements from their respective dates of acquisition. The effect of these acquisitions on the Company's consolidated results of operations was not significant.

On December 3, 1985, the Company completed the purchase of substantially all of the network radio assets of Mutual Broadcasting System, Inc. (Mutual). As consideration for the acquired assets, the Company paid $30.2 million and issued 630,000 shares of common stock. The acquisition was accounted for as a purchase and, accordingly, Mutual's results of operations were included in the consolidated statement of income from December 1, 1985. The excess of cost over net assets of acquired companies resulting from the transaction is being amortized over 40 years.

NOTE 4 — Property and equipment:

(In thousands)

	November 30	
	1986	1987
Land	$ 1,266	$ 2,516
Building and leasehold improvements	2,466	4,736
Satellite distribution facility	1,625	1,925
Recording and studio equipment	2,716	10,493
Furniture and equipment	2,139	3,928
Transportation equipment	357	738
Construction-in-process	40	1,408
	10,609	25,744
Less accumulated depreciation and amortization	1,926	3,578
	$ 8,683	$22,166

0116

NOTE 5 — Financing arrangements and long-term debt:

Financing Arrangements

The Company has an unsecured Revolving Credit Agreement which enables the Company to borrow up to $10 million at the lenders' prime rate, plus a commitment fee of ½ of 1% on the average daily unborrowed amount. There were no outstanding borrowings under this agreement at November 30, 1987.

Long-term Debt

In October 1986, the Company issued $100 million of 6¾% convertible subordinated debentures which mature October 15, 2011. Interest on the Debentures is payable semiannually on April 15 and October 15. The Debentures are convertible at any time prior to maturity, unless previously redeemed, into shares of Common Stock of the Company at the conversion price of $24.58 per share, subject to adjustment upon the occurrence of certain events. The Debentures are unsecured and subordinated in right of payment to senior indebtedness of the Company.

In November 1986, the Company entered into interest rate exchange agreements which effectively converted, for up to three years, the $100 million debentures into a floating rate borrowing tied to LIBOR. In connection with these agreements, the Company is required to maintain compensating balances equal to $10 million.

NOTE 6 — Stockholders' equity:

On March 23, 1987, the Company effected a three-for-two split of its common stock and Class B stock.

As part of a seven year employment agreement which commenced December 1, 1986, 112,500 shares of Class B stock were placed in escrow for the Chairman of the Board. The shares will be earned ratably over the term of the agreement, however, all shares may be voted presently by the Chairman of the Board.

On December 22, 1986, the Company repurchased 267,750 unregistered shares of its common stock from the Amway Corporation at $17.44 per share.

On September 26, 1986, the Company sold 37,500 shares of Class B stock to the Company's Chairman of the Board for $853,000.

On May 20, 1986, the Company completed a public offering of 1,635,390 shares of its common stock from which it received net proceeds aggregating $27,515,000.

On February 26, 1986, the Company effected a two-for-one split of its common stock and Class B stock.

On December 3, 1985, the Company completed the purchase of substantially all of the network radio assets of the Mutual Broadcasting System, Inc. by issuing 630,000 shares of common stock and paying certain other consideration.

On July 31, 1985, the Company completed a public offering of 1,863,000 shares of its common stock. As a result, the Company received net proceeds aggregating $18,782,000.

On July 10, 1985, the Company's stockholders approved the Company's reincorporation in Delaware and the issuance of Class B stock to existing stockholders. The stockholders received, at their election, either one additional share of common stock or one share of Class B stock for every 20 shares held. Previously reported amounts of weighted average shares outstanding and per share amounts have been restated to give retroactive effect to the 5% increase in shares outstanding. The authorized number of shares of common stock was increased to 117,000,000 from 30,000,000 and the authorized number of shares of preferred stock was increased to 10,000,000 from 5,000,000. In addition, the Company authorized 3,000,000 shares of Class B stock, of which 213,321 shares were issued. The Class B stock is convertible into common stock on a share-for-share basis and has 50 votes per share.

In February 1985, the Company declared a special cash dividend in the amount of $.05 per share. This amount was paid to stockholders in March 1985.

NOTE 7 — Stock option plans:

The Company has stock option plans that provide for granting of options on common stock to officers, directors and key employees. These plans were amended in April 1987 to increase the number of options that may be granted. The Board of Directors has the authority to fix the terms and number of options to be granted and to determine which employees will receive such options. Options under the plans may be granted at exercise prices which are not less than the fair market value of the stock on the date of

0117

grant and are exercisable for a period not to exceed five years from the date of grant. Information concerning options outstanding is tabulated as follows:

	November 30	
	1986	1987
Shares authorized under option plans	660,000	1,410,000
Exercisable	110,400	313,167
— at exercise prices per share	$4.61–$21.33	$4.61–$15.50
Exercised during the year (at $4.61)	44,850	21,000
Granted during the year	228,000	559,000
— at exercise prices per share	$11.75–$21.33	$15.50–$27.25
Cancelled	—	239,000
Available for option	321,750	751,750

NOTE 8 — Income taxes:

The components of the provision for income taxes follow:

(In thousands)

	Fiscal year ended November 30		
	1985	1986	1987
Currently payable:			
Federal	$ (64)	$ 25	$ —
State	1	7	15
	(63)	32	15
Deferred:			
Federal	2,404	5,957	5,248
State	617	1,038	1,139
	3,021	6,995	6,387
Provision for income taxes	$2,958	$7,027	$6,402

Information regarding the effective income tax rate follows:

	Fiscal year ended November 30		
	1985	1986	1987
Federal statutory income tax rate	46.0%	46.0%	41.0%
State taxes, net of federal benefit	5.2	3.9	4.6
Investment tax credits	(4.2)	(0.2)	(0.4)
Amortization of intangible assets	—	2.3	5.8
Tax exempt income	—	(1.7)	(7.3)
Other items	(1.0)	(1.0)	(1.9)
Effective income tax rate	46.0%	49.3%	41.8%

Deferred taxes for timing differences are summarized as follows:

(In thousands)

	Fiscal year ended November 30		
	1985	1986	1987
Deferred production costs	$2,786	$3,227	$2,603
Cash basis for tax purposes	231	3,994	2,292
California franchise taxes	(273)	(445)	(437)
Depreciation	277	219	192
Unusual charges	—	—	1,737
	$3,021	$6,995	$6,387

0118

NOTE 9 — Commitments:

During 1984, the Company entered into an eight-year operating lease agreement whereby it receives digital audio transmission services for use with the Company's earth station. Concurrently during the eight-year period the Company is providing to the same party earth station transmission and reception facilities and services. In addition, the Company has various operating leases for office space. The approximate aggregate net obligations under the leases are set forth below:

Through November 30. (In thousands)	
1988	$ 4,782
1989	4,853
1990	4,893
1991	4,394
1992	4,397
Thereafter	1,302
	$24,621

NOTE 10 — Quarterly results of operations (unaudited):

The following is a tabulation of the unaudited quarterly results of operations for the fiscal years ended November 30, 1986 and 1987.

(In thousands, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	For the Year
1986					
Revenue	$11,229	$14,297	$17,165	$16,606	$59,297
Gross profit	7,203	9,708	11,672	11,195	39,778
Net income	830	1,712	2,476	2,268	7,286
Earnings per share	$.08	$.16	$.20	$.18	$.62
1987					
Revenue	$15,939	$19,427	$23,972	$27,876	$87,214
Gross profit	10,133	13,389	15,755	17,747	57,024
Net income	1,440	2,771	2,798	1,910	8,919
Earnings per share	$.12	$.23	$.23	$.16	$.73

2104083127

0119

Price Waterhouse

To the Board of Directors and Stockholders of Westwood One, Inc.

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, of stockholders' equity and of cash flows present fairly the financial position of Westwood One, Inc. and its subsidiaries at November 30, 1987 and 1986 and the results of their operations and their cash flows for each of the three fiscal years in the period ended November 30, 1987, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse

Los Angeles, California
January 12, 1988

2104088831128

0120

COMMON STOCK PRICES

The Company's Common Stock has been traded in the over-the-counter market under the NASDAQ symbol WONE since the Company's initial public offering on April 24, 1984. The following table sets forth the range of high and low last sales prices on the NASDAQ/National Market System for the Common Stock for the fiscal quarters indicated, as reported by NASDAQ.

Fiscal 1986	High	Low
First Quarter	18 1/4	12 3/4
Second Quarter	24 3/8	15 5/8
Third Quarter	24	19 7/8
Fourth Quarter	22 3/8	17 1/8

Fiscal 1987	High	Low
First Quarter	25 7/8	17
Second Quarter	29 1/8	20 1/2
Third Quarter	31 1/2	22 3/4
Fourth Quarter	31	13 1/4

No cash dividends were paid on the Company's stock during fiscal 1987. On January 30, 1985 the Company declared a special cash dividend of $.05 per common share payable on March 15, 1985 to stockholders of record as of February 15, 1985.

0124083129

0121

10-K

A copy of the Company's Form 10-K (filed with the Securities and Exchange Commission) is available without charge to any stockholder. Requests should be sent to the Chief Financial Officer at the Executive Offices.

Executive Offices
9540 Washington Boulevard
Culver City, California 90232
(213) 204-5000

Transfer Agent and Registrar
City National Bank
400 North Roxbury Drive
Beverly Hills, California 90210

Independent Accountants
Price Waterhouse

WESTWOOD ONE, INC.
Board of Directors and Corporate Officers

Norman J. Pattiz
Chairman of the Board and Chief Executive Officer

William J. Battison
President, Chief Financial Officer and Director

Brian K. Heimerl
Director and Secretary

Laurence J. Freeman
Director

Joseph B. Smith
Director

Jerry Sharell
Executive Vice President, Entertainment Marketing

John B. Clements
Vice President, Network Operations

Debra Seyler
Vice President

Eric R. Weiss
Vice President, Business and Legal Affairs

Gary J. Yusko
Vice President, Financial Operations and Assistant Secretary

Stephen M. Jaffe
Controller

2104083130



WESTWOOD ONE, INC.

9540 Washington Boulevard

Culver City, California 90232-2485

(213) 204-4000

LOS ANGELES

WASHINGTON, D.C.

NEW YORK

CHICAGO

DETROIT

LONDON

TORONTO

0123

PLEASE DETACH THIS STATEMENT BEFORE DEPOSITING CHECK

11/06/87 32430 00845

THIS CHECK IS TENDERED IN PAYMENT OF ITEMS LISTED

INVOICE	DATE	AMOUNT	G/L ACCT.	DESCRIPTION	AMOUNT
102987	11/06/87	55000.00	5005-0008	ACCOUNTING	5000.00
			1056-0000	AQUISITION	000.00
					5000

65/62

TOTALS 55000.00 TOTAL DISCOUNTS 0.00 NET CHECK 55000.00

WESTWOOD ONE RADIO, INC. 9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232-1985

⑈210408⑈ 1132

WESTWOOD ONE RADIO, INC.
9540 WASHINGTON BLVD., CULVER CITY
CALIFORNIA 90232-1985 • (213) 204-5000

Century City Office
CITY NATIONAL BANK
1950 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 32430

DATE	CHECK NO.	AMOUNT
11/06/87	32430	**$55,000.00

FIFTY-FIVE THOUSAND AND NO/100 DOLLARS

PAY TO THE ORDER OF • PRICE WATERHOUSE

400 SOUTH HOPE STREET
LOS ANGELES, CA.
90071, 90071

WESTWOOD ONE RADIO, INC.

NON NEGOTIABLE

⑆32430⑆ ⑆122016066⑆ 019-178 81⑈

.. 0124

5950 Canoga Ave[illegible] Warner Center
Woodland Hills [illegible]67

Price Waterhouse

ENTERED: 0 2 1987

OCTOBER 28, 1987

WESTWOOD ONE
8966 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90230

Professional services rendered
in connection with:

Review of Westwood One's 10-Q for the quarter ended August 31, 1987	$ 5,000
Acquisition review of NBC	40,000
Examination of Westwood One's financial statements for November 30, 1987	10,000
	$55,000

5005.0008
15,000 1056
40,000

>1040883133

Payable when rendered
Tax identification number 13-5326270

0125

PLEASE DETACH THIS STATEMENT BEFORE DEPOSITING CHECK

04/30/87 27056 00845

THIS CHECK IS TENDERED IN PAYMENT OF ITEMS LISTED

INVOICE	DATE	AMOUNT	G/L ACCT.	DESCRIPTION	AMOUNT
[illegible]	03/24/87	40000.00	1055-0000	ACQUISITION	25000.00
			5005-0008	ACCOUNTING	15000.00

TOTALS 40000.00 TOTAL DISCOUNTS 0.00 NET CHECK 40000.00

WESTWOOD ONE RADIO, INC. 9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232-1985

210 4088313 4

WESTWOOD ONE RADIO, INC.
9540 WASHINGTON BLVD., CULVER CITY
CALIFORNIA 90232-1985 • (213) 204-5000

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 27056

DATE	CHECK NO.	AMOUNT
04/30/87	27056	**$40,000.00

FORTY THOUSAND AND NO/100 DOLLARS

PAY TO THE ORDER OF • PRICE WATERHOUSE

400 SOUTH HOPE STREET
LOS ANGELES, CA.
90071, 90071

WESTWOOD ONE RADIO, INC.

NON NEGOTIABLE

"027056" :122216068: 0 9 8 7 6 7 8 1"

0126

5950 Canoga Avenue [illegible]er Center Telephone [illegible]
Woodland Hills, CA [illegible]

Price Waterhouse

MARCH 24, 1987

WESTWOOD ONE
8966 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90230

ENTERED MAR 26 1987

Billing for professional services performed in connection with:

Examination of Westwood One's fiscal 1986 financial statements	$10,000
Acquisition review of Radio and Records	25,000
First quarter review	5,000
	$40,000

1055 25,000
5005 15,000

Payable when rendered
Tax identification number 13-5326270

0127

>1040883135

WESTWOOD ONE
INCORPORATED

Mutual Broadcasting System
NBC Radio Networks
Westwood One Radio Networks
Radio & Records

9540 Washington Boulevard
Culver City, California 90232-1985
Tel: (213) 204-5000 Fax: (213) 204-4375
Telex: 4996016 WWONE

NORMAN J. PATTIZ
Chairman of the Board
Chief Executive Officer

February 9, 1990

Gerald E. Boltz
Rogers & Wells
201 North Figueroa Street
Los Angeles, California 90012-2638

Dear Gerry:

For the reasons set forth below, I am forwarding to you today a check in the amount of $13,000 reimbursing the corporation for corporate funds used in connection with certain contributions made by officers to Senator Joseph Biden's presidential campaign in June, 1987.

At the direction of counsel, I wish to emphasize that I am not by this action seeking to pre-judge in any way the outcome of the current proceeding pending before the Federal Election Commission, with respect to my liability or the liability of any of the affected officers or individuals. As Chairman of the Board and Chief Executive Officer of this company, I do have an obligation to assure that the Board has achieved full compliance with all of the steps approved to rectify the current situation and to safeguard against any possible future occurrences. This is an action that I am taking, therefore, as the Chief Executive Officer of the company and not in any manner which reflects on my own individual legal position as it may be presented to the Federal Election Commission or ultimately adjudicated by that agency.

Very truly yours,

Norman J. Pattiz

NJP/sec

cc: Robert F. Bauer, Esq.

0128

> 10408831136

0129

2104088313 7

MARY & NORMAN PATTIZ
VENDOR INFORMATION

DATE 02-09-90 CHECK NO 5037

FOR INTERNAL USE ONLY

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

INV DATE	INV	DESCRIPTION	PAYMENT	CODE	DISTRIBUTION
02-09-90	3552	[redacted]	13,000.00	1995	13,000.00

EMPLOYEE

TOTAL EARNINGS	FED INC TAX	F I C A	STATE INC TAX	S D I		NET PAY
[redacted]						

DETACH AND RETAIN THIS STATEMENT

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

DATE 02-09-90 CHECK NO. 5037

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES,CA 90024

THIRTEEN THOUSAND DOLLARS EXACTLY

**$13,000.00

VOID AFTER 60 DAYS

PAY TO THE ORDER OF

WESTWOOD ONE
9540 WASHINGTON BLVD.
CULVER CITY, CA. 90232
ATTN: TONYA ASHEDA

122016066 009-326375

⑈005037⑈ ⑆122016066⑆ 009⑈326375⑈

SECURITY PACIFIC NATIONAL BANK
DEPOSIT/PAYMENT RECEIPT

DEPOSITOR NAME		
OFFICE NO	ACCT NO LOAN NO	AMOUNT
001	31280-7	$ 35,574.51

- [x] CHECKING DEPOSIT
- [ ] SAVINGS DEPOSIT
- [ ] CREDIT LINE PAYMENT
- [ ] LOAN PAYMENT
- [ ] OTHER _____

- [ ] Cash
- [x] Check
  ABA No [ ]

[x] DUPLICATE

[ ] MEMORANDUM ONLY
(DO NOT ENTER IN BANKBOOK
This deposit has been rece[illegible]
for by entry in bankbook or [illegible]
issuance of a duplicate dep[illegible]
ticket

TELLER ID DATE STAMP

124743 1-87

>1104088831138

0130

SECURITY PACIFIC NATIONAL BANK
CHECKING ACCOUNT
DEPOSIT TICKET

DATE 2-15-90

US COINS	CURRENCY	CHECKS	
		13 000	00
		1 350	00
		21 300	00
		24	85

The Mingo Group, Inc.
228 east 45th Street
New York, NY 10017

05225

CONTROL NO. | CHECK DATE | VENDOR NO. | CHECK NO.

02/07/90 WESTWD

MARINE MIDLAND BANK, N.A.
TURTLE BAY OFFICE
NEW YORK, NY

1-108
210

TWENTY-ONE THOUSAND FIVE HUNDRED AND 00/100 DOLLARS

*****21,500.00

THE MINGO GROUP, INC.

PAY TO THE ORDER OF
Westwood One
9540 Washington Blvd.
Culver City CA 90232-2689

"005225" :021001088: 013"75754"7"

140

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

DATE 02-09-90 CHECK NO. 5037

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES,CA 90024

THIRTEEN THOUSAND DOLLARS EXACTLY

**$13,000.00

VOID AFTER 60 DAYS

PAY TO THE ORDER OF
WESTWOOD ONE
9540 WASHINGTON BLVD.
CULVER CITY, CA. 90232
ATTN: TONYA ASHFORD

122016066 009-326375

"005037" :122016066: 009"326375"

0132

MARY & NORMAN PATTIZ

VENDOR INFORMATION

DATE 02-26-90 CHECK NO. 50

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

FOR INTERNAL USE ONLY

INV DATE	INV#	DESCR	PAYMENT	CODE	DISTRIBUTI
02-26-90	3575	INTE	1,864.00	6310	1,864.
		REPAYMENT TO WESTWOOD ONE			

EMPLOYEE

TOTAL EARNINGS	FED INC TAX	FICA	STATE INC TAX	SDI		NET PAY

DETACH AND RETAIN THIS STATEMENT

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

DATE 02-26-90 CHECK NO. 50

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES, CA 90024

ONE THOUSAND EIGHT HUNDRED SIXTY-FOUR DOLLARS EXACTLY

PAY TO THE ORDER OF

WESTWOOD ONE
9540 WASHINGTON BLVD.
CULVER CITY, CA. 90232
ATTN: TONY ASHFORD

****1,864.00

VOID AFTER 60 DAYS

122016066 009-326375

"005076" :122016066: 009-326375"

>1040883141

0133

OGC 5569

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

90 MAR -1 PM 5:03

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006
(202) 429-7000

JAN W. BARAN
(202) 429-7330

TELECOPIER
(202) 429-7049
TELEX 248349 WYRN UR

March 1, 1990

Daniel J. Blessington, Jr., Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2893

Dear Mr. Blessington:

This letter is to confirm my understanding regarding details of document production and deposition schedules for our clients in the above-captioned matter. This is based on our several telephone conversations over the course of the past ten days and is in response to Subpoenas to Produce Documents and Subpoenas dated January 31, 1990 by cover letters dated February 1, 1990 and received February 8, 1990.

The following individuals will appear for depositions in Room 1100 of the United States Courthouse, 312 Spring Street, Los Angeles at the time and date specified:

Friday, March 9, 1990:

10:00 a.m. Thomas Ferro

2:00 p.m. Eric Weiss

Monday, March 12, 1990:

10:00 a.m. Stephen Jaffe

2:00 p.m. Gary Yusko

Tuesday, March 13, 1990:

10:00 a.m. William J. Battison

2104083142

By mutual agreement, Ms. Debra Seyler of New Jersey will not be required to appear for deposition at this time unless and until such testimony is rescheduled. As you were advised, she is physically ill at this time.

In addition, it is understood that any documents from the above individuals (except Ms. Seyler who will submit any documents separately and directly) and their spouses, if subpoenaed, will be produced at each person's deposition.

I trust that this accurately outlines our agreement.

Sincerely,

Jan W. Baran

rpb
cc: Mr. William J. Battison
Mr. & Mrs. Thomas Ferro
Mr. & Mrs. Gary Yusko
Mr. Eric Weiss
Mr. & Mrs. Stephen Jaffe
Ms. Debra Seyler

2104088143

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 2, 1990

Robert F. Bauer, Esquire
Perkins, Coie
1110 Vermont Avenue, N.W.
Washington, D.C. 20005

RE: MUR 2893
Norman J. Pattiz

Dear Mr. Bauer:

This will confirm that the deposition of your client, Norman Pattiz, has been rescheduled. The deposition had been originally scheduled to begin at 10:00 a.m., March 14, 1990, in Los Angeles, California. On February 27, 1990, you requested a short postponement. On February 28, 1990, we agreed that Mr. Pattiz would appear for deposition in our offices at 999 E Street, N.W. at 10:00 a.m. on March 22, 1990.

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

Very Truly Yours,

Daniel J. Blessington
Senior Attorney

2104088314 4

OGC 5697

PERKINS COIE

A Law Partnership Including Professional Corporations
1110 Vermont Avenue, N.W. • Washington, D.C. 20005 • (202) 887-9030

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 MAR 15 PM 4:46

March 15, 1990

Daniel J. Blessington, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2893 - Norman J. Pattiz

Dear Mr. Blessington:

In response to the Federal Election Commission's subpoena duces tecum, enclosed please find an "Identification of Documents," as well as copies of responsive documents submitted on behalf of Norman Pattiz. To the best of my knowledge, all responsive documents are enclosed herewith. Pursuant to the Commission's instructions, if we obtain further or different information during the pendancy of this matter, we will file supplementary responses or amendments.

It is our understanding that we will submit only those documents in Mr. Pattiz's possession, relevant to his status as an individual respondent. All documents in the possession of Westwood One, Inc., are produced by the corporation.

I would like to thank you again for your graciousness in granting extensions for the production of these documents and for the deposition. If you have any questions concerning the enclosed, I hope you will not hesitate to contact me.

Very truly yours,

Robert F. Bauer

Enclosures

2104083145

Telex: 44-0277 Pcso Ui • Facsimile (202) 223-2088
Anchorage • Bellevue • Los Angeles • Portland • Seattle

IDENTIFICATION OF DOCUMENTS PRODUCED BY NORMAN PATTIZ IN RESPONSE TO THE FEDERAL ELECTION COMMISSION'S SUBPOENA DUCUS TECUM OF JANUARY 31, 1990

Request No. 1:

The only document in the possession, custody, or control of Norman Pattiz that relates, refers, or pertains to fundraising for the Biden for President Campaign is a personal check from Mary and Norman Pattiz for $1,000 written to the Biden for President Committee. A copy of this check is submitted as Document 0001.

Request No. 2:

Norman Pattiz does not have possession, custody, or control of any documents or materials that relate, refer, or pertain to contributions made to the Biden for President Campaign in the names of William Battison, Thomas and/or Marie Ferro, Stephen and/or Andrea Jaffe, Mark and/or Margaret Kress, Dean Marion, Deborah Seyler, Eric Weiss, or Gary and/or Socorro Yusko.

Request No. 3:

Norman Pattiz does not have possession, custody, or control of any documents or materials of a personal character that relate, refer, or pertain to reimbursements for political contributions made by Westwood One, Inc. to any person. Corporate records of these transactions are produced by Westwood One, Inc.

21040883146

Request No. 4:

Norman Pattiz does not have possession, custody, or control of any documents or materials of a personal character that relate, refer, or pertain to any reviews, audits, or investigations conducted by or in behalf of Westwood One, Inc., involving the contributions and reimbursements referred to above. Corporate documents and materials are produced by Westwood One, Inc.

Request No. 5:

Norman Pattiz does not have possession, custody, or control of any documents or materials that relate, refer, or pertain to the quarterly financial reviews and annual financial statements conducted by Price Waterhouse covering the 1987 calendar year.

Request No. 6:

The documents provided in response to this request include copies of a check for $13,000 written to Westwood One, Inc. from Mary and Norman Pattiz, dated February 9, 1990, and numbered as Document 0002; and a letter from Norman Pattiz to Gerald Boltz of Rogers & Wells, counsel to Westwood One, Inc., that accompanied this reimbursement, numbered Document 0003.

2104088314 7

Request No. 7:

The documents provided in response to this request include copies of checks paid to nine campaigns since January 1987, and numbered as Documents 0001, 0004 - 0011. The following list summarizes these disbursements:

Doc. No.	Recipient	Amount	Date
0001	Biden for President	$1,000	3/25/87
0004	Committee to Re-elect Edward D. Kennedy	$1,000	3/19/87
0005	The National PAC	$5,000	3/24/87
0006	Fund for a Democratic Majority	$5,000	4/2/87
0007	Danforth for Senate	$1,000	10/7/87
0008	Citizens for Joe Kennedy	$1,000	4/11/88
0009	Californians for Sen. Pete Wilson	$1,000	7/13/88
0010	NAT PAC	$5,000	8/2/88
0011	Pete Wilson for Governor 1990	$1,000	3/23/89

21040883148

2104088314 9

MARY & NORMAN PATTIZ
% GOLDMAN, MACNOW, GRANT & TANI INC.
9348 CIVIC CENTER DRIVE
BEVERLY HILLS, CA 90210

DATE 03-25 87 CHECK NO. 2214

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10883 WILSHIRE BLVD
LOS ANGELES,CA 90024

ONE THOUSAND DOLLARS EXACTLY

PAY TO THE ORDER OF BIDEN FOR PRESIDENT

***$1,000.00

122016066 009 326375

"002214" :122016066: 009 326375" "0000100000"

1000

PAY TO THE ORDER OF
FIRST NATIONAL BANK
WILMINGTON, DE
60-1100/254
FOR DEPOSIT ONLY
BPP INC.
48 249 50 "05

APR '87 31 AP '87 01
THE PROVIDENT
NATL BK. PHILA, PA
PAY ANY BANK
PAY ANY BANK, P.E.G.
BANK of AMERICA, NT & SA
LOS ANGELES, CA.

MARY & NORMAN PATTIZ [redacted] DATE [redacted]9-90 CHECK NO. 5037

VENDOR INFORMATION FOR INTERNAL USE ONLY

THE ATTACHED CHECK IS IN PAYMENT [redacted] DESCRIBED BELOW. IF NOT CORRECT PLEASE NO[redacted] PROMPTLY. NO RECEIPT DESIRED.

INV. DATE	INV. #	DESCRIPTION	PAYMENT	CODE	DISTRIBUTION
02-09-90	3552		13,000.00	1995	13,000.00

Harry — Please send directly to Yusko I

EMPLOYEE

TOTAL EARNINGS	FED INC TAX	F.I.C.A.	STATE INC TAX	S.D.I.		NET PAY

DETACH AND RETAIN THIS STATEMENT

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

DATE 02-09-90 CHECK NO. 5037

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES, CA 90024

THIRTEEN THOUSAND DOLLARS EXACTLY

**$13,000.00

VOID AFTER 60 DAYS

PAY TO THE ORDER OF

WESTWOOD ONE
9540 WASHINGTON BLVD.
CULVER CITY, CA. 90232
ATTN: IDOLY ASHEDEK

122016066 009-326375

⑈005037⑈ ⑆122016066⑆ 009⑈326375⑈

0002

WESTWOOD ONE
INCORPORATED

Mutual Broadcasting System
NBC Radio Networks
Westwood One Radio Networks
Radio & Records

9540 Washington Boulevard
Culver City, California 90232-1985
Tel: (213) 204-5000 Fax: (213) 204-4375
Telex: 4996015 WWONE

NORMAN J. PATTIZ
Chairman of the Board
Chief Executive Officer

February 9, 1990

Gerald E. Boltz
Rogers & Wells
201 North Figueroa Street
Los Angeles, California 90012-2638

Dear Gerry:

For the reasons set forth below, I am forwarding to you today a check in the amount of $13,000 reimbursing the corporation for corporate funds used in connection with certain contributions made by officers to Senator Joseph Biden's presidential campaign in June, 1987.

At the direction of counsel, I wish to emphasize that I am not by this action seeking to pre-judge in any way the outcome of the current proceeding pending before the Federal Election Commission, with respect to my liability or the liability of any of the affected officers or individuals. As Chairman of the Board and Chief Executive Officer of this company, I do have an obligation to assure that the Board has achieved full compliance with all of the steps approved to rectify the current situation and to safeguard against any possible future occurrences. This is an action that I am taking, therefore, as the Chief Executive Officer of the company and not in any manner which reflects on my own individual legal position as it may be presented to the Federal Election Commission or ultimately adjudicated by that agency.

Very truly yours,

Norman J. Pattiz

NJP/sec

cc: Robert F. Bauer, Esq.✓

21040883151

0004

2104088315 2

MARY & NORMAN PATTIZ
% GOLDMAN, MACNOW, GRANT & TANI INC.
9348 CIVIC CENTER DRIVE
BEVERLY HILLS, CA 90210

DATE 03-19-87 CHECK NO. 2206

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10883 WILSHIRE BLVD
LOS ANGELES,CA 90024

ONE THOUSAND DOLLARS EXACTLY

***$1,000.00

PAY TO THE ORDER OF COMMITTEE TO RE-ELECT
EDWARD M. KENNEDY

122016066 009 326375

"002206" "122016066" 009 326375" "0000100000"

FOR DEPOSIT ONLY
COMMITTEE TO RE-ELECT
SENATOR EDWARD M. KENNEDY '88

Mr 87 15
PAY ANY BANK P.E.C.
BANK OF NEW ENGLAND, N.A.
BOSTON, MA

MY 87 18
P I C
A.B. LOS ANGELES
1220-0016-0

MY 87 18
BY CNB

(75

⑈1940883153

MARY & NORMAN PATTIZ
% GOLDMAN, MACNOW, GRANT & TANI INC.
9348 CIVIC CENTER DRIVE
BEVERLY HILLS, CA 90210

DATE 03-24-87 CHECK NO. 2213

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10883 WILSHIRE BLVD
LOS ANGELES,CA 90024

FIVE THOUSAND DOLLARS EXACTLY

03-31-87 002 12 0103 501272802

***$5,000.00

PAY TO THE ORDER OF THE NATIONAL PAC

122016066 009-326375

⑈002213⑈ ⑆122016066⑆ 009-326375⑈ ⑈0000500000⑈

5000

PAY TO THE ORDER OF
NATIONAL CAPITAL BANK
OF WASHINGTON
WASHINGTON, D.C. 20008
FOR DEPOSIT ONLY
NATIONAL PAC FEDERAL ACCOUNT
1004761801

25012

15-5

AP 87 01
P.O.
PAS.LOS ANGELES
1220-0016-6
10-16

910408831 54

MARY & NORMAN FATTIZ
% GOLDMAN, MACNOW, GRANT & TANI INC.
9348 CIVIC CENTER DRIVE
BEVERLY HILLS, CA 90210

DATE 04-02-87

CHECK NO. 2249

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10883 WILSHIRE BLVD
LOS ANGELES,CA 90024

FIVE THOUSAND DOLLARS EXACTLY

PAY TO THE ORDER OF FUND FOR A DEMOCRATIC MAJORITY

***$5,000.00

122016066 009-326375

"002249" "122016066" 009-326375" "0000500000"

PAY TO THE ORDER OF
NSGT BANK
WASHINGTON, D.C. 20005
FOR DEPOSIT ONLY
FUND FOR A DEMOCRATIC
MAJ
0241017946

MY '87 04
R.E.G.
F.R.B. LOS ANGELES
1220-0016-6

PAY TO THE ORDER OF
CNB

0510-0002-0

0006

1104088831155

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT & TANI INC.
9200 SUNSET CENTER DRIVE
BEVERLY HILLS, CA 90210

DATE 10-07-87 CHECK NO. 2703

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10833 WILSHIRE BLVD
LOS ANGELES, CA 90024

ONE THOUSAND DOLLARS EXACTLY

PAY TO THE ORDER OF DANFORTH FOR SENATE

***$1,000.00

PAC P 12201 066 002-326375

"002703" "122016066" 009-326375" "0000100000"

FOR DEPOSIT ONLY
DANFORTH FOR SENATE - PRIMARY

OCT 87 28

PAY ANY BANK P.O. BOX
FICA-SF
PROCESSED

OCT 87 30

PAY ANY BANK
PROCESSED
OCT 87 27

PAY ANY BANK

OCT 87 30

PAY ANY BANK
F.R.B. LOS ANGELES
1220-0016-6
16-15

0007

2 1 0 4 0 8 8 3 1 5 6

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

#325

DATE 04-11-88 CHECK NO. 3176

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES, CA 90024

ONE THOUSAND DOLLARS EXACTLY

PAY TO THE ORDER OF CITIZENS FOR JOE KENNEDY

***$1,000.00

122016066 009-326375

"003176" :122016066: 009-326375" "0000100000"

8000

FOR DEPOSIT ONLY
CITIZENS FOR JOE KENNEDY
MY 88 05 05725 3452

MY 88 09

⑈1040883157

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

DATE 07-13-88 CHECK NO. 3414

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES,CA 90024

ONE THOUSAND DOLLARS EXACTLY

***$1,000.00

PAY TO THE ORDER OF

CALIFORNIAN FOR SENATOR
PETE WILSON

122016066 009-326375

⑈003414⑈ ⑆122016066⑆ 009⑉326375⑈ ⑈00001000000⑈

PROCESSED BY CNB
AG 88 02
075

BANK OF COMMERCE
FOR DEPOSIT ONLY
CALIFORNIANS FOR SENATOR
PETE WILSON
ID #C00165720
004,304,063

PAY ANY BANK, P.M.A.
BANK of AMERICA, NT & SA
LOS ANGELES, CA.
AG 88 02

0009

⑆104088315⑇

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

DATE 08-02-88 CHECK NO. 3471

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES,CA 90024

FIVE THOUSAND DOLLARS EXACTLY

***$5,000.00

PAY TO THE ORDER OF NATPAC

122016066 009-326375

⑈003471⑈ ⑆122016066⑆ 009⑈326375⑈

PAY TO THE ORDER OF
THE NATIONAL CAPITAL BANK
OF WASHINGTON
WASHINGTON, D.C. 20003
FOR DEPOSIT ONLY
NATIONAL PAC FEDERAL ACCOUNT
⑆004761901

PAY TO THE ORDER OF ANY
BANK, B[illegible] & COMPANY
ALL PRIOR ENDORSEMENTS GUARANTEED
8-22-88
FEE PAID
1B8 WASHINGTON, D.C. 18-8

28522

010

⁾ 1 0 4 0 8 8 3 1 5 9

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

DATE 03-23-89 CHECK NO 4095

16-1606
CITY.NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES,CA 90024

ONE THOUSAND DOLLARS EXACTLY

PAY TO THE ORDER OF

PETE WILSON FOR GOVERNOR 1990
I.D.#89-0351
832 5TH AVE, SUITE 11
SAN DIEGO, CA 92101

122016066 009-326375

***$1,000.00

VOID AFTER 60 DAYS

⑈004095⑈ ⑆122016066⑆ 009⑈326375⑈ ⑈0000100000⑈

Pete Wilson for Governor
02200000133

1100

OCC 5724

MARK H. KRESS

DAN -

Here is the deposition
& check copies from
my wife + me.

Deposit record to follow.

Thanks

90 MAR 19 PM 2:21

FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

2104088316 0

MARGAR. M[illegible]LLISTER
213-556-0942
1423 COMSTOCK AVE
LOS ANGELES, CA 90024

131

June 21 1987 16-21/1220

Pay to the order of Joe Biden for President $ 1,000.00

One Thousand & NO/100 Dollars

First Interstate Bank
First Interstate Bank of California #121 Sunset-Spaulding Office 7700 Sunset Boulevard Los Angeles, CA 90046

For

Margaret McAllister

⑆122000218⑆ 121055391⑈ 0131 ⑈ ⑈0000100000⑈

Rocky Mountain Bank Note 8-2

PAY TO THE ORDER OF
BENEFICIAL NATIONAL BANK
WILMINGTON, DE.
⑆031100254⑆
FOR DEPOSIT ONLY
BFP INC.
48297506

0004 88897

PAY ANY BANK
BANK OF AMERICA NT & SA
62-25

JY 31 87

JY 31 87

61 89

Joe Biden for President $ 1000 -

61 Bank of America

⑆122000661⑆0089⑈0366⑈0609⑈ ⑈0000100000⑈

PAY TO THE ORDER OF
BENEFICIAL NATIONAL BANK
WILMINGTON, DE.
⑆031100254⑆
FOR DEPOSIT ONLY
BFP INC.
48297506

0001 3 0 0

PAY ANY BANK
BANK OF AMERICA NT & SA
62-25

JY 31 87

JY 31 87

2215005

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 22, 1990

March 22, 1990

Robert F. Bauer, Esquire
Perkins, Coie
1110 Vermont Avenue, N.W.
Washington, D.C. 20005

RE: MUR 2893
Norman J. Pattiz

Dear Mr. Bauer:

This will confirm that the deposition of your client, Norman Pattiz, has been rescheduled for a second time at your request. The deposition had originally been scheduled to begin at 10:00 a.m., March 14, 1990, in Los Angeles, California. On February 27, 1990, you requested a short postponement, and agreed that Mr. Pattiz would appear for deposition in our offices at 999 E Street, N.W. at 10:00 a.m. on March 22, 1990. On March 20, 1990, you spoke to Dan Blessington of this Office, and asked for another postponement. This will confirm that Mr. Pattiz will now appear for deposition at our offices at 10:00 a.m. on April 11, 1990.

I am happy we have been able to accommodate your schedule conflicts with respect to this deposition. However, I must point out that it will be necessary to go forward with the deposition of Mr. Pattiz on the date now scheduled.

If you have any questions, please contact Dan Blessington or myself at (202) 376-8200.

Very truly yours,

George Rishel
Assistant General Counsel

2104083161

00C5771

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

March 26, 1990

90 MAR 26 PM 4:20
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

Daniel J. Blessington, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2893 - Norman J. Pattiz

Dear Dan:

I would like to confirm that, having conferred with my client, we are prepared to appear for the deposition during the week of April 9. Mr. Pattiz proposes that the deposition be held on Wednesday, April 11.

I appreciate your accommodation of this change in the deposition schedule brought about with other professional obligations.

Very truly yours,

Robert F. Bauer

Robert F. Bauer
Counsel to Respondent

RFB:smb

cc: Lois Lerner, Esq.

1670E

2104088316 2

TELEX: 44-0277 PCSO UI • FACSIMILE (202) 223-2088
ANCHORAGE • BELLEVUE • LOS ANGELES • PORTLAND • SEATTLE

06C 6026

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

April 23, 1990

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 APR 26 AM 4:53

Daniel J. Blessington, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2893 - Norman J. Pattiz

21040883163

Dear Dan:

The purpose of this letter is to produce, as agreed at Norman Pattiz's deposition on April 11, 1990, additional information and clarification on certain points raised during the course of that deposition.

1. Chronology of Campaign Contributions

According to the documents we have already submitted to you, the following is a list, in chronological order, of federal contributions made by Norman Pattiz since 1987. This list remains correct and complete to the best of our knowledge.

Recipient	Amount	Date
Comm. to Re-elect Edward D. Kennedy	$1,000.00	3/19/87
The National PAC	$5,000.00	3/24/87
Biden for President	$1,000.00	3/25/87
Fund for a Democratic Majority	$5,000.00	4/02/87
Danforth for Senate	$1,000.00	10/7/87
Citizens for Joe Kennedy	$1,000.00	4/11/88
Californians for Sen. Pete Wilson	$1,000.00	7/13/88
NAT PAC	$5,000.00	8/02/88

As you will recall, there was some confusion at the deposition regarding when Mr. Pattiz first made a contribution to Senator Kennedy. In fact, we have discovered that

Mr. Pattiz made a $5,000 contribution to the Fund for a Democratic Majority in 1985. This is not a contribution "to" Senator Kennedy but instead to a political committee with which he is closely associated.

Because your subpoena duces tecum asked only for contributions made since January 1987, we did not produce a record of this contribution. We bring it up now because we believe this explains Mr. Pattiz's confusion regarding his "first" contribution.

Next, there was some question as to whether Mr. Pattiz's contributions in 1987 to Biden and Kennedy were made in conjunction with the two fundraisers discussed at the deposition. According to Mr. Pattiz's records, the $1,000 per person Kennedy fundraiser held in his home took place on July 12, 1987. As noted, Mr. Pattiz's personal contribution to Kennedy was made on March 19, 1987. Similarly, the Biden fundraiser at issue took place in June, 1987, but Mr. Pattiz's contribution was made in March, 1987.

The foregoing information also indicates that the Kennedy dinner occurred after the Biden fundraiser. You will recall that there was some question about this chronology as well. Mr. Pattiz noted that this could explain in part why he had "forgotten" about the Biden fundraiser, finding himself on the eve of that event without progress toward his fundraising commitment. He was much more involved with the Kennedy fundraiser, which he hosted and which was scheduled for only a short time after the Biden dinner. Thus, to the extent that political events consumed him at all at this very busy time (during which Westwood One was acquiring the NBC Networks), his attention would have been on the Kennedy dinner.

Finally, you had asked at the deposition about the attendees of the Kennedy fundraiser. Mr. Pattiz's records indicate that several Westwood One employees appear to have attended (and contributed $1,000 to) the Kennedy fundraiser. These include Bill Battison, Eric Weiss, and Thom Ferro. As stated at the deposition, no one was reimbursed by Mr. Pattiz with corporate or any other funds for attending the Kennedy fundraiser.

2. Miscellaneous Date Correction

It appears from our notes that there may have been some misstatements at one point regarding the date on which Mr. Pattiz became aware of the methodology used for reimbursing Westwood One employees for the Biden fundraiser. In order to make this point absolutely clear, we would like to state again

2104083164

that Mr. Pattiz knew nothing of the falsified records at the time the reimbursements were made in 1987; he did not direct or approve this manner of recording these reimbursements. He did not learn of the actual reimbursement procedure and recording until 1989, when he first became aware of the pending FEC complaint.

3. Appearance Before Senator Inouye's Subcommittee

We have attached an affidavit from Christopher R. Brewster, of the D.C. law firm of Kaye, Scholer, Fierman, Hays & Handler, which serves as counsel to Westwood One before the Federal Communications Commission. This affidavit establishes that Mr. Pattiz's support of Senator Biden had no bearing on Mr. Pattiz's 1987 testimony before Senator Inouye's Subcommittee on Communications. Indeed, Mr. Brewster's affidavit reveals that Mr. Pattiz's appearance as a witness came about entirely at the behest of the minority staff, rather than on account of any interaction with Senators Inouye, Biden, or their staffs. Mr. Brewster explains that Mr. Pattiz's testimony was entirely routine and that "[n]o 'special favors' were needed to secure his appearance before the Subcommittee," nor were any invoked. Affidavit at ¶ 11.

4. Nonfederal Contributions

As we discussed at the deposition, we are enclosing copies of the records of Mr. Pattiz's nonfederal campaign contributions since 1987. For your convenience, they are listed here, in chronological order:

Recipient	Amount	Date
Friends of Ira Reiner	$1,000.00	2/17/87
Friends of Gray Davis	$5,000.00	6/01/87
Gray Davis Campaign Committee	$5,000.00	6/01/87
Ira Reiner Campaign Fund	$50,000.00	6/22/87
Comm. for Enlightened Representation	$5,000.00	7/07/87
Friends for Gray Davis	$10,000.00	7/07/87
Gray Davis Campaign Committee	$10,000.00	7/07/87
Comm. to Re-elect Conway Collis	$5,000.00	10/5/87
Friends of Gray Davis	$25,000.00	5/17/88
Friends of Ira Reiner	$50,000.00	5/17/88
Friends of Gray Davis	$10,000.00	8/23/88
Pete Wilson for Governor 1990	$1,000.00	3/23/89
Friends of Alan Gershman	$1,000.00	4/26/89

2104088165

If you have any further questions about this or any other information we have presented or could present, we trust you will not hesitate to let us know.

Very truly yours,

Robert F. Bauer/mhm

Robert F. Bauer
Counsel to Norman J. Pattiz

RFB:bm

1725E

2104088316 6

MARY & NORMAN PATTIZ
% GOLDMAN, MACNOW, GRANT & TANI INC.
9348 CIVIC CENTER DRIVE
BEVERLY HILLS, CA 90210

DATE 02-17-87 CHECK NO. 2111

16-1806
CITY NATIONAL BANK
WESTWOOD OFFICE
10883 WILSHIRE BLVD
LOS ANGELES, CA 90024

ONE THOUSAND DOLLARS EXACTLY

***$1,000.00

PAY TO THE ORDER OF

FRIENDS OF IRA REINER
ID #800948

122016066 009-326375

⑈002111⑈ ⑆122016066⑆ 009⑈326375⑈ ⑈0000100000⑈

⑆210408831167

FB 27

PCA-LA PROCESSED

FEB 27 87 02

0780 PROCESSED BY CNB

075

1111 54407

PAY TO THE ORDER OF
MARATHON NATIONAL BANK
LOS ANGELES, CA
FOR DEPOSIT ONLY
FRIENDS OF IRA REINER
% DAVID L. GOULD
COI 015,00⑈

MARY & NORMAN PATTIZ
% GULDIMAN, GRANT & TANI INC.
9348 CIVIC CENTER DRIVE
BEVERLY HILLS, CA 90210

DATE 06-01-87 CHECK NO.

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10883 WILSHIRE BLVD
LOS ANGELES, CA 90024

FIVE THOUSAND DOLLARS EXACTLY

***$5,000.00

PAY TO THE ORDER OF

FRIENDS OF GRAY DAVIS
STATE ID #310900

122016066 009-326375

"002392" "122016066" 009 326375" "0000500000"

2104088311 68

JE '87 11

PAY ANY BANK, P.D.
BANK OF AMERICA, NT & SA
LOS ANGELES, CA

PAY TO THE ORDER OF
BANK OF LOS ANGELES
FOR DEPOSIT ONLY
FRIENDS OF GRAY DAVIS

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT & TANT INC.
9348 CIVIC CENTER DRIVE
BEVERLY HILLS, CA 90210

DATE 06-01-87 CHECK NO. 2327

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10887 WILSHIRE BLVD
LOS ANGELES, CA 90024

FIVE THOUSAND DOLLARS EXACTLY

***$5,000.00

PAY TO THE ORDER OF

GRAY DAVIS CAMPAIGN COMMITTEE
STATE ID #830555

122016066 009-326375

"002393" "122016066" 009-326375" "0000500000"

>1040883169

JE 87 11
PAY ANY BANK, P.F.G.
BANK OF AMERICA, NT & SA
LOS ANGELES, CA
122100951

MARY & NORMAN PATTIZ
% GUTMAN, GRANT & LANT INC.
9348 CIVIC CENTER DRIVE
BEVERLY HILLS, CA 90210

DATE 04-22-87 CHECK NO. 2447

APPROVED FOR PAYMENT
NATIONAL BANK
WESTWOOD OFFICE
10883 WILSHIRE BLVD
LOS ANGELES, CA 90024

FIFTY THOUSAND DOLLARS EXACTLY

PAY TO THE ORDER OF THE MONDALE CAMPAIGN FUND

**50,000.00

12201606 009-326375

"002447" "122016066" 009"326375" "00050000000"

210408831170

JE 29
PAY ANY BANK
FICA-LA
PROCESSED

JE 87 30
PROCESSED
BY CNB

PAY TO THE ORDER OF
MANUFACTURERS BANK
LOS ANGELES, CA
FOR DEPOSIT ONLY
FRIENDS OF IRA REINER
% DAVID L. GOULD
CO1 015400

Called & talked to Benny
Left message to call me
at my home phone.
Benny.

MARY & NORMAN PATTTZ
Z GOLDMAN, GRANT & TANT INC.
9348 CIVIC CENTER DRIVE
BEVERLY HILLS, CA 90210

DATE 07-07-87 CHECK NO. 2479

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10883 WILSHIRE BLVD
LOS ANGELES,CA 90024

FIVE THOUSAND DOLLARS EXACTLY

PAY TO THE ORDER OF COMMITTEE FOR ENLIGHTENED REPRESENTATION

****5,000.00

122016066 009 326375

"002479" :122016066: 009 326375" "0000500000"

>1040883171

FOR DEPOSIT ONLY
COMMITTEE FOR ENLIGHTENED REPRESE
Account #BA 001 007 312

JY 87 29 PM
PAY ANY BANK
UNION BANK-L.A.
122000771

JL 28 87

"0000050000" 009 326375" :122016066: "002479"

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT & TANI INC.
9348 CIVIC CENTER DRIVE
BEVERLY HILLS, CA 90210

DATE 07-07-87 CHECK NO. 2480

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10883 WILSHIRE BLVD
LOS ANGELES, CA 90024

TEN THOUSAND DOLLARS EXACTLY

**$10,000.00

PAY TO THE ORDER OF

FRIENDS FOR GRAY DAVIS

122016066 009-326375

"002480" :122016066: 009"326375" "0001000000"

>1040883172

PAY TO THE ORDER OF
BANK OF LOS ANGELES
LOS ANGELES, CA
FOR DEPOSIT ONLY
FRIENDS FOR GRAY DAVIS
:001 0[illegible]07"

JY '87 30

PAY ANY BANK, P.E.G.
BANK OF AMERICA NT & SA
LOS ANGELES, CA

122000661 88 56 122000661

MARY & NORMAN FATTIZ
% GOLDMAN, GRANT & TANI INC.
9348 CIVIC CENTER DRIVE
BEVERLY HILLS, CA 90210

DATE 07-07-87 CHECK NO. 2481

16 1606
CITY NAT
WESTWOOD OFFICE
10883 WILSHIRE BLVD
LOS ANGELES,CA 90024

TEN THOUSAND DOLLARS EXACTLY

**$10,000.00

PAY TO THE ORDER OF GRAY DAVIS CAMPAIGN COMMITTEE

122016066 009 326375

"002481" :122016066: 009 326375" "0001000000"

>1040883173

AG 03
PAY ANY BANK, P.E.G.
BANK of AMERICA, NT & SA
LOS ANGELES, CA.

Gray Davis Campaign Committee
Id. No. 830555
001-042068

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT & TANI INC.
9348 CIVIC CENTER DRIVE
BEVERLY HILLS, CA 90210

DATE 10-05 87 CHECK NO 2702

16-1606
CITY NATIONAL BANK
WEST LOS ANGELES OFFICE
10803 WILSHIRE BLVD
LOS ANGELES, CA 90024

FIVE THOUSAND DOLLARS EXACTLY

PAY TO THE ORDER OF

COMMITTEE TO RE-ELECT CONWAY COLLIS

****5,000.00

OCT 87

122016066 009-326375

"002702" "122016066" 009 326375" "C000500000"

>1040883174

PROCESSED
31 FILE
OCT 9 444
FIRST LOS ANGELES, CA
16-3328 F-3328

OCT 19 '87
P.O. UNION BANK
LOS ANGELES, CA

WORLD TRADE BANK, N.A.
FOR DEPOSIT ONLY
CITIZENS FOR COLLIS
UU 1 1U4640

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

DATE 05-17-88 CHECK NO. 3259

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES,CA 90024

TWENTY-FIVE THOUSAND DOLLARS EXACTLY

**$25,000.00

PAY TO THE ORDER OF FRIENDS OF GRAY DAVIS

122016066 009-326375

"003259" :122016066: 009-326375" "000 2500000.

>1040883175

MY 88 20
PAY ANY BANK, P.E.Q.
BANK OF AMERICA, NT & SA
LOS ANGELES, CA

MY 88 23
PROCESSED
BY CNB
075

PAY TO THE ORDER OF
BANK OF LOS ANGELES
LOS ANGELES, CA
FOR DEPOSIT ONLY
FRIENDS FOR GRAY DAVIS
001 028 70

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

DATE 05-17-88 CHECK NO. 3260

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES, CA 90024

FIFTY THOUSAND DOLLARS EXACTLY

**$50,000.00

PAY TO THE ORDER OF FRIENDS OF IRA REINER

122016066 009-326375

"003260" :122016066: 009"326375" "0005000000"

>1204088317 6

PAY TO THE ORDER OF
WESTERN BANK
FOR DEPOSIT ONLY
FRIENDS OF IRA REINER

MAIN OFFICE #691
88 LOS ANGELES, CA
122332176

P.E.B. LOS ANGELES

MAY 19 1988

P.E.B. PAY ANY BANK P.E.B.
WESTERN BANK
122332176

MAY 88 20

PROCESSED
BY CNB

075

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

DATE 08-23-88 CHECK NO. 3522

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES,CA 90024

TEN THOUSAND DOLLARS EXACTLY

**$10,000.00

PAY TO THE ORDER OF FRIENDS OF GRAY DAVIS

122016066 009-326375

"003522" :122016066: 009"326375" "0001000000"

>1040883177

AG '88 29
PAY ANY BANK, P.E.O.
BANK of AMERICA, NT & SA
LOS ANGELES, CA.

AG '88 30
C.N.I.S.

PAY TO THE ORDER OF
BANK OF LOS ANGELES
LOS ANGELES, CA
FOR DEPOSIT ONLY
FRIENDS FOR GRAY DAVIS
1-001 028707

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

DATE 03-23-89 CHECK NO 4095

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES, CA 90024

ONE THOUSAND DOLLARS EXACTLY

PAY TO THE ORDER OF

PETE WILSON FOR GOVERNOR 1990
I.D.#89-0351
832 5TH AVE, SUITE 11
SAN DIEGO, CA 92101

122016066 009-326375

***$1,000.00

VOID AFTER 60 DAYS

"004095" :122016066: 009"326375" "0000100000"

⑈004095⑈ ⑆122016066⑆ 009⑈326375⑈

⑆110408831178

Pete Wilson for Governor
C.2.20000133

4P '89 06

C.N.U.8.

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

APPROVED FOR PAYMENT
BY
NOT NEGOTIATED

DATE 04-26-89 CHECK NO. 4*93

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES,CA 90024

ONE THOUSAND DOLLARS EXACTLY

Sig Inv

PAY TO THE ORDER OF

FRIENDS OF ALAN GERSHMAN

10573 WEST PICO BOULEVARD, #3
LOS ANGELES, CA 90064

***$1,000.00

VOID AFTER 60 DAYS

122016066 009-326375

"004193" :122016066: 009-326375" "0000100000"

>1040883179

for deposit only
Friends of Alan Gershman
UBS / 032-2

MY '89 09
MY '89 10
122000247

AFFIDAVIT OF CHRISTOPHER R. BREWSTER

1. My name is Christopher R. Brewster. I am an attorney, and a member of the Missouri Bar and the District of Columbia Bar. I currently serve as Washington Counsel to the law firm of Kaye, Scholer, Fierman, Hays and Handler ("Kaye Scholer"), resident in the firm's Washington, D.C. office. Prior to joining Kaye Scholer, I served as a legislative assistant and counsel to Senator John Danforth, the ranking minority member and former chairman of the Senate Commerce Committee.

2. Kaye Scholer serves as counsel to Westwood One, Inc. before the Federal Communications Commission ("FCC"). Jason Shrinsky, Esq., a partner in the firm, serves as principal counsel to Westwood One at Kaye Scholer. From time to time, at Mr. Shrinsky's request, I have provided counsel to Westwood One on legislative matters. I have also assisted the firm in preparing comments before the FCC on regulatory issues.

3. In 1987, Mr. Shrinsky asked me to assist Westwood One by securing an opportunity for Norman Pattiz to testify before the Senate Communications Subcommittee in support of then-pending legislation, S. 1277. Mr. Pattiz is the Chairman of Westwood One. Among other things, S. 1277 would have blocked FCC efforts to relax the duopoly ownership rule. The survival of the duopoly rule was a matter of some concern to Westwood One; on behalf of the company we had filed comments before the FCC in opposition to the FCC proposal in April of 1987.

4. On June 19, 1987 I wrote Thomas Cohen, Chief Counsel to the Senate Communications Subcommittee, and requested an opportunity for Mr. Pattiz to testify at either of the hearing dates scheduled for S. 1277. A copy of that letter is attached to this affidavit. The letter indicates that it followed a telephone conversation the preceding week. My recollection is that Mr. Cohen told me that he had numerous requests from people wishing to testify at the hearing. He asked me to put my request in writing. He also suggested that I put my request to the Minority staff.

5. I subsequently called the Minority staff, who assured me that there would be no problem in securing an opportunity for Mr. Pattiz to testify. The Minority staff later called to tell me that they had made the request, and that they expected it to be honored. Our files include a letter from Mr. Shrinsky to Mr. Pattiz, dated June 26, 1987, in which he states that he was "delighted to hear from Chris Brewster that you will be testifying before the Senate Commerce Committee sometime during the period July 17th and the 20th...."

CRB

> 1040831 80

6. On July 10, 1987 I sent a memorandum to Mr. Pattiz confirming that the Subcommittee had asked him to testify. The memorandum notes that I had reported this information to his office the day before.

7. Mr. Pattiz testified at the July 17 hearing. He was included as part of a panel of witnesses, and testified at the close of the hearing. Chairman Daniel Inouye was not present at the hearing. Indeed, at the time Mr. Pattiz testified, only Senator James Exon remained in the room. On Senator Inouye's behalf, written questions were submitted to Mr. Pattiz (and presumably to other witnesses) for a written response, which was provided after the hearing.

8. I understand that Mark Kress, a former employee of Westwood One, has alleged that Mr. Pattiz's appearance before the Subcommittee was the result of campaign contributions by Mr. Pattiz to Senator Joseph Biden's presidential election campaign.

11. I know of no evidence to support this charge. I obtained the invitation for Mr. Pattiz to testify. Although Mr. Pattiz had informed me that he was supporting Senator Biden's candidacy, and that he hoped this might stand him in good stead with Senator Inouye, who was then active in Senator Biden's campaign, I have no recollection of Mr. Pattiz discussing campaign contributions. In any event, I did not invoke his support for the Biden campaign in seeking an opportunity for him to testify. I urged his participation on the grounds that Mr. Pattiz was the Chairman of a major radio network and a strong supporter of a key provision in the legislation before the Subcommittee. Moreover, I sought the aid of the Minority staff in securing an invitation for Mr. Pattiz, and it is my understanding that the invitation to Mr. Pattiz was the direct result of those efforts. It should go without saying that Mr. Pattiz's support for Senator Biden, a Democrat, would not have been persuasive with the Minority staff in securing their support for Mr. Pattiz's appearance -- even if the staff had known of Mr. Pattiz's efforts on behalf of Senator Biden.

10. In light of Mr. Kress's charges, it may also be worth noting that, prior to the hearing, I attempted to obtain an opportunity for Mr. Pattiz to place a courtesy call on Senator Inouye. This is a common practice. I asked Mr. Cohen if this would be possible. He told me that he could not schedule the Senator's time, and that I should speak directly with the Senator's appointments secretary. I did, and the request was denied, with the explanation that Senator Inouye's duties as Chairman of the Iran/Contra Committee left him no available time. To the best of my knowledge, therefore, Senator Inouye did not meet with Mr. Pattiz prior to or after the hearing. Indeed, to the best of my knowledge, Mr. Pattiz has never met Senator Inouye.

>104083181

11. In short, as the Chairman of a major radio network -- and a supporter of the Chairman's bill -- Mr. Pattiz was a natural and welcome witness before the Subcommittee. No "special favors" were needed to secure his appearance before the Subcommittee, no "special favors" were invoked, and I would not have employed such tactics even if they had been available to me.

Under penalty of perjury, I swear that the foregoing statement is true, to the best of my knowledge and belief.

Christopher R. Brewster

APRIL 20, 1990
Date

Subscribed and sworn before me, a Notary Public, this 20th day of April, 1990.

Jo Ann Mennes
Notary Public

My Commission Expires October 14, 1991

> 1 0 4 0 8 8 3 1 8 2

KAYE, SCHOLER, FIERMAN, HAYS & HANDLER
1575 EYE STREET, N.W.
WASHINGTON, D.C. 20005

(202) 783-1200

CABLE ADDRESSES
KAYEHACLER WASHINGTON
KAYEHACLER NEW YORK

TELEX NUMBERS
WASHINGTON 897458
NEW YORK DOMESTIC 126921
NEW YORK INT'L 234860
HONG KONG 62816
KAY HX

TELECOPY NUMBERS
(202) 955-0067
(202) 842-3123

KENNETH R FEINBERG
DAVID G SICKART
DAVID J BRANSON
JASON L SHRINSKY

LAWRENCE B NOVEY
JAMES M WEITZMAN
BRUCE A EISEN
CHRISTOPHER R BREWSTER *
WASHINGTON COUNSEL
* ADMITTED ONLY IN MISSOURI

WRITER'S DIRECT DIAL NUMBER

ABRAHAM RIBICOFF
SPECIAL COUNSEL

NEW YORK OFFICE
425 PARK AVENUE
NEW YORK, N Y 10022
(212) 836-8000

FLORIDA OFFICE
125 NORTH AVENUE
PALM BEACH, FLA 33480
(305) 833-5151

HONG KONG OFFICE
EDINBURGH TOWER
40TH FLOOR
15 QUEEN'S ROAD CENTRAL
HONG KONG
5-265791

June 19, 1987

HAND DELIVERY

Thomas Cohen, Esq.
SH-227 Hart Senate Office Bldg.
Senate Subcommittee on Communications
Senate Commerce Committee
Washington, D.C. 20510

Dear Tom:

As we discussed last week, Westwood One would very much appreciate the opportunity to testify at the Subcommittee's July hearings on S. 1277, the "Broadcasting Improvements Act of 1987." I have discussed the hearing with Norman Pattiz, the Chairman and Chief Executive Officer of Westwood One, and he is prepared to make himself available to you, at your convenience, for either hearing date.

You will recall that Westwood One is very concerned about the FCC's proposal to relax the duopoly and one-to-a-market rules. They strongly support, therefore, the provisions of S. 1277 that would prohibit the FCC from going forward with the proposed changes. Westwood One strongly believes that the proposed changes in the rules would do significant damage to radio programming, without offering any real help to the AM market, the purported beneficiary of the changes. For your review, I am enclosing a copy of Westwood One's comments before the FCC in opposition to the FCC's proposals.

As you know, Westwood One is the largest syndicator of radio programming in the nation and the owner of the Mutual Broadcasting System. As the Chairman and founder of a major

> 1 0 4 0 8 8 3 1 8 3

independent company committed to radio programming, Mr. Pattiz would make a significant contribution to the hearings.

Please feel free to contact me if you have any questions. Mr. Pattiz may be reached at Westwood One, 9540 Washington Boulevard, Culver City, California 90232 (213-204-5000).

Best regards,

Christopher R. Brewster

Enclosure

> 1040883184

OOC 6861

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

90 JUL -5 AM 11:00

ROBERT NOLAN CONRAD
A LAW CORPORATION
SUITE 700
6535 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90048

TELEPHONE (213) 658-6415
FAX (213) 658-8590

July 2, 1990

MUR 2893

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

90 JUL -5 PM 12:38

Dan Blessington, Esq.
Office of the General Counsel
Federal Election Commission
999 E. Street, N.W.,
Washington, D.C. 20463

Re: *Mark Kress and Margaret Kress*

Dear Mr. Blessington:

Request is hereby made for a pre-probable cause conciliation regarding my clients Mark Kress and Margaret Kress.

Thank you for your courtesy in this matter.

Very truly yours,

Robert N. Conrad for
ROBERT NOLAN CONRAD,
A LAW CORPORATION

RNC:dmmr

2104088315

Rogers & Wells
Fifteenth Floor
201 North Figueroa Street
Los Angeles, California 90012-2638

TELEPHONE (213) 580-1000
TELECOPIER (213) 580-1234
(213) 580-1070
TELEX 194758 RWLSA

200 PARK AVENUE
NEW YORK, N.Y. 10166
TELEPHONE (212) 878-8000
TELECOPIER (212) 878-8160
(212) 878-8375
TELEX 234493 RKWUR

1737 H STREET, N.W.
WASHINGTON, D.C. 20006
TELEPHONE (202) 331-7760
TELECOPIER (202) 331-0463
TELEX 248439 WASHUR

47, AVENUE HOCHE
75008-PARIS, FRANCE
TELEPHONE 47-63-11-00
TELECOPIER 33-1-4267-5081
TELEX 290617 EURLAW

58 COLEMAN STREET
LONDON EC2R 5BE, ENGLAND
TELEPHONE 01.628.0101
TELECOPIER 441-638-2008
TELEX 884964 USLAW

July 10, 1990

55905/47

VIA FEDERAL EXPRESS

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

Attn: Daniel J. Blessington, Esq.
General Counsel's Office

Re: MUR #2893

Dear Sirs:

This letter is for the purpose of requesting negotiations directed toward reaching a conciliation agreement with the Commission pursuant to 11 C.F.R. 111. 18(d). On behalf of Westwood One, Inc. ("the Company"), a subject of the matter under review referred to above, we have been authorized to enter into such discussions and, if possible, to meet with the Commission's staff to bring about conciliation.

We wish respectfully to point out that by expressing our client's desire to negotiate conciliation, neither the Company nor any of its directors or officers expressly or impliedly admits any wrongdoing or unlawful conduct thereby.

We are immediately prepared to commence such conciliation negotiations at the earliest possible time. If you

HAND DELIVERED
90 JUL 11 AM 10:46
RECEIVED
FEDERAL ELECTION COMMISSION
90 JUL 11 PM 12:38
FEDERAL ELECTION COMMISSION
21040883186

have any questions concerning this request, please feel free to direct them to the undersigned at (213) 580-1354.

Very truly yours,

John W. Cotton

JWC:ejl
cc: Gerald E. Boltz
All Westwood One Directors

2104088387

LCC 6947

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006
(202) 429-7000

JAN WITOLD BARAN
(202) 429-7330

July 16, 1990

FACSIMILE
(202) 429-7049
TELEX 248349 WYRN UR

90 JUL 16 PM 5:26

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

Re: MUR 2893

Dear Mr. Noble:

On behalf of my clients, William J. Battison and Gary J. Yusko, I request pre-probable cause conciliation with regard to Matter Under Review (MUR) 2893 pursuant to 11 C.F.R. § 111.18(d). I have been informed by Senior Attorney Daniel Blessington that the Federal Election Commission has concluded its initial investigation. I understand that this is an appropriate time to seek resolution of the matter.

My clients are willing to enter into negotiations with the Commission although Mr. Battison and Mr. Yusko adamantly disagree with any finding or suggestion that there was a knowing and willful violation of the Federal Election Campaign Act. We believe such a finding is unsupported by the facts in this case, particularly in light of the depositions that have been conducted by the Commission.

We are prepared to settle this matter and look forward to engaging in meaningful negotiations.

Sincerely yours,

Jan Witold Baran

rpb
cc: Daniel J. Blessington, Esq.

2104088318

OGC6948

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006
(202) 429-7000

JAN WITOLD BARAN
(202) 429-7330

FACSIMILE
(202) 429-7049
TELEX 248349 WYRN UR

July 16, 1990

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 JUL 16 PM 5:25

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

Re: MUR 2893

Dear Mr. Noble:

On behalf of my clients, Mari Hand Ferro, Thom Ferro, Andrea Jaffe, Stephen Jaffe, Debra Seyler, Eric R. Weiss and Socorro Yusko, I request pre-probable cause conciliation with regard to Matter Under Review (MUR) 2893 pursuant to 11 C.F.R. § 111.18(d). I have been informed by Senior Attorney Daniel Blessington that the Federal Election Commission has concluded its initial investigation. I understand that this is an appropriate time to seek resolution of this matter.

My clients are willing to enter into negotiations with the Commission in hopes of reaching a settlement. We anticipate hearing from you soon with your response.

Sincerely yours,

Jan Witold Baran

rpb
cc: Daniel J. Blessington, Esq.

2104083139

006 7102

RECEIVED
FEDERAL ELECTION COMMISSION
90 JUL 30 AM 10:46

LAW OFFICE OF
MICHAEL W. WEINSTOCK
A LAW CORPORATION
9107 WILSHIRE BOULEVARD, SUITE 600
BEVERLY HILLS, CALIFORNIA 90210
TELEPHONE (213) 275-1212
FAX (213) 275-1380

MICHAEL W. WEINSTOCK
MICHAEL A. BRODIE

July 24, 1990

Daniel J. Blessington
Office of the General Counsel
999 "E" Street Northwest
Washington, D.C. 20463

90 JUL 30 PM 2:48
RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

Re: Mark H. Kress
Case No.: MUR2893

Dear Mr. Blessington:

This is to advise you that our client Dean Marion wishes to enter into Pre-Probable Cause conciliation in the above case.

We stand ready to speak with you and the members of your office in order to expedite the above process. Please contact us at your earliest convenience and forward to us any necessary paperwork or agreements so that I might review them with Mr. Marion.

We look forward to working with you on this matter.

Very truly yours,

LAW OFFICES OF MICHAEL W. WEINSTOCK
A Law Corporation

By: Michael A. Brodie

MAB:ter
cc: Dean Marion

2104086319 0

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
90 JUL 30 PM 4:36

BEFORE THE FEDERAL ELECTION COMMISSION

Robert D. Kress) MUR 2893 SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On January 26, 1990, the Commission found reason to believe that a number of individuals associated with Westwood One, Inc. ("Westwood") violated 2 U.S.C. § 441f by making contributions to the Biden for President campaign that were later reimbursed by Westwood. The Commission also found reason to believe that Westwood, its Chairman of the Board, Norman J. Pattiz, and two corporate officers, William J. Battison and Gary J. Yusko knowingly and willfully violated 2 U.S.C. §§ 441b and 441f in connection with contributions made to the Biden campaign that were reimbursed by Westwood. In addition, the Commission found no reason to believe that Elizabeth Hines Battison violated 2 U.S.C. § 441f, and decided to take no action with regard to Robert D. Kress at that time.

In furtherance of the investigation of this matter, staff from this Office has taken the depositions of several individuals, including Mark H. Kress.

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended (the "Act"), provides that no person shall make a contribution in the

2104083191

name of another or knowingly permit his or her name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person. 2 U.S.C. § 441f. Pursuant to Commission Regulations, a contribution in the name of another includes giving money or anything of value, all or part of which is provided to the contributor by another person, without disclosing the source of the money or the thing of value to the recipient candidate or committee at the time the contribution is made. 11 C.F.R. § 110.4(b)(2)(i).

Mark H. Kress, Margaret M. Kress, his wife, and Robert D. Kress, his brother, filed the complaint in this matter. Robert D. Kress resides in Brazil. Mark Kress signed the complaint on behalf of his brother as his Attorney in Fact.[1] At the time of its initial findings in this matter, there was no evidence to indicate that Robert Kress knowingly permitted his name to be used in violation of 2 U.S.C. § 441f. The complaint charged that in June of 1987 Norman Pattiz had instructed Mark Kress, who was then employed at Westwood, to provide three checks to the Biden for President campaign in his name and in the names of his fiance and his brother. According to the complaint, Mark

2104088319 2

1. Pursuant to California law, an attorney in fact is simply an agent acting under a written grant of authority. See Delos v. Farmers Insurance Group, Inc., 93 Cal. App. 3d 642, 155 Cal. Rptr. 843 (Cal. Ct. App. 1979). As an agent, the attorney in fact has fiduciary responsibilities to the principal. Id.

Kress provided three checks to Norman Pattiz in the amount of $1,000 each for which he was later reimbursed by Westwood. One of these three checks was in the name of Robert Kress. This check was made payable to the Biden for President campaign, and was used to effect a contribution to the campaign by Westwood One, Inc. The complaint also indicated that Mark Kress managed his brother's finances, and gave no indication that Robert Kress was aware of or had approved of the contribution and reimbursement that involved his name.

On February 22, 1990, staff from this Office took the deposition of Mark Kress. In his testimony, Mark Kress stated that at the time of the request for contributions to the Biden campaign by Norman Pattiz, Robert Kress was staying with him. He also testified that he discussed the Pattiz request with his brother, and that his brother agreed to comply.

Based on the foregoing information that Robert D. Kress agreed to allow a contribution to be made in his name, this Office recommends that the Commission find reason to believe that Robert D. Kress violated 2 U.S.C. § 441f by making a $1,000 contribution to the Biden for President campaign that was later reimbursed by Westwood One, Inc. Because Robert D. Kress resides in Brazil, this Office recommends that the Commission notify him of its findings through his brother, Mark H. Kress, who acts as his Attorney in Fact.

2104083193

III. RECOMMENDATIONS

1. Find reason to believe that Robert D. Kress violated 2 U.S.C. § 441f.

2. Approve the attached Factual and Legal Analysis and appropriate letter.

7/30/90
Date

Lawrence M. Noble
General Counsel

Attachments
1. Factual and Legal Analysis

Staff Persons: Daniel J. Blessington, Jr.
Frania Monarski

2104088319 4

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2893
Robert D. Kress.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 2, 1990, the Commission decided by a vote of 6-0 to take the following actions in MUR 2893:

1. Find reason to believe that Robert D. Kress violated 2 U.S.C. § 441f.

2. Approve the Factual and Legal Analysis and appropriate letter, as recommended in the General Counsel's Report dated July 30, 1990.

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

Attest:

8-3-90
Date

Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Monday, July 30, 1990 4:36 p.m.
Circulated to the Commission: Tuesday, July 31, 1990 4:00 p.m.
Deadline for vote: Thursday, Aug. 2, 1990 4:00 p.m.

dh

2104083195

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 7, 1990

Robert D. Kress
c/o Mark H. Kress
1423 Comstock Avenue
Los Angeles, CA 90024

RE: MUR 2893
Robert D. Kress

Dear Mr. Kress:

On June 9, 1989, the Federal Election Commission notified you that it had received your complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act").

Upon further review of the allegations contained in the complaint, the Commission, on August 2, 1990, found that there is reason to believe you, Robert D. Kress, violated 2 U.S.C. § 441f, a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

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

2104088319 6

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 the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the 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, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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 the General Counsel ordinarily will not give extensions beyond 20 days.

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

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

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

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
Designation of Counsel Form
Factual & Legal Analysis

10408831197

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Robert D. Kress **MUR 2893**

Robert D. Kress is the brother of Mark H. Kress and a signatory to the complaint. In June of 1987, Robert D. Kress provided his brother with a check for $1,000 in his name made payable to the Biden for President campaign with the understanding that he would be reimbursed. This check was used to effect a contribution by Westwood One, Inc. He was subsequently reimbursed for the contribution.

Under 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. Based on the foregoing, there is reason to believe that Robert D. Kress violated 2 U.S.C. § 441f.

2104088319 8

OGC 7516

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

90 AUG 20 PM 12:25

Mark Kress
1423 Comstock Avenue
Los Angeles, CA 90024

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 AUG 21 PM 12:03

Ms. Frania Monarski
Federal Election Commission
Washington, DC 20463

re: MUR 2893

Dear Ms. Monarski:

I have received correspondence from you addressed to Robert Kress at my address. As I told Mr. Blessington, my brother resides in Rio De Janeiro, Brazil. Any correspondence to him should be sent to:

Robert Kress
Rua Anibal de Mendonza
156/21 Ipanema
Rio De Janeiro
22410 Brazil

Sincerely,

Mark H. Kress

2104088319 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 1, 1990

Robert Nolan Conrad, Esquire
6535 Wilshire Boulevard; Suite 700
Los Angeles, California 90048

RE: MUR 2893
Mark and Margaret Kress

Dear Mr. Conrad:

We are in receipt of your letter dated July 2, 1990, requesting pre-probable cause conciliation on behalf of your clients Mark and Margaret Kress in the above referenced matter. However, a review of our files reveals only a designation of counsel by Mark Kress. There is no designation of counsel on behalf of Margaret Kress in our records.

Accordingly, please have Margaret Kress execute the enclosed designation of counsel form and please return it to our office as soon as possible.

If you have any questions regarding this matter, please contact me at (202)376-8200.

Sincerely,

John Canfield
Staff Attorney

Enclosure

>10408832 00

SENSITIVE

90 DEC -4 PM 1:02
RECEIVED
FEDERAL ELECTION COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION

Westwood One, Inc. Norman J. Pattiz William J. Battison Gary J. Yusko Socorro Yusko Eric Weiss Debra Seyler Stephen Jaffe Andrea Jaffe Thomas A. Ferro Mari Hand Ferro Dean Marion Mark H. Kress Margaret M. Kress Robert D. Kress	)	MUR 2893

GENERAL COUNSEL'S REPORT

I. **BACKGROUND**

This matter was initiated by a complaint filed by Mark H. Kress, his wife Margaret M. Kress, and his brother Robert D. Kress. They allege that Norman J. Pattiz, Chairman of the Board of Westwood One, Inc. ("Westwood One" or "the corporation"), made contributions to the Biden for President campaign in the names of Westwood One employees and others, which were then reimbursed by the corporation through the use of false expense reports.

On January 26, 1990, the Commission found reason to believe that a number of individuals associated with Westwood One violated 2 U.S.C. § 441f by making contributions to the Biden for President campaign which were later reimbursed by the corporation. The Commission also found reason to believe that

2104083201

Westwood One, its Chairman Norman J. Pattiz, and two corporate officers, William J. Battison and Gary J. Yusko, knowingly and willfully violated 2 U.S.C. § 441b and § 441f in connection with those contributions made to the Biden campaign that were reimbursed by the corporation. In addition, the Commission found no reason to believe that Elizabeth Hines Battison violated 2 U.S.C. § 441f, and decided to take no further action at that time against Robert D. Kress.

On August 2, 1990, the Commission found reason to believe that Robert D. Kress violated 2 U.S.C. § 441f.[1] All of the respondents, with the exception of Robert Kress, have requested Pre-Probable Cause conciliation.

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person. 2 U.S.C. § 441f. A contribution in the name of another includes giving money or anything of value, all or part of which is provided to the contributor by another person without disclosing the source of the money or the thing of value to the recipient candidate or committee at the time the contribution is made. 11 C.F.R. § 110.4(b)(2)(i). The Commission has noted previously

1. Robert D. Kress currently resides in Brazil. Notice of the reason to believe finding was mailed to him at his last known address in that country but, to date, no response has been received from him.

2104083202

that the provisions of Section 441f apply to any person, including an incorporated or unincorporated entity, who gives money to another to effect a contribution in another person's name. See Advisory Opinion 1986-41. Moreover, the prohibitions of Section 441f apply to individuals who help or assist in the making of contributions in the name of another. 11 C.F.R. § 110.4(b)(iii).

Pursuant to 2 U.S.C. § 441b, a corporation may not make a contribution in connection with the election of a candidate for federal office, and an officer or director of a corporation is prohibited from consenting to the making of a corporate contribution in connection with the election of a federal candidate. Also, a candidate, political committee, or other person is prohibited from knowingly accepting or receiving any contribution prohibited by this section. A contributor may not be paid for his or her contribution through a corporate bonus, expense account, or other form of direct or indirect compensation. 11 C.F.R. § 114.5(b).

Westwood One, Inc. is a publicly held corporation incorporated under the laws of the state of Delaware. It owns and operates the Mutual Broadcast System, the NBC Radio Networks, and local radio stations within the United States. It also produces and distributes syndicated radio programs. Norman J. Pattiz, Westwood One's Chairman of the Board, founded the corporation in 1974.

Mark H. Kress, the principal complainant, was employed by Westwood One from May, 1984 until September, 1988. His complaint

2104083203

charges that on or about June 17, 1987, Norman Pattiz instructed Mr. Kress to give him three checks in the names of Mr. Kress, his wife (then his fiancee), and his brother. Each check was to be in the amount of $1,000 and made payable to the Biden for President campaign. The complaint alleges that Pattiz volunteered that he would arrange for the corporation to reimburse Kress for the amount of the three contributions. When asked why he was supporting Senator Biden, Pattiz allegedly noted his disinterest in the Biden campaign and stated that the money was being raised to enable Pattiz to testify before a subcommittee chaired by Senator Daniel Inouye, a co-chairman of Senator Biden's presidential campaign. On July 17, 1987, Pattiz appeared as a witness before the Senate Subcommittee on Communications of the Committee on Commerce, Science and Transportation, which was chaired by Senator Inouye.

Mr. Kress' complaint alleges that on June 24, 1987, he personally delivered to Pattiz three checks payable to the Biden for President campaign for $1,000 each. These checks were in the names of Kress, his fiancee, and his brother. Kress further alleges that on or about July 9, 1987, Gary Yusko, Westwood One's Vice President of Financial Operations, handed him a corporate check for $3,000 as reimbursement for the above described contributions. Kress claims that the check stub carried the notation "Heart Tour Expenses", which apparently referred to a musical tour for which Kress was responsible but for which he had not submitted any expense requests.

The complaint included a list of Westwood One employees and

>10408832 04

their relatives who reportedly made contributions of $1,000 each to the Biden for President campaign in June, 1987, at the request of Norman Pattiz and who were subsequently reimbursed by the corporation for those contributions. In addition to Mr. Kress, then the Vice President of Music Marketing, the list of employees included: William Battison, President; Eric Weiss, Director of Business Affairs; Gary Yusko, Vice President of Financial Operations; Debra Seyler, Vice President; Thomas Ferro, Vice President/General Manager; Dean Marion, Director of Merchandising; and Stephen Jaffe, Controller. The list of relatives included: Socorro Yusko, wife of Gary Yusko; Andrea Jaffe, wife of Stephen Jaffe; Mari Hand, now the wife of Thomas Ferro; Margaret McAllister, now the wife of Mark Kress; and Robert Kress, brother of Mark Kress.

Prior to the Commission's finding reason to believe that the above-named individuals had violated provisions of the Act, a majority of these persons submitted sworn affidavits to the Commission. These affidavits are all consistent in their admissions that $1,000 contributions were made to the Biden campaign at the request of Norman Pattiz, which were subsequently reimbursed by Westwood One. The reimbursed contributions totaled $13,000. In addition to these affidavits, this Office took the depositions of the following respondents: Mark Kress, Norman Pattiz, Dean Marion, William Battison, Thomas Ferro, Eric Weiss, Stephen Jaffe and Gary Yusko. These depositions were also consistent in the testimony that Norman Pattiz approached various employees and solicited them for contributions to the Biden

2104083205

campaign, and then offered to have the corporation reimburse the employees for those contributions.

A. Westwood One Inc.

Westwood One's corporate response admits that its officers and employees were involved in the making of campaign contributions, and that its Chairman of the Board, Norman Pattiz, authorized $13,000 in corporate funds to reimburse these contributions. The corporation has requested pre-probable cause conciliation.

The response claims that the corporation first became aware that the contribution and reimbursement scheme may have been illegal when a reporter informed Mr. Pattiz of the filing of the complaint in this matter. The corporation asserts that its Board of Directors immediately took action to ensure against further violations. Westwood One's Code of Ethics was amended to expressly prohibit the making or solicitation of contributions to candidates for federal office. The Board also ordered Norman Pattiz to repay the corporation $13,000 plus interest for the reimbursed contributions.

Westwood One states that the reimbursements were made without the knowledge or consent of the Board of Directors, and that Westwood One had not previously or has since made or reimbursed any campaign contributions. Westwood One argues that this was merely an "isolated" incident, and also asserts that it did not benefit from the illegal contributions. The corporate response also maintains that the falsification of expense records was "generally intended to avoid setting any future precedent"

2104083206

for reimbursing other employees' political contributions, and the falsification was not done or intended to facilitate Mr. Pattiz' testimony before Senator Inouye's subcommittee.

The fact remains that the corporate response admits that Westwood One officers and employees violated the Act in making these reimbursed contributions. The officers involved in authorizing and executing these reimbursements included the corporation's founder and Chairman of the Board, its President and Chief Financial Officer, and its Vice President for Financial Affairs. Corporate officers authorized the falsification of corporate records to hide the nature of the reimbursements. A number of other officers and their family members participated in the scheme by making contributions and then accepting corporate reimbursement.

In prohibiting corporate contributions and expenditures, the Act imposes liability on both the corporate officers and on the corporation itself. See 2 U.S.C. § 441b(a). The Act reflects the fact that a corporation can only act through its individuals and that these actions can be imputed to the corporation itself. Westwood One does not explicitly argue otherwise, but instead urges the Commission to proceed against the officers rather than the corporation itself. This Office believes, however, that the undisputed actions of Westwood One's top officers are properly imputed to the corporation in this case. The facts show that Westwood One officers caused corporate contributions to be made in the names of other persons, in violation of § 441b and § 441f. The circumstantial evidence in

2104083207

this matter, that thirteen persons were solicited for contributions, that corporate funds were used for reimbursement of those contributions, and that the nature of the reimbursements were disguised and falsified in the corporate records, all indicates that the activity here was conducted in a knowing and willful manner by the corporate officers. Proceeding against the corporation is particularly appropriate in this case, given both the importance of the officers in the corporate structure and the nature of their involvement in the contribution and reimbursement scheme.

B. Norman Pattiz

Mr. Pattiz has admitted to the substance of the Kress complaint, i.e., that he solicited various employees to make contributions to the Biden for President campaign and then authorized corporate reimbursement for these contributions. Pattiz authorized a total of $13,000 in corporate funds to be used for these reimbursements. After the filing of this complaint, the Westwood One Board of Directors required Pattiz to repay $13,000 to the corporation. Mr. Pattiz, however, asserts in his affidavit and in his deposition that his actions were in good faith and that he was unaware that his fundraising scheme violated federal law.

In his deposition, Pattiz acknowledges soliciting the various contributions and then telling people that the corporation would make reimbursement for those contributions. Pattiz was solicited by a fundraiser for the Biden campaign and agreed to fill a table at a Biden fundraiser at a cost of $1,000

>10408832008

per person. Pattiz testified that he forgot about his commitment and suddenly needed to fill the table at the last minute. Pattiz also acknowledges that he was the first person to raise the issue of corporate reimbursement.

It was Pattiz who instructed William Battison, President of Westwood One, to make sure everyone got reimbursed. Battison apparently presented Pattiz with a plan where reimbursements would be made in the form of a "bonus", but this method would end up costing the corporation more than $1,000 per person because of the extra withholding taxes. Pattiz acknowledged that when he was told the bonus reimbursement would cost more, he said to Battison and to Gary Yusko "[T]hat is ridiculous, just reimburse them." Pattiz says he always just "assumed" that the reimbursements would be listed on the company expense records as reimbursements for political contributions, and denies ever instructing anyone to falsify corporate records to hide the nature of the payments. He further states that he had no information whatsoever that expense records had been falsified until the complaint was filed in this MUR in 1989.

However, Gary Yusko testified in his deposition that William Battison told him that he was going to present Pattiz with the idea of falsifying records in order to hide the reimbursements, and "as far as I know, he did." Yusko also testified that he prepared the reimbursements in this false manner at the direction of Battison, who represented to him that this was being done at the direction of Pattiz. Mr. Battison states in his deposition that he cannot recall if he took this

2104083209

plan to Pattiz for approval or not. Pattiz maintains that he had no idea corporate contributions to federal candidates were illegal. In their depositions, Battison and Yusko testified that it was their understanding that the contribution reimbursements were being falsified so that other employees would not learn of the reimbursement and then expect or ask for reimbursement for their political or charitable contributions. They claim that they did not want to set a "precedent" within the corporation for reimbursing contributions, and they deny that the purpose of the falsified records was to avoid the prohibition on corporate contributions.

The evidence, affidavits and admissions made in this case clearly support the finding that Norman Pattiz assisted in the making of contributions to the Biden for President campaign in the names of other persons, in violation of 2 U.S.C. § 441f; and then consented to and authorized the making of corporate reimbursements for those contributions, in violation of 2 U.S.C. § 441b. Mr. Pattiz himself has admitted to these violations in his affidavit and in his deposition. The very nature of the evidence present in this case, the solicitation of contributors, the corporate reimbursement of those contributions, and the falsification of the reimbursements in the corporate records, indicates activity which was conducted in a knowing and willful manner to avoid compliance with the law. Mr. Pattiz has requested pre-probable cause conciliation.

C. William J. Battison

William J. Battison is the President and Chief Financial

>10408321O

Officer of Westwood One, a position he has held since 1986. According to Mr. Battison's affidavit and his deposition testimony, he made a $1,000 contribution to the Biden for President campaign at the request of Norman Pattiz in June, 1987. Battison testified that after making this contribution, he was instructed by Pattiz to reimburse those persons who had contributed to Biden. Battison testified that he initially proposed to Pattiz that the reimbursements be made in the form of "bonuses" by the corporation. However, he states that Pattiz rejected that idea because of the extra costs to the corporation involved with that method.

Thereafter, Battison and Gary Yusko, Vice President of Financial Affairs, executed the scheme whereby false corporate expense records were used to make the reimbursements and to disguise them as expense reimbursements. Battison does not recall if he ever discussed this plan with Pattiz. His affidavit and his deposition testimony reveal that a corporate check in the amount of $4,000 was issued to Battison as reimbursement to Battison and three other individuals. Battison deposited this check into his personal checking account, and then wrote and delivered three $1,000 checks as reimbursement to Eric Weiss, Debra Seyler and Dean Marion. Battison kept $1,000 in his account as reimbursement for his own contribution.

Battison states that his objective was to keep these reimbursements quiet within the company so as not to establish any precedent for reimbursing other employee contributions. Battison denies having any knowledge at that time that this plan

> 1 0 4 0 8 8 3 2 1 1

violated the Act. He has requested pre-probable cause conciliation.

Battison violated 2 U.S.C. § 441f in that he knowingly allowed his name to used to effect a contribution and assisted in the making of contributions to the Biden for President campaign in the names of other persons. Battison, as a corporate officer, also violated 2 U.S.C. § 441b in that he consented to the making of corporate contributions to a federal candidate by devising and approving a plan where contributions totaling $13,000 were reimbursed with corporate funds. Mr. Battison's activity in this case, helping to plan and execute corporate reimbursements of contributions and then falsifying corporate records to disguise the nature of those payments, indicates a pattern of knowing and willful behavior.

D. Gary J. Yusko and Socorro Yusko

Gary J. Yusko is the Vice President of Financial Operations and Assistant Secretary of Westwood One, a position he has held since 1986. According to Mr. Yusko's affidavit and deposition testimony, both he and his wife, Socorro Yusko, made $1,000 contributions to the Biden for President campaign in June, 1987 at the request of Norman Pattiz.

Subsequent to the making of these contributions, Yusko states that he, Norman Pattiz and William Battison discussed the various ways in which the corporation could reimburse individuals for these contributions. It is Mr. Yusko's recollection that Mr. Battison told him Pattiz had rejected the idea of issuing reimbursements in the form of bonuses. Yusko also stated that

2104083212

after discussing other options, including the falsification of corporate records, Mr. Battison instructed him to prepare and execute the reimbursement payments via falsified expense records. On July 26, 1987, a corporate check in the amount of $4,000 was issued to Mr. Yusko. He kept $2,000 of that amount as reimbursement for the contributions made by his wife and himself. He then wrote and delivered a personal check to Stephen Jaffe, Westwood One's controller, to reimburse Jaffe for contributions made by Jaffe and his wife.

Yusko states that his primary concern in falsifying the corporate records was to prevent the establishment of any precedent within the company for reimbursement of any future contributions by employees. Yusko denies having any knowledge at that time that this scheme violated the Act. Yusko has requested pre-probable cause conciliation.

Gary Yusko violated 2 U.S.C. § 441f in that he knowingly allowed his name to be used to effect a contribution and assisted in the making of contributions to the Biden for President campaign in the names of other persons. Yusko, as a corporate officer, also violated 2 U.S.C. § 441b in that he consented to corporate contributions to a federal candidate by devising and approving a plan where contributions totaling $13,000 were reimbursed with corporate funds. The very nature of Mr. Yusko's activity in this case, helping to plan and execute corporate reimbursements of contributions and then falsifying corporate records to disguise the nature of those payments, indicates a pattern of knowing and willful behavior.

2104083213

Socorro Yusko is the wife of Gary J. Yusko. In her affidavit, Mrs. Yusko states that in May or June of 1987, her husband asked her to make a $1,000 contribution to the Biden for President campaign, which she did. Her husband, in his deposition testimony, confirmed that he made this request of his wife at the urging of Norman Pattiz. Mrs. Yusko also states that she was later reimbursed for this contribution with funds from Westwood One. Thus, Socorro Yusko violated 2 U.S.C. § 441f by knowingly allowing her name to be used to effect a contribution in the name of another. Mrs. Yusko has requested pre-probable cause conciliation.

E. Eric Weiss

Eric Weiss is the Vice President of Business and Legal Affairs for Westwood One, a position he has held since September, 1987. Previously, he was the Director of Business Affairs for the company. In his affidavit and in his deposition testimony, Weiss admitted to making a $1,000 contribution to the Biden for President campaign in June, 1987, at the request of Norman Pattiz. Weiss states that he was subsequently reimbursed for this contribution when William Battison gave him a check in the amount of $1,000. Although he is an attorney, Weiss denies having any knowledge of federal election laws and maintains that he did not know this reimbursement scheme violated the Act. Weiss states that his role as an attorney within Westwood One was primarily that of a business and contract advisor regarding the broadcast industry. Eric Weiss violated 2 U.S.C. § 441f by knowingly allowing his name to be used to effect a contribution

2104083214

in the name of another. Mr. Weiss has requested pre-probable cause conciliation.

F. Debra Seyler

Debra Seyler is Vice President of Corporate Affairs for Westwood One, a position she has held since 1987. In her affidavit, Seyler admits making a $1,000 contribution to the Biden for President campaign in May or June, 1987, at the request of Norman Pattiz. She states that she was later reimbursed for this contribution. This is consistent with the deposition testimony of William Battison, who stated that he wrote a personal check to Seyler for $1,000 to reimburse her after he received $4,000 in corporate funds for reimbursements. Debra Seyler has violated 2 U.S.C. § 441f by knowingly allowing her name to be used to effect a contribution in the name of another. Ms. Seyler has requested pre-probable cause conciliation.

G. Stephen Jaffe and Andrea Jaffe

Stephen Jaffe was employed by Westwood One from June, 1986 until June, 1988. In June of 1987, Jaffe was employed as the controller for Westwood One, and he worked under the supervision of Gary Yusko. In his affidavit and in his deposition testimony, Jaffe admits that he made a $1,000 contribution to the Biden for President campaign in June, 1987, at the request of Norman Pattiz. He also states that at the request of Mr. Pattiz, Jaffe's wife, Andrea Jaffe, also made a $1,000 contribution to the Biden campaign. Subsequently, Jaffe was reimbursed by Westwood One for his and his wife's contributions when Gary Yusko wrote a $2,000 check to Jaffe. Yusko testified that he had

2104083215

received $4,000 in corporate funds to reimburse himself and his wife, as well as Mr. and Mrs. Jaffe. Stephen Jaffe violated 2 U.S.C. § 441f by knowingly allowing his name to be used to effect a contribution in the name of another. Mr. Jaffe has requested pre-probable cause conciliation.

Andrea Jaffe is the wife of Stephen Jaffe. In her affidavit, Mrs. Jaffe states that in June, 1987, she made a $1,000 contribution to the Biden for President campaign for which she was later reimbursed. Her affidavit, as well as the testimony of her husband, indicates that her husband asked her to make this contribution at the request of Norman Pattiz. Andrea Jaffe violated 2 U.S.C. § 441f by knowingly allowing her name to be used to effect a contribution in the name of another. Mrs. Jaffe has requested pre-probable cause conciliation.

H. Thomas Ferro and Mari Hand Ferro

Thomas A. Ferro is the Executive Vice President and General Manager of Westwood One and was so employed at the time of the contributions in question. In his affidavit and in his deposition testimony, Ferro admits that he made a $1,000 contribution to the Biden for President campaign in June of 1987 at the request of Norman Pattiz. In addition, Ferro asked his then fiancee (now wife), Mari Hand Ferro, to make a similar contribution. Mr. Ferro states that he was subsequently reimbursed $2,000 for these contributions with a corporate check from Westwood One. Thomas A. Ferro violated 2 U.S.C. § 441f by knowingly allowing his name to be used to effect a contribution in the name of another. Mr. Ferro has requested

2104083216

pre-probable cause conciliation.

Mari Hand Ferro is the wife of Thomas A. Ferro. In her affidavit, she states that her husband (then boyfriend) asked her in May or June of 1987 to make a $1,000 contribution to the Biden for President campaign. She states that her husband told her this was at the request of Norman Pattiz. Mrs. Ferro made the contribution and gave the check to her husband for delivery. Subsequently, she states that she was reimbursed by her husband for the contribution. This is consistent with the deposition testimony of Thomas Ferro when he stated that he received a $2,000 corporate check from Westwood One to reimburse he and his wife for their contributions. Mari Hand Ferro violated 2 U.S.C. § 441f by knowingly allowing her name to be used to effect a contribution in the name of another. Mrs. Ferro has requested pre-probable cause conciliation.

I. Dean Marion

Dean Ward Marion was employed by Westwood One beginning in 1984. In June of 1987, he was employed as the Director of Merchandising. In his deposition testimony, Marion states that he made a $1,000 contribution to the Biden for President campaign in June of 1987 at the request of Norman Pattiz. Marion claims that Pattiz asked that Marion's wife, Kathie, also make a similar contribution. However, Marion did not ask his wife to make such a contribution. Mr. Marion states further that he was later reimbursed for his contribution by Westwood One when Norman Pattiz gave him a corporate check in the amount of $1,000. Thus, Dean Ward Marion violated 2 U.S.C. § 441f by knowingly

2104083217

allowing his name to be used to effect a contribution in the name of another. Mr. Marion has requested pre-probable cause conciliation.

J. Mark H. Kress and Margaret Kress

Mr. Kress, the principal complainant, admits in both his complaint and in his deposition that on June 24, 1987, he personally delivered to Norman Pattiz three checks of $1,000 each made payable to the Biden for President campaign. These checks were in his own name and in the names of his brother and fiancee. Kress acknowledges that he provided these checks to Pattiz with the understanding that he would be reimbursed, and that he was reimbursed by means of a falsified corporate expense check on or about July 9, 1987. Thus, Mark H. Kress violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

Margaret Kress, formerly Margaret McAllister, is the wife of Mark H. Kress and is a signatory to the complaint. The complaint, confirmed by the deposition testimony of her husband, states that in June of 1987, she provided Mark Kress with a check for $1,000 in her name made payable to the Biden for President campaign. This check was used to effect a contribution to the Biden campaign by Westwood One, for which she was subsequently reimbursed. Thus, Margaret Kress violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect a contribution in the name of another. Margaret Kress has requested pre-probable cause conciliation.

2104083218

K. Robert D. Kress

Robert D. Kress is the brother of Mark Kress and is a signatory to the complaint. The complaint, as well as the deposition testimony of his brother, indicates that in June of 1987, Mark Kress, who handled his brother's finances, provided Norman Pattiz with a check in the name of Robert Kress in the amount of $1,000. This check was made payable to the Biden for President campaign. It was used to effect a contribution to the Biden campaign by Westwood One, for which Robert Kress, through his brother, was subsequently reimbursed.

In his deposition testimony, Mark Kress stated that his brother Robert was staying with him at the time Norman Pattiz requested these contributions, and that Mark Kress discussed the Pattiz request with Robert Kress. Mark Kress testified that his brother agreed to comply with Pattiz' request. Thus, Robert D. Kress violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

As stated in a prior footnote, Robert D. Kress currently resides in Brazil. The Commission's findings were initially mailed to Mark Kress, who had earlier identified himself to the Commission as his brother's Attorney-in-Fact. However, Mark Kress returned the findings to this Office with a letter advising that they should be sent directly to his brother in Brazil. This Office mailed the Commission's finding of reason to believe against Robert Kress to him at his last known address in Brazil on August 22, 1990, via registered mail. To date, this Office has received no response from him, nor has any receipt been

2104083219

received showing that the letter was actually delivered to Mr. Kress.

III. KNOWING AND WILLFUL VIOLATIONS

The Commission earlier found reason to believe that the § 441b and § 441f violations by Westwood One, Inc., Norman Pattiz, William Battison and Gary Yusko were knowing and willful.

The Act addresses violations of the law which are knowing and willful. See 2 U.S.C. § 437g(a)(5)(C) and § 437g(d). During the House debates on the Conference Report for the 1976 Amendments, Congressman Hayes stated that the phrase "knowing and willful" referred "to actions taken with full knowledge of all the facts and a recognition that the action is prohibited by law." 122 Cong. Rec. H3778 (daily ed. May 3, 1976). The knowing and willful standard has also been addressed by the courts. In Federal Election Commission v. John A. Dramesi for Congress Committee, 640 F. Supp. 985 (D.N.J. 1986), the court noted that the knowing and willful standard requires knowledge that one is violating the law. The totality of the evidence in this case supports the finding that the actions in this case were done in a "knowing and willful" manner.

Norman Pattiz states in his affidavit and in his deposition that his actions were conducted in good faith and that he was unaware that his fundraising scheme violated the law. In his deposition, Pattiz said that he never thought of simply writing a $13,000 corporate check in order to fill the table at the Biden fundraiser because he thought the Biden campaign was trying to get names and contributions from individuals to help build grass

> 10408832 20

roots support for their candidate. Pattiz also states that as soon as he became aware of the Kress complaint and the possible illegality of his actions, he initiated an internal corporate review of the facts and the law. He personally repaid the $13,000 back to the corporation.

However, the totality of the evidence and circumstances in this case indicates that the activity here was conducted in a knowing and willful manner in order to avoid the requirements and restrictions of the law. Pattiz states that he did not know corporate contributions were illegal, yet rather than simply write a large corporate check, he went to the extreme of soliciting thirteen individuals for contributions, and then went to the further trouble of reimbursing each individual. It was Pattiz who instructed Battison and Yusko not to issue the reimbursements as "bonuses", because that would cost the corporation more money in the long run after taxes were withheld. As a result, the reimbursements were disguised as payments for expenses and the corporate records were falsified to hide this fact. This is a lot of trouble to go to by a person who maintains that he did not know corporate contributions were illegal. Pattiz only initiated an internal investigation into this matter when he was approached by a reporter with information about the filing of this complaint. The totality of the evidence here clearly indicates that the activity was conducted in a knowing and willful manner to avoid the requirements of the law.

Similarly, there is sufficient evidence to support a knowing and willful violation against William Battison, Gary

> 1 0 4 0 8 8 3 2 1

Yusko, and Westwood One, Inc. Battison and Yusko have admitted their involvement in making contributions and then devising the scheme to disguise those same contributions. They went to a great amount of time and trouble in order to make the reimbursements and then disguise their true nature in the corporate records. The knowing and willful actions of these officers is also properly attributed to the corporation itself.

Therefore, the General Counsel recommends that the Commission enter into pre-probable cause conciliation with Westwood One, Inc., Norman Pattiz, William Battison and Gary Yusko on the § 441b and § 441f violations as being knowing and willful violations of the Act.

IV. DISCUSSION OF CONCILIATION AND CIVIL PENALTIES

2104083222

›1040883223

2104083224

III. RECOMMENDATIONS

1. Enter into conciliation prior to a finding of probable cause to believe with Norman J. Pattiz, Westwood One, Inc., Mark H. Kress, Margaret Kress, William J. Battison, Gary J. Yusko, Socorro Yusko, Eric Weiss, Debra Seyler, Stephen Jaffe, Andrea Jaffe, Thomas Ferro, Mari Hand Ferro, and Dean Marion.

2.

3. Approve the attached conciliation agreements and the appropriate letters.

12/4/90
Date

Lawrence M. Noble
General Counsel

Attachments
1.
2. Requests for pre-probable cause conciliation
3. Conciliation agreements (10)

Staff assigned: John Canfield

FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/DELORES HARRIS DH
COMMISSION SECRETARY

DATE: DECEMBER 6, 1990

SUBJECT: MUR 2893 - GENERAL COUNSEL'S REPORT
DATED DECEMBER 4, 1990

The above-captioned document was circulated to the Commission on Tuesday, December 4, 1990 at 4:00 p.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	
Commissioner Elliott	XXX
Commissioner Josefiak	XXX
Commissioner McDonald	
Commissioner McGarry	XXX
Commissioner Thomas	

This matter will be placed on the meeting agenda for TUESDAY, DECEMBER 11, 1990.

Please notify us who will represent your Division before the Commission on this matter.

2104088322 5

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Westwood One, Inc.;	)	
Norman J. Pattiz;	)	
William J. Battison;	)	
Gary J. Yusko;	)	
Socorro Yusko;	)	
Eric Weiss;	)	MUR 2893
Debra Seyler;	)	
Stephen Jaffe;	)	
Andrea Jaffe;	)	
Thomas A. Ferro;	)	
Mari Hand Ferro;	)	
Dean Marion;	)	
Mark H. Kress;	)	
Margaret M. Kress;	)	
Robert D. Kress.	)	

2140883226

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on December 11, 1990, do hereby certify that the Commission decided by a vote of 4-2 to take the following actions in MUR 2893:

1. Enter into conciliation prior to a finding of probable cause to believe with Norman A. Pattiz, Westwood One, Inc., Mark H. Kress, Margaret Kress, William J. Battison, Gary J. Yusko, Socorro Yusko, Eric Weiss, Debra Seyler, Stephen Jaffe, Andrea Jaffe, Thomas Ferro, Mari Hand Ferro, and Dean Marion.

(continued)

2.

3. Approve the conciliation agreements and appropriate letters as recommended in the General Counsel's report dated December 4, 1990, subject to amendment of the agreements as decided during the meeting discussion this date.

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

Attest:

12-13-90
Date

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

2104088322 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 18, 1990

Jan Witold Baran, Esquire
Wiley, Rein and Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 2893

Dear Mr. Baran:

On January 26, 1990, the Federal Election Commission found reason to believe that William Battison and Gary J. Yusko knowingly and willfully violated 2 U.S.C. § 441b and § 441f; and that Mari Hand Ferro, Thomas Ferro, Andrea Jaffe, Stephen Jaffee, Debra Seyler, Eric Weiss and Socorro Yusko each violated 2 U.S.C. § 441f. At your request, on December 11, 1990, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed are the conciliation agreements that the Commission has approved in settlement of this matter. If your clients agree with the provisions of the enclosed agreements, please sign and return them, along with the civil penalties, 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 mutually satisfactory conciliation agreements, please contact John Canfield, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreements (6)

2104083228

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 18, 1990

Joseph W. Cotton, Esquire
201 North Figueroa Street
Los Angeles, California 90012-2638

RE: MUR 2893
Westwood One, Inc.

Dear Mr. Cotton:

On January 26, 1990, the Federal Election Commission found reason to believe that Westwood One, Inc., knowingly and willfully violated 2 U.S.C. § 441b and § 441f. At your request, on December 11, 1990, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your client agrees with the provisions of the enclosed 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 a mutually satisfactory conciliation agreement, please contact John Canfield, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

2104083229

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 18, 1990

Robert Nolan Conrad, Esquire
6535 Wilshire Blvd., Suite 700
Los Angeles, California 90048

RE: MUR 2893
Mark and Margaret Kress

Dear Mr. Conrad:

On January 26, 1990, the Federal Election Commission found reason to believe that Mark and Margaret Kress each violated 2 U.S.C. § 441f. At your request, on December 11, 1990, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your clients agree with the provisions of the enclosed agreement, please 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 a mutually satisfactory conciliation agreement, please contact John Canfield, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

2104083230

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 18, 1990

Michael A. Brodie, Esquire
Law Office of Michael W. Weinstock
9107 Wilshire Blvd., Suite 600
Beverly Hills, California 90210

RE: MUR 2893
Dean Marion

Dear Mr. Brodie:

On January 26, 1990, the Federal Election Commission found reason to believe that Dean Marion violated 2 U.S.C. § 441f. At your request, on December 11, 1990, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your client agrees with the provisions of the enclosed 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 a mutually satisfactory conciliation agreement, please contact John Canfield, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

2104088323 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 18, 1990

Robert F. Bauer, Esquire
Perkins Coie
1201 Third Avenue
Seattle, Washington 98101-3099

RE: MUR 2893
Norman J. Pattiz

Dear Mr. Bauer:

On January 26, 1990, the Federal Election Commission found reason to believe that Norman J. Pattiz knowingly and willfully violated 2 U.S.C. § 441b and § 441f. At your request, on December 11, 1990, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your client agrees with the provisions of the enclosed 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 a mutually satisfactory conciliation agreement, please contact John Canfield, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

2104088332

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 4, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Michael A. Brodie, Esquire
Law Office of Michael W. Weinstock
9107 Wilshire Blvd., Suite 600
Beverly Hills, California 90210

RE: MUR 2893
Dean Marion

Dear Mr. Brodie:

On December 18, 1990, you were notified that, at your request, the Federal Election Commission determined to enter into negotiations directed toward reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. On that same date you were sent a conciliation agreement offered by the Commission in settlement of this matter.

Please note that conciliation negotiations entered into prior to a finding of probable cause to believe are limited to a maximum of 30 days. To date, you have not responded to the proposed agreement. The 30 day period for negotiations has expired. Unless we receive a response from you within five days, this Office will consider these negotiations terminated and will proceed to the next stage of the enforcement process.

Should you have any questions, please contact John Canfield, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

George F. Rishel

BY: George F. Rishel
Assistant General Counsel

2104088323

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 4, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Nolan Conrad, Esquire
6535 Wilshire Blvd., Suite 700
Los Angeles, California 90048

RE: MUR 2893
Mark and Margaret Kress

Dear Mr. Conrad:

On December 18, 1990, you were notified that, at your request, the Federal Election Commission determined to enter into negotiations directed toward reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. On that same date you were sent a conciliation agreement offered by the Commission in settlement of this matter.

Please note that conciliation negotiations entered into prior to a finding of probable cause to believe are limited to a maximum of 30 days. To date, you have not responded to the proposed agreement. The 30 day period for negotiations has expired. Unless we receive a response from you within five days, this Office will consider these negotiations terminated and will proceed to the next stage of the enforcement process.

Should you have any questions, please contact John Canfield, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: George F. Rishel
Assistant General Counsel

2104088323 4

OGC 0057

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

91 FEB 11 AM 11:49

LAW OFFICE OF
MICHAEL W. WEINSTOCK
A LAW CORPORATION
9107 WILSHIRE BOULEVARD, SUITE 600
BEVERLY HILLS, CALIFORNIA 90210
TELEPHONE (213) 275-1212
FAX (213) 275-6776

MICHAEL W. WEINSTOCK
MICHAEL A. BRODIE

February 7, 1991

91 FEB 12 AM 10:39
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

John Canfield, Esq.
FEDERAL ELECTION COMMISSION
Washington, DC 20463

RE: MUR 2893
Dean Marion

Dear Mr. Canfield:

This is to confirm our telephone conversation of February 5, 1991 concerning the above case involving our client Dean Marion.

Please find enclosed the original Conciliation Agreement which has been executed by my client. In addition, we enclose his check for $500.00 to cover the agreed upon civil penalty as set forth in Article VI of that Agreement.

We would appreciate it if you would return to our office a conformed copy signed by your general counsel. At that time we will close our file on that matter.

We appreciate your continuing professional courtesies.

Very truly yours,

LAW OFFICES OF MICHAEL W. WEINSTOCK
A Law Corporation

By: Michael A. Brodie

MAB:ter
/encl.

2140833235

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 7, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jan Witold Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 2893
William Battison, et al.

Dear Mr. Baran:

On December 18, 1990, you were notified that, at your request, the Federal Election Commission determined to enter into negotiations directed toward reaching conciliation agreements in settlement of this matter prior to a finding of probable cause to believe. On that same date you were sent six conciliation agreements offered by the Commission in settlement of this matter.

At your request, a meeting was held on January 9, 1991, between yourself and Commission attorneys to discuss conciliation negotiations. On that same date, you requested that the Commission provide you with a transcript of Norman Pattiz's deposition. The Commission granted this request and the transcript was mailed to you on January 25, 1991.

Please note that conciliation negotiations entered into prior to a finding of probable cause to believe are limited to a maximum of 30 days. To date, with the exception of Eric Weiss, you have not responded to any of the other proposed agreements. The 30 day period for negotiations has expired. Unless we receive a response from you within five days, this Office will consider these negotiations terminated and will proceed to the next stage of the enforcement process.

2104088332336

Should you have any questions, please contact John Canfield, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

2104088332337

RECEIVED
FEDERAL ELECTION COMMISSION
91 MAR -4 PM 4:03

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Dean Ward Marion	)	MUR 2893 **SENSITIVE**
Eric Weiss	)	
Mark H. Kress	)	
Margaret Kress	)	
	)	

GENERAL COUNSEL'S REPORT

I. **BACKGROUND**

Attached are three conciliation agreements which have been signed by respondents Dean Ward Marion, Eric Weiss, Mark H. Kress and Margaret Kress.

2104088323 8

9110408832339

II. **RECOMMENDATIONS**

1. Accept the attached conciliation agreements with Dean Ward Marion, Eric Weiss, Mark H. Kress and Margaret Kress.

2. Close the file as to these respondents.

3. Approve the appropriate letters.

3/4/91
Date

Lawrence M. Noble
General Counsel

Attachments
1. Marion conciliation agreement and check
2. Weiss conciliation agreement and check
3. Kress conciliation agreement and check

Staff Assigned: John Canfield

> 1 0 4 0 8 8 3 2 4 0

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS /DELORES HARRIS
COMMISSION SECRETARY

DATE: MARCH 8, 1991

SUBJECT: MUR 2893 - GENERAL COUNSEL'S REPORT
DATED MARCH 4, 1991.

The above-captioned document was circulated to the Commission on Tuesday, March 5, 1991 at 11:00 a.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	
Commissioner Elliott	
Commissioner Josefiak	
Commissioner McDonald	
Commissioner McGarry	XXX
Commissioner Thomas	XXX

This matter will be placed on the meeting agenda for TUESDAY, MARCH 19, 1991.

Please notify us who will represent your Division before the Commission on this matter.

2104088324 1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2893
Dean Ward Marion;	)	
Eric Weiss;	)	
Mark H. Kress;	)	
Margaret Kress.	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on March 19, 1991, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 2893:

1. Accept the conciliation agreements with Dean Ward Marion, Eric Weiss, Mark H. Kress and Margaret Kress as recommended in the General Counsel's report dated March 4, 1991, subject to amendment as agreed during the meeting discussion.

2. Close the file as to these respondents.

3. Approve appropriate letters.

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

Attest:

3-20-91
Date

Marjorie W. Emmons
Secretary of the Commission

> 1 0 4 0 8 8 3 2 4 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 25, 1991

Michael A. Brodie, Esquire
Law Office of Michael W. Weinstock
9107 Wilshire Blvd., Suite 600
Beverly Hills, California 90210

RE: MUR 2893
Dean Marion

Dear Mr. Brodie:

On March 19, 1991, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441f, 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 your client.

This matter will become a part of the public record within 30 days after it has been closed with respect to all other respondents involved. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel. Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed. In the event you wish to waive confidentiality under 2 U.S.C. § 437g(a)(12)(A), written notice of the waiver must be submitted to the Commission. Receipt of the waiver will be acknowledged in writing by the Commission.

2104083243

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact John Canfield, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

2104088324

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2893
Dean Ward Marion	)	
	)	

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Mark H. Kress, Margaret Kress and Robert D. Kress. The Federal Election Commission ("Commission") found reason to believe that Dean Ward Marion ("Respondent") violated 2 U.S.C. § 441f.

NOW, THEREFORE, the Commission and the Respondent, 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 Respondent 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. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

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

1. Dean Ward Marion was an employee of Westwood One, Inc., and is a person within the meaning of 2 U.S.C. § 431(11).

2. The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no person shall make a

2104083245

contribution in the name of another or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another. 2 U.S.C. § 441f. A contribution in the name of another includes giving money or anything of value, all or part of which is provided to the contributor by another person without disclosing the source of the money or the thing of value to the recipient candidate or committee at the time the contribution is made. 11 C.F.R. § 110.4(b)(2)(i). The provisions of Section 441f apply to individuals who help or assist in the making of contributions in the name of another. 11 C.F.R. § 110.4(b)(1)(iii). Section 441f also applies to incorporated and unincorporated entities. See Advisory Opinion 1986-41. A contributor may not be paid for his or her contribution through a corporate bonus, expense account, or other form of direct or indirect compensation. 11 C.F.R. § 114.5(b).

3. Respondent made a $1,000 contribution to the Biden for President campaign on June 19, 1987, at the request of Norman Pattiz, Chairman of the Board of Westwood One, Inc.

4. Respondent was reimbursed for his contribution by William J. Battison, President and Chief Financial Officer of Westwood One, Inc. Battison had previously received a Westwood One, Inc. corporate check in the amount of $4,000, dated June 26, 1987, from which to make this reimbursement to himself and three other people, including Respondent.

V. Respondent knowingly permitted his name to be used to effect a contribution to the Biden for President campaign by

> 10408832246

accepting reimbursement for his contribution, in violation of 2 U.S.C. § 441f.

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of five hundred dollars ($500), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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

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

IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

2104083247

X. 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 enforceable.

FOR THE COMMISSION:

J M Noble (PB)
Lawrence M. Noble
General Counsel

3-22-91
Date

FOR THE RESPONDENT:

Dean Ward Marion

2/5/91
Date

21040883248

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 25, 1991

Robert Nolan Conrad, Esquire
6535 Wilshire Boulevard, Suite 700
Los Angeles, California 90048

RE: MUR 2893
Mark & Margaret Kress

Dear Mr. Conrad:

On March 19, 1991, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your clients' behalf in settlement of a violation of 2 U.S.C. § 441f, 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 your clients.

This matter will become a part of the public record within 30 days after it has been closed with respect to all other respondents involved. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel. Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed. In the event you wish to waive confidentiality under 2 U.S.C. § 437g(a)(12)(A), written notice of the waiver must be submitted to the Commission. Receipt of the waiver will be acknowledged in writing by the Commission.

2104083249

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact John Canfield, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

2104088325O

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2893
Mark H. Kress and	)	
Margaret Kress	)	

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Mark H. Kress, Margaret Kress and Robert D. Kress. The Federal Election Commission ("Commission") found reason to believe that Mark H. Kress and Margaret Kress ("Respondents") violated 2 U.S.C. § 441f.

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

2104083251

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

1. Mark H. Kress is a former employee of Westwood One, Inc., and is a person within the meaning of 2 U.S.C. § 431(11). Margaret Kress is the wife of Mark H. Kress and is a person within the meaning of 2 U.S.C. § 431(11).

2. The Federal Election Campaign Act of 1971, as amended ("The Act"), provides that no person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another. 2 U.S.C. § 441f. A contribution in the name of another includes giving money or anything of value, all or part of which is provided to the contributor by another person without disclosing the source of the money or the thing of value to the recipient candidate or committee at the time the contribution is made. 11 C.F.R. § 110.4(b)(2)(i). The provisions of Section 441f apply to individuals who help or assist in the making of contributions in the name of another. 11 C.F.R. § 110.4(b)(1)(iii). Section 441f also applies to incorporated and unincorporated entities. See Advisory Opinion 1986-41. A contributor may not be paid for his or her contribution through a corporate bonus,

> 1040883252

expense account, or other form of direct or indirect compensation. 11 C.F.R. §114.5(b).

3. Respondent Mark H. Kress made a $1,000 contribution to the Biden for President campaign on June 24, 1987, at the request of Norman Pattiz, Chairman of the Board of Westwood One, Inc. Respondent Mark H. Kress contends that Norman Pattiz ordered Respondent Mark H. Kress, an employee of Westwood One, Inc., as a condition of said Respondent's continuing employment, to make and obtain the contributions referred to in this Conciliation Agreement.

4. Margaret Kress, formerly known as Margaret McAllister, made a $1,000 contribution to the Biden for President campaign on June 24, 1987 at the request of her husband (then her fiance) Mark H. Kress.

5. Respondents were reimbursed for their contributions by a Westwood One, Inc. corporate check in the amount of $3,000 dated June 26, 1987 and made payable to Mark Kress. Mark Kress retained $2,000 of this amount as reimbursement for the contributions of himself and his wife, and subsequently made a $1,000 reimbursement of the remaining funds to his brother, Robert Kress.

6. Respondents contend that they did not knowingly and intentionally act to violate 2 U.S.C. § 441f, and that any violation on their part was not conducted in a knowing and willful manner.

21040883253

V. Respondents knowingly permitted their names to be used to effect contributions to the Biden for President campaign by accepting reimbursement for those contributions; this was in violation of 2 U.S.C. §441f.

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of three hundred dollars ($300), pursuant to 2 U.S.C. §437g(a)(5)(A).

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

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

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

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents

2104083254

of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

3/25/91
Date

FOR THE RESPONDENTS:

Mark H. Kress

1/31/91
Date

Margaret Kress

1/31/91
Date

2104088325 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 25, 1991

Jan Witold Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 2893
Eric Weiss

Dear Mr. Baran:

On March 19, 1991, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on behalf of your client Eric Weiss in settlement of a violation of 2 U.S.C. § 441f, 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 your client.

This matter will become a part of the public record within 30 days after it has been closed with respect to all other respondents involved. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel. Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed. In the event you wish to waive confidentiality under 2 U.S.C. § 437g(a)(12)(A), written notice of the waiver must be submitted to the Commission. Receipt of the waiver will be acknowledged in writing by the Commission.

>10408832256

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact John Canfield, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

2104088325 7

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2893
Eric Weiss	)	
	)	

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Mark H. Kress, Margaret Kress and Robert D. Kress. The Federal Election Commission ("Commission") found reason to believe that Eric Weiss ("Respondent") violated 2 U.S.C. § 441f.

NOW, THEREFORE, the Commission and the Respondent, 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 Respondent 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. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

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

2104083258

1. Eric Weiss ~~is~~ was the Director of Business Affairs of Westwood One, Inc., and is a person within the meaning of 2 U.S.C. § 431(11).

2. The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another. 2 U.S.C. § 441f. A contribution in the name of another includes giving money or anything of value, all or part of which is provided to the contributor by another person without disclosing the source of the money or the thing of value to the recipient candidate or committee at the time the contribution is made. 11 C.F.R. § 110.4(b)(2)(i). The provision of Section 441f apply to individuals who help or assist in the making of contributions in the name of another. 11 C.F.R. § 110.4(b)(1)(iii). Section 441F also applies to incorporated and unincorporated entities. See Advisory Opinion 1986-41. A contributor may not be paid for his or her contribution through a corporate bonus, expense account, or other form of direct or indirect compensation. 11 C.F.R. § 114.5(b).

3. Respondent made a $1,000 contribution to the Biden for President campaign on June 19, 1987, at the request of Norman Pattiz, Chairman of the Board of Westwood One, Inc.

2104083259

4. Respondent was reimbursed for his contribution by William J. Battison, President and Chief Financial Officer of Westwood One, Inc.

V. Respondent knowingly permitted his name to be used to effect a contribution to the Biden for President campaign by accepting reimbursement for his contribution, in violation of 2 U.S.C. § 441f.

VI. Respondent contends that such violation was not knowing and willful.

VII. Respondent will pay a civil penalty to the Federal Election Commission in the amount of five hundred dollars ($500), 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 same and the Commission has approved the entire agreement.

X. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

2104083260

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 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

3-22-91
Date

FOR THE RESPONDENT:

Eric Weiss

2/12/91
Date

> 1040883261

RECEIVED
FEDERAL ELECTION COMMISSION
91 MAR 26 PM 4:03

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	**SENSITIVE**
	)	
Thomas Ferro	)	
Mari Hand Ferro	)	MUR 2893
Stephen Jaffe	)	
Andrea Jaffe	)	
Debra Seyler	)	
Socorro Yusko	)	
	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached are four conciliation agreements which have been signed by respondents Thomas and Mari Hand Ferro, Stephen and Andrea Jaffe, Debra Seyler, and Socorro Yusko.

2104088326 2

2104088326 3

> 1 0 4 0 8 8 3 2 6 4

II. **RECOMMENDATIONS**

1. Accept the attached conciliation agreements with Thomas and Mari Hand Ferro, Stephen and Andrea Jaffe, Debra Seyler, and Socorro Yusko.

2. Close the file as to these respondents.

3. Approve the appropriate letters.

Date 3/25/91

Lawrence M. Noble
General Counsel

Attachments
1. 2 letters from respondents' counsel (3/8 and 3/12/91)
2. Ferro conciliation agreement and check
3. Jaffe conciliation agreement and check
4. Seyler conciliation agreement and check
5. Yusko conciliation agreement and check

Staff Assigned: John Canfield

21040883265

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Thomas Ferro; Mari Hand Ferro;	)	MUR 2893
Stephen Jaffe; Andrea Jaffe;	)	
Debra Seyler; Socorro Yusko.	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 29, 1991, the Commission decided by a vote of 6-0 to take the following actions in MUR 2893:

1. Accept the conciliation agreement with Thomas and Mari Hand Ferro, Stephen and Andrea Jaffe, Debra Seyler, and Socorro Yusko, as recommended in the General Counsel's Report dated March 25, 1991.

2. Close the file as to these respondents.

3. Approve the appropriate letters, as recommended in the General Counsel's Report dated March 25, 1991.

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

Attest:

March 29, 1991
Date

Delores Harris
for Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Tues., Mar. 26, 1991 4:09 p.m.
Circulated to the Commission: Wed., Mar. 27, 1991 11:00 a.m.
Deadline for vote: Fri., Mar. 29, 1991 11:00 a.m.

dr

2140883266

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 4, 1991

Jan Witold Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 2893
Thomas and Mari Hand Ferro
Stephen and Andrea Jaffe
Debra Seyler
Socorro Yusko

Dear Mr. Baran:

On March 29, 1991, the Federal Election Commission accepted the signed conciliation agreements and civil penalties submitted on behalf of your above-referenced clients in settlement of violations of 2 U.S.C. § 441f, 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 the above-referenced persons.

This matter will become a part of the public record within 30 days after it has been closed with respect to all other respondents involved. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel. Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreements, however, will become a part of the public record.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed. In the event you wish to waive confidentiality under 2 U.S.C. § 437g(a)(12)(A), written notice of the waiver must be submitted to the Commission. Receipt of the waiver will be acknowledged in writing by the Commission.

2104083267

Enclosed you will find copies of the fully executed conciliation agreements for your files. If you have any questions, please contact John Canfield, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Lois G. Lerner per

BY: Lois G. Lerner
Associate General Counsel

Enclosures
Ferro conciliation agreement
Jaffe conciliation agreement
Seyler conciliation agreement
Socorro Yusko conciliation agreement

2104088326 8

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2893
Stephen Jaffe and	)	
Andrea Jaffe	)	

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Mark H. Kress, Margaret Kress and Robert D. Kress. The Federal Election Commission ("Commission") found reason to believe that Stephen Jaffe and Andrea Jaffe ("Respondents") violated 2 U.S.C. § 441f.

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

2104083269

1. Stephen Jaffe was the Controller of Westwood One, Inc., and is a person within the meaning of 2 U.S.C. § 431(11). Andrea Jaffe is the wife of Stephen Jaffe and is a person within the meaning of 2 U.S.C. § 431(11).

2. The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another. 2 U.S.C. § 441f. A contribution in the name of another includes giving money or anything of value, all or part of which is provided to the contributor by another person without disclosing the source of the money or the thing of value to the recipient candidate or committee at the time the contribution is made. 11 C.F.R. § 110.4(b)(2)(i). The provisions of Section 441f apply to individuals who help or assist in the making of contributions in the name of another. 11 C.F.R. § 110.4(b)(iii). Section 441f also applies to incorporated and unincorporated entities. See Advisory Opinion 1986-41. A contributor may not be paid for his or her contribution through a corporate bonus, expense account, or other form of direct of indirect compensation. 11 C.F.R. § 114.5(b).

2104083270

3. Respondent Stephen Jaffe made a $1,000 contribution to the Biden for President campaign on June 19, 1987, at the request of Norman Pattiz, Chairman of the Board of Westwood One, Inc.

4. Andrea Jaffe made a $1,000 contribution to the Biden for President campaign on June 18, 1987, at the request of her husband, Stephen Jaffe.

5. Respondents were reimbursed for their contributions by Gary J. Yusko, Vice President of Financial Operations for Westwood One, Inc.

V. Respondents knowingly permitted their names to be used to effect contributions to the Biden for President campaign by accepting reimbursement for those contributions, in violation of 2 U.S.C. § 441f.

VI. Respondents contend that such violation was not knowing and willful.

VII. Respondents will pay a civil penalty to the Federal Election Commission in the amount of one thousand dollars ($1,000), pursuant to 2 U.S.C. § 437(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

2104083271

may institute a civil action for relief in the Untied States District Court for the District of Columbia.

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

X. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement 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 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 GR
Lawrence M. Noble
General Counsel

4/3/91
Date

FOR THE RESPONDENTS:

Stephen Jaffe

2/26/91
Date

A Jaffe
Andrea Jaffe

2/26/91
Date

> 10408832 72

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2893
Thomas Ferro and	)	
Mari Hand Ferro	)	

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by mark H. Kress, Margaret Kress and Robert D. Kress. The Federal Election Commission ("Commission") found reason to believe that Thomas Ferro and Mari Hand Ferro ("Respondents") violated 2 U.S.C. § 441f.

NOW, THEREFORE, the commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

2104083273

1. Thomas Ferro is the Vice President and General Manager of the Westwood Radio Network, Inc., and is a person within the meaning of 21 U.S.C. § 431(11). Mari Hand Ferro is the wife of Thomas Ferro and is a person within the meaning of 2 U.S.C. § 431(11).

2. The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another. 2 U.S.C. § 441f. A contribution in the name of another includes giving money or anything of value, all or part of which is provided to the contributor by another person without disclosing the source of the money or the thing of value to the recipient candidate or committee at the time the contribution is made. 11 C.F.R. § 110.4(b)(2)(i). The provisions of Section 441F apply to individuals who help or assist in the making of contributions in the name of another. 11 C.F.R. § 110.4(b)(1)(iii). Section 441f also applies to incorporated and unincorporated entities. See Advisory Opinion 1986-41. A contributor may not be paid for his or her contribution through a corporate bonus, expense account, or other form of direct or indirect compensation. 11 C.F.R. § 114.5(b).

2104083274

3. Respondent Thomas Ferro made a $1,000 contribution to the Biden for President campaign on June 22, 1987, at the request of Norman Pattiz, Chairman of the Board of Westwood One, Inc.

4. Respondent Mari Hand Ferro, known then as Mari Hand, made a $1,000 contribution to the Biden for President campaign on June 22, 1987, at the request of her husband (then fiancé) Thomas Ferro.

5. Respondents were reimbursed for their contributions by a Westwood One, Inc. corporate check in the amount of $2,000 dated June 26, 1987, and made payable to Thomas Ferro.

V. Respondents knowingly permitted their names to be used to effect contributions to the Biden for President campaign by accepting reimbursement for these contributions, in violation of 2 U.S.C. § 441f.

VI. Respondents contend that such violation was not knowing and willful.

VII. Respondents will pay a civil penalty to the Federal Election Commission in the amount of one thousand dollars ($1,000), 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

2104083275

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 same and the commission has approved the entire agreement.

X. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement 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 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 PR
Lawrence M. Noble
General Counsel

4/13/91
Date

FOR THE RESPONDENTS:

Thomas Ferro

2/20/91
Date

Mari Hand Ferro

2-21-91
Date

2104088327 6

C 0353

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2893
Debra Seyler	)	
	)	

CONCILIATION AGREEMENT

This matter was initiated by signed, sworn, and notarized complaint by Mark H. Kress, Margaret Kress and Robert D. Kress. The Federal Election Commission ("Commission") found reason to believe that Debra Seyler ("Respondent") violated 2 U.S.C. § 441f.

NOW, THEREFORE, the Commission and the Respondent, 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 Respondent 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. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

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

91 MAR 13 PM 3:48
RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

21040883277

1. Debra Seyler was the Vice President of Westwood One, Inc., and is a person with the meaning of 2 U.S.C. § 431(11).

2. The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person i the name of another. 2 U.S.C. § 441f. A contribution in the name of another includes giving money or anything of value, all or part of which is provided to the contributor by another person without disclosing the source of the money or the thing of value to the recipient candidate or committee at the time the contribution is made. 11 C.F.R. § 110.4(b)(2)(i). The provision of Section 441f apply to individuals who help or assist in the make of contributions in the name of another. 11 C.F.R. § 110.4(b)(1)(iii). Section 441f also applies to incorporated and unincorporated entities. See Advisory Opinion 1986-41. A contributor may not be paid for his or her contribution through a corporate bonus, expense account, or other form of direct or indirect compensation. 11 C.F.R. § 114.5(b).

3. Respondent made a $1,000 contribution to the Biden for President campaign on June 19, 1987, at the request of Norman Pattiz, Chairman of the Board of Westwood One, Inc.

> 10408832 78

4. Respondent was reimbursed for her contribution by William J. Battison, President and Chief Financial Office of Westwood One, Inc.

V. Respondent knowingly permitted her name to be used to effect a contribution to the Biden for President campaign by accepting reimbursement for her contribution, in violation of 2 U.S.C. §441f.

VI. Respondent contends that such violation was not knowing and willful.

VII. Respondent will pay a civil penalty to the Federal Election Commission in the amount of five hundred dollars ($500), 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 same and the Commission has approved the entire agreement.

X. Respondent shall have no more than 30 days from the dates this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

2104088279

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 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 OK
Lawrence M. Noble
General Counsel

4/3/91
Date

FOR THE RESPONDENT:

Debra Seyler
Debra Seyler

March 1, 1991
Date

21040883230

0343

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2893
Socorro Yusko	)	
	)	

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Mark K. Kress, Margaret Kress and Robert D. Kress. The Federal Election Commission ("Commission") found reason to believe that Socorro Yusko ("Respondent") violated 2 U.S.C. § 441f.

NOW, THEREFORE, the Commission and the Respondent, 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 Respondent 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. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

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

2104083281

00 FEB 13 P12:00

1. Socorro Yusko is the wife of Gary J. Yusko and is a person within the meaning of 2 U.S.C. § 431(11).

2. The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another. 2 U.S.C. § 441f. A contribution in the name of another includes giving money or anything of value, all or part of which is provided to the contributor by another person without disclosing the source of the money or the thing of value to the recipient candidate or committee at the time the contribution is made. 11 C.F.R. § 110.4(b)(2)(i). The provisions of Section 441f apply to individuals who help or assist in the making of contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii). Section 441f also applies to incorporated and unincorporated entities. See Advisory Opinion 1986-41. A contributor may not be paid for his or her contribution through a corporate bonus, expense account, or other form of direct or indirect compensation. 11 C.F.R. § 114.5(b).

3. Respondent made a $1,000 contribution to the Biden for President campaign on June 20, 1987, at the request of her husband, Gary J. Yusko.

2104083282

4. Respondent was reimbursed for her contribution by her husband, Gary J. Yusko, the Vice President of Financial Operations for Westwood One, Inc.

V. Respondent knowingly permitted her name to be used to effect a contribution to the Biden for President campaign by accepting reimbursement for her contribution, in violation of 2 U.S.C. § 441f.

VI. Respondent contends that such violation was not knowing and willful.

VII. Respondent will pay a civil penalty to the Federal Election Commission in the amount of five hundred dollars ($500), 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 matter 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 same and the Commission has approved the entire agreement.

X. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with an implement the requirement contained in this agreement and to so notify the Commission.

2104083283

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 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

4/3/91
Date

FOR THE RESPONDENT:

Socorro Yusko

Socorro Yusko

Date

21040883284

RECEIVED
F.E.C.
SECRETARIAT
91 OCT 28 AM 11:42

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Norman J. Pattiz	)	MUR 2893
William J. Battison	)	
Gary J. Yusko	)	
Westwood One, Inc.	)	
Robert D. Kress	)	
	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached are four conciliation agreements which have been submitted to the Commission as counteroffers on behalf of Norman J. Pattiz, William J. Battison, Gary J. Yusko, and Westwood One, Inc. ("Westwood One") in the above-referenced matter. See Attachments 1 through 4. Each of the four agreements has been signed, and checks for the civil penalties have been received from Pattiz, Battison, and Yusko.

2104088325

2104088832886

2104088832887

21040883288

9108040883289

2104088329O

2104088329 1

1040883292

III. RECOMMENDATIONS

1. Accept the signed conciliation agreements and civil penalties with Norman J. Pattiz, William J. Battison, Gary J. Yusko, and Westwood One, Inc.

2. Take no further action against Robert D. Kress.

3. Close the file.

4. Approve the appropriate letters.

Date 10/25/91

Lawrence M. Noble
General Counsel

Attachments

1. Westwood One agreement
2. Pattiz agreement
3. Battison agreement
4. Yusko agreement

Staff member: George F. Rishel
Jeffrey D. Long

2104083293

FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE J. FAISON
COMMISSION SECRETARY

DATE: OCTOBER 31, 1991

SUBJECT: MUR 2893 - GENERAL COUNSEL'S REPORT DATED OCTOBER 25, 1991.

The above-captioned document was circulated to the Commission on Monday, October 28, 1991 at 4:00 p.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	
Commissioner Elliott	
Commissioner Josefiak	
Commissioner McDonald	XXX
Commissioner McGarry	
Commissioner Thomas	

This matter will be placed on the meeting agenda for Tuesday, November 5, 1991.

Please notify us who will represent your Division before the Commission on this matter.

21040883294

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Norman J. Pattiz,	)	MUR 2893
William J. Battison,	)	
Gary J. Yusko,	)	
Westwood One, Inc.,	)	
Robert D. Kress.	)	

CERTIFICATION

I, Delores Harris, recording secretary for the Federal Election Commission executive session on November 5, 1991, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2893:

1. Accept the signed conciliation agreements and civil penalties with Norman J. Pattiz, William J. Battison, Gary J. Yusko, and Westwood One, Inc.

2. Take no further action against Robert D. Kress.

3. Close the file.

4. Approve the appropriate letters, as recommended in the General Counsel's report dated October 25, 1991.

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

Attest:

December 8, 1991
Date

Delores Harris
Delores Harris
Administrative Assistant

2104088329 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 20, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Nolan Conrad, Esquire
6535 Wilshire Boulevard
Suite 700
Los Angeles, CA 90048

RE: MUR 2893
Mark and Margaret Kress

Dear Mr. Conrad:

This is in reference to the complaint filed by Robert, Mark and Margaret Kress with the Federal Election Commission on June 1, 1989.

The Commission found that there was reason to believe your clients, Mark and Margaret Kress, violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended, and conducted an investigation in this matter. In addition, the Commission found reason to believe that Robert Kress, Thomas Ferro, Marie Hand Ferro, Stephen Jaffe, Andrea Jaffe, Dean Ward Marion, Debra Seyler, Eric Weiss, and Socorro Yusko violated 2 U.S.C. § 441f and that Westwood One, Inc., Norman J. Pattiz, William J. Battison, and Gary J. Yusko knowingly and willfully violated 2 U.S.C. §§ 441b and 441f. On March 5, March 29, and November 5, 1991, conciliation agreements signed by the respondents were accepted by the Commission and took no further action regarding Robert Kress. Accordingly, the Commission closed the file in this matter on November 5, 1991. Copies of these agreements are enclosed for your information.

If you have any questions, please contact Jeffrey Long, the staff member assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosures
Conciliation Agreements

2104088329 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 20, 1991

Jan Witold Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 2893
Thomas Ferro, Marie Hand Ferro, Stephen Jaffe, Andrea Jaffe, Debra Seyler, Eric Weiss, Socorro Yusko

Dear Mr. Baran:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jeffrey Long, the staff member assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

21040883297

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 20, 1991

Michael W. Weinstock, Esquire
9107 Wilshire Boulevard
Suite 600
Beverly Hills, CA 90210

RE: MUR 2893
Dean Ward Marion

Dear Mr. Weinstock:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jeffrey Long, the staff member assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

21040883298

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 20, 1991

Robert Kress
c/o Mark Kress
1423 Comstock Avenue
Los Angeles, CA 90024

RE: MUR 2893
Robert Kress

Dear Mr. Kress:

On August 2, 1990, you were notified that the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f.

After considering the circumstances of the matter, the Commission determined on November 5, 1991, to take no further action against you, and closed the file. The file will be made part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The Commission reminds you that receiving reimbursements for contributions for illegal purposes is a violation of the Federal Election Campaign Act of 1971, as amended. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please contact Jeffrey Long, the staff member assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

21040883299

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 20, 1991

Gerald E. Boltz, Esquire
Rogers & Wells
Fifteenth Floor
201 North Figueroa Street
Los Angeles, CA 90012-2368

RE: MUR 2893
Westwood One, Inc.

Dear Mr. Boltz:

On November 5, 1991, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of a violation of 2 U.S.C. §§ 441b and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

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. I remind you that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact Jeffrey Long, the staff member assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

2104083300

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2893
Westwood One, Inc.	)	
	)	

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Mark H. Kress, Margaret Kress and Robert D. Kress. The Federal Election Commission ("Commission") found reason to believe that Westwood One, Inc. ("Respondent") knowingly and willfully violated 2 U.S.C. § 441b and § 441f.

NOW, THEREFORE, the Commission and the Respondent, 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 Respondent 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. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

2104088301

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

1. Westwood One, Inc., is a publicly held corporation incorporated under the laws of the state of Delaware, an is a person within the meaning of 2 U.S.C. § 431(11).

2. The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another. 2 U.S.C. § 441f. A contribution in the name of another includes giving money or anything of value, all or part of which is provided to the contributor by another person without disclosing the source of the money or the thing of value to the recipient candidate or committee at the time the contribution is made. 11 C.F.R. § 110.4(b)(2)(i). The provisions of Section 441f apply to individuals who help or assist in the making of contributions in the name of another. 11 C.F.R. § 110.4(b)(1)(iii). Section 441f also applies to incorporated and unincorporated entities. See Advisory Opinion 1986-41.

3. A corporation may not make contributions in connection with the election of a candidate for federal office, and an officer or director of a corporation is prohibited from consenting to the making of a corporate contribution in connection with the election of a federal candidate. 2 U.S.C. § 441b. A contributor may not be paid for his or her contribution through a corporate bonus, expense account, or other form of direct or indirect compensation. 11 C.F.R. §114.5(b).

2104088302

4. Norman J. Pattiz, as Chairman of the Board of Westwood One, Inc., asked various corporate officers and employees in May and June, 1987, to make contributions to the Biden for President campaign. Pattiz' efforts resulted in $13,000 being contributed to the Biden campaign by thirteen corporate officers, employees and family members.

5. Norman J. Pattiz, as Chairman of the Board of Westwood One, Inc., authorized and instructed corporate officers to reimburse those contributions from corporate funds. These reimbursements were accomplished through the use of corporate expense records which incorrectly reflected the reimbursements as being concert tour expenses, and were paid out using four separate corporate checks, each dated June 26, 1987. These four checks were made payable to the following persons in the following amounts: William Battison, $4,000; Gary Yusko, $4,000; Mark Kress, $3,000; and Thomas Ferro, $2,000. These four persons subsequently reimbursed other persons from these funds who had made contributions to the Biden for President campaign.

6. The corporate expense records and corporate reimbursement checks used to accomplish this repayment were created under the supervision of William J. Battison, President, and Gary J. Yusko, Vice President of Financial Operations, in accordance with their understanding of the instructions of Chairman Norman Pattiz that the corporation provide reimbursement.

>10408833033

V. Respondent Westwood One, Inc., through its corporate officers, knowingly and willfully made contributions of corporate funds to the Biden for President campaign in the names of corporate officers, employees, and others, in violation of 2 U.S.C. § 441f. Respondent Westwood One, Inc., through its corporate officers, knowingly and willfully reimbursed those contributions with corporate funds, in violation of 2 U.S.C. § 441b.

VI. Upon learning of the filing of the complaint by Mark H. Kress, Margaret Kress and Robert D. Kress, but prior to the Commission's inquiry herein, Respondent corporation, through its Board of Directors, took certain remedial action, including the following:

1. A special limited scope review of expense disbursement records was conducted, which subsequently confirmed that the contributions herein constituted an isolated incident.

2. The corporation accepted Mr. Pattiz' offer to reimburse the corporation for such contributions.

3. The corporation amended its Corporate Code of Ethics to expressly prohibit the making or solicitation of political contributions. The corporation revised certain internal controls and record keeping procedures.

VII. Respondent will pay a civil penalty to the Federal Election Commission in the amount of twenty-six thousand dollars ($26,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

2104083304

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 same and the Commission has approved the entire agreement.

X. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement 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 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

11/20/91
Date

FOR THE RESPONDENT: WESTWOOD ONE, INC.

Name Eric Weiss
Position Vice President
Business and Legal Affairs

8/2/91
Date

2104083305

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 20, 1991

Jan Witold Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 2893
William J. Battison and Gary Yusko

Dear Mr. Baran:

On November 5, 1991, the Federal Election Commission accepted the signed conciliation agreements and civil penalties submitted on your clients' behalf in settlement of violations of 2 U.S.C. § 441b and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

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 agreements, however, will become a part of the public record.

Enclosed you will find copies of the fully executed conciliation agreements for your files. If you have any questions, please contact Jeffrey Long, the staff member assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreements (2)

2104088306

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2893
Gary J. Yusko	)	
	)	

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarised complaint by Mark H. Kress, Margaret Kress and Robert D. Kress. The Federal Election Commission ("Commission") found reason to believe that Gary J. Yusko ("Respondent") knowingly and willfully violated 2 U.S.C. § 441b and § 441f.

NOW, THEREFORE, the Commission and the Respondent, 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 Respondent 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. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

2104088307

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

1. Gary J. Yusko is the Senior Vice President of Financial Operations of Westwood One, Inc., and is a person within the meaning of 2 U.S.C. § 431(11). Westwood One, Inc., is a publicly held corporation incorporated under the laws of the state of Delaware.

2. The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another. 2 U.S.C. § 441f. A contribution in the name of another includes giving money or anything of value, all or part of which is provided to the contributor by another person without disclosing the source of the money or the thing of value to the recipient candidate or committee at the time the contribution is made. 11 C.F.R. § 110.4(b)(2)(i). The provisions of Section 441f apply to individuals who help or assist in the making of contributions in the name of another. 11 C.F.R. § 110.4(b)(1)(iii). Section 441f also applies to incorporated and unincorporated entities. See Advisory Opinion 1986-41.

3. A corporation may not make contributions in connection with the election of a candidate for federal office, and an officer or director of a corporation is prohibited from consenting to the making of a corporate contribution in connection with the election of a federal candidate. 2 U.S.C. § 441b. A contributor may not be paid for his or her

2104088330 8

contribution through a corporate bonus, expense account, or other form of direct or indirect compensation. 11 C.F.R. §114.5(b).

4. Norman Pattiz, as Chairman of the Board of Westwood One, Inc., asked various corporate officers and employees in May and June, 1987, to make contributions to the Biden for President campaign. Pattiz' efforts resulted in $13,000 being contributed to the Biden campaign by thirteen corporate officers, employees and family members.

5. Respondent Gary J. Yusko made a $1,000 contribution to the Biden for President campaign on June 19, 1987.

6. Norman Pattiz, as Chairman of the Board of Westwood One, Inc., authorized and instructed corporate officers to reimburse those contributions from corporate funds. These reimbursements were accomplished through the use of corporate expense records which incorrectly reflected the reimbursements as being concert tour expenses, and were paid out using four separate corporate checks, each dated June 26, 1987. These four checks were made payable to the following persons in the following amounts: William Battison, $4,000; Gary Yusko, $4,000; Mark Kress, $3,000; and Thomas Ferro, $2,000. These four persons subsequently reimbursed other persons from these funds who had made contributions to the Biden for President campaign.

21040883309

7. The corporate expense records and corporate reimbursement checks used to accomplish this repayment were created under the supervision of William J. Battison, President, and Gary J. Yusko, Vice President of Financial Operations, in accordance with their understanding of the instructions of Chairman Norman Pattis that the corporation provide reimbursement.

8. Respondent Gary J. Yusko received a Westwood One, Inc. corporate check in the amount of $4,000, dated June 26, 1987. Respondent accepted $2,000 of that amount as reimbursement for the contributions of himself and his wife, and $2,000 as reimbursement for the contribution of Stephen Jaffe. Respondent subsequently made a reimbursement of $1,000 to Socorro Yusko and $2,000 to Stephen Jaffe.

V. Respondent Gary J. Yusko, allowed his name to be used to effect a contribution to the Biden for President campaign and assisted in the making of contributions of corporate funds to the Biden for President campaign in the names of corporate officers, employees and others, in violation of 2 U.S.C. § 441f. Respondent Gary J. Yusko, as a corporate officer, consented to the reimbursement of those contributions with corporate funds, in violation of 2 U.S.C. § 441b. While acknowledging such violations, Respondent Gary J. Yusko contends that he was unaware at the time that his actions violated federal election laws, 2 U.S.C. § 441b and § 441f.

2104088310

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of eight thousand hundred dollars ($8,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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

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

IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

2104083311

oral, made 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

11/20/91
Date

FOR THE RESPONDENT:

Gary J. Yusko

Date

9104088312

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2893
William J. Battison	)	
	)	

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Mark H. Kress, Margaret Kress and Robert D. Kress. The Federal Election Commission ("Commission") found reason to believe that William J. Battison ("Respondent") knowingly and willfully violated 2 U.S.C. § 441b and § 441f.

NOW, THEREFORE, the Commission and the Respondent, 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 Respondent 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. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

2104083313

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

1. William J. Battison is the President and Chief Financial Officer of Westwood One, Inc., and is a person within the meaning of 2 U.S.C. § 431(11). Westwood One, Inc., is a publicly held corporation incorporated under the laws of the state of Delaware.

2. The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another. 2 U.S.C. § 441f. A contribution in the name of another includes giving money or anything of value, all or part of which is provided to the contributor by another person without disclosing the source of the money or the thing of value to the recipient candidate or committee at the time the contribution is made. 11 C.F.R. § 110.4(b)(2)(i). The provisions of Section 441f apply to individuals who help or assist in the making of contributions in the name of another. 11 C.F.R. § 110.4(b)(1)(iii). Section 441f also applies to incorporated and unincorporated entities. See Advisory Opinion 1986-41.

3. A corporation may not make contributions in connection with the election of a candidate for federal office, and an officer or director of a corporation is prohibited from consenting to the making of a corporate contribution in connection with the election of a federal candidate. 2 U.S.C. § 441b. A contributor may not be paid for his or her

2104083314

contribution through a corporate bonus, expense account, or other form of direct or indirect compensation. 11 C.F.R. §114.5(b).

4. Norman Pattiz, as Chairman of the Board of Westwood One, Inc., asked various corporate officers and employees in May and June, 1987, to make contributions to the Biden for President campaign. Pattiz' efforts resulted in $13,000 being contributed to the Biden campaign by thirteen corporate officers, employees and family members.

5. Respondent William J. Battison made a $1,000 contribution to the Biden for President campaign on June 19, 1987.

6. Norman Pattiz, as Chairman of the Board of Westwood One, Inc., authorized and instructed corporate officers to reimburse those contributions from corporate funds. These reimbursements were accomplished through the use of corporate expense records which incorrectly reflected the reimbursements as being concert tour expenses, and were paid out using four separate corporate checks, each dated June 26, 1987. These four checks were made payable to the following persons in the following amounts: William Battison, $4,000; Gary Yusko, $4,000; Mark Kress, $3,000; and Thomas Ferro, $2,000. These four persons subsequently reimbursed other persons from these funds who had made contributions to the Biden for President campaign.

2104088315

7. The corporate expense records and corporate reimbursement checks used to accomplish this repayment were created under the supervision of William J. Battison, President, and Gary J. Yusko, Vice President of Financial Operations, in accordance with their understanding of the instructions of Chairman Norman Pattiz that the corporation provide reimbursement.

8. Respondent William J. Battison received a Westwood One, Inc. corporate check in the amount of $4,000, dated June 26, 1987. Respondent accepted $1,000 of that amount as reimbursement for his own contribution, and $3,000 as reimbursement for the contributions of Debra Seyler, Eric Weiss, and Dean Marion. Respondent subsequently made reimbursements of $1,000 each with the remaining funds to Debra Seyler, Eric Weiss, and Dean Marion.

V. Respondent William J. Battison allowed his name to be used to effect a contribution to the Biden for President campaign and assisted in the making of contributions of corporate funds to the Biden for President campaign in the names of corporate officers, employees and others, in violation of 2 U.S.C. § 441f. Respondent William J. Battison, as a corporate officer, consented to the reimbursement of those contributions with corporate funds, in violation of 2 U.S.C. § 441b. While acknowledging such violations, Respondent William J. Battison contends that he was unaware at the time that his actions violated federal election laws, 2 U.S.C. § 441b and § 441f.

2104088316

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of eight thousand five hundred dollars ($8,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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

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

IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

2104088337

oral, made 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

11/20/91
Date

FOR THE RESPONDENT:

William J. Battison

Sept 16, '91
Date

2104088331 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CLOSED

November 20, 1991

Robert Bauer, Esquire
Perkins Coie
607 Fourteenth Street, N.W.
Suite 800
Washington, D.C. 20005-2011

RE: MUR 2893
Norman J. Pattiz

Dear Mr. Bauer:

On November 5, 1991, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. §§ 441b and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

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 Jeffrey Long, the staff member assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

21040883319

OBC 3166

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
91 OCT 17 PM 3:26

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2893
Norman J. Pattiz	)	
	)	

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Mark H. Kress, Margaret Kress and Robert D. Kress. The Federal Election Commission ("Commission") found reason to believe that Norman J. Pattiz ("Respondent") knowingly and willfully violated 2 U.S.C. § 441b and § 441f.

NOW, THEREFORE, the Commission and the Respondent, 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 Respondent 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. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

21040883320

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

1. Norman J. Pattiz is the founder and Chairman of the Board of Westwood One, Inc., and is a person within the meaning of 2 U.S.C. § 431(11). Westwood One, Inc., is a publicly held corporation incorporated under the laws of the state of Delaware.

2. The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that no person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another. 2 U.S.C. § 441f. A contribution in the name of another includes giving money or anything of value, all or part of which is provided to the contributor by another person without disclosing the source of the money or the thing of value to the recipient candidate or committee at the time the contribution is made. 11 C.F.R. § 110.4(b)(2)(i). The provisions of Section 441f apply to individuals who help or assist in the making of contributions in the name of another. 11 C.F.R. § 110.4(b)(1)(iii). Section 441f also applies to incorporated and unincorporated entities. See Advisory Opinion 1986-41.

3. A corporation may not make contributions in connection with the election of a candidate for federal office, and an officer or director of a corporation is prohibited from consenting to the making of a corporate contribution in connection with the election of a federal candidate. 2 U.S.C. § 441b. A contributor may not be paid for his or her

2104083321

contribution through a corporate bonus, expense account, or other form of direct or indirect compensation. 11 C.F.R. §114.5(b).

4. Respondent Norman Pattiz, as Chairman of the Board of Westwood One, Inc., asked various corporate officers and employees in May and June, 1987, to make contributions to the Biden for President campaign. Pattiz' efforts resulted in $13,000 being contributed to the Biden campaign by thirteen corporate officers, employees and family members.

5. Respondent Norman Pattiz, as Chairman of the Board of Westwood One, Inc., authorized and instructed corporate officers to reimburse those contributions from corporate funds. These reimbursements were accomplished through the use of corporate expense records which incorrectly reflected the reimbursements as being concert tour expenses, and were paid out using four separate corporate checks, each dated June 26, 1987. These four checks were made payable to the following persons in the following amounts: William Battison, $4,000; Gary Yusko, $4,000; Mark Kress, $3,000; and Thomas Ferro, $2,000. These four persons subsequently reimbursed other persons from these funds who had made contributions to the Biden for President campaign.

6. The corporate expense records and corporate reimbursement checks used to accomplish this repayment were created under the supervision of William J. Battison, President, and Gary J. Yusko, Vice President of Financial Operations, in

21040883322

accordance with their understanding of the instructions of Chairman Norman Pattiz that the corporation provide reimbursement.

V. Respondent Norman J. Pattiz assisted in the making of contributions of corporate funds to the Biden for President campaign in the names of corporate officers, employees and others, in violation of 2 U.S.C. § 441f. Respondent Norman J. Pattiz, as a corporate officer, consented to the reimbursement of those contributions with corporate funds, in violation of 2 U.S.C. § 441b. While acknowledging such violations, Respondent Norman J. Pattiz contends that he was unaware at the time that his actions violated federal election laws, 2 U.S.C. § 441b and § 441f.

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of twenty-six thousand dollars ($26,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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

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

2104083323

IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and 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 enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

11/20/91
Date

FOR THE RESPONDENT:

Robert F. Bauer
Counsel to Norman J. Pattiz

10-16-91
Date

21040883324

THE UNITED STATES OF AMERICA

BEFORE THE FEDERAL ELECTION COMMISSION

In re the Matter of	)	
	)	No. MUR 2893
MARK H. KRESS	)	
	)	

DEPOSITION OF MARK H. KRESS

Los Angeles, California

Thursday, February 22, 1990

ORIGINAL

Sarnoff DEPOSITION SERVICE, INC.
CERTIFIED SHORTHAND REPORTERS
5757 Wilshire Blvd., Suite 473
Los Angeles, California 90036
213.938.2461 • Fax 213.931.3016

REPORTED BY:

ZORICA DRAGOVICH, CSR No. 6524
Job No. 200754

2104088333325

THE UNITED STATES OF AMERICA

BEFORE THE FEDERAL ELECTION COMMISSION

In re the Matter of)
)
MARK H. KRESS)
)

No. MUR 2893

Deposition of MARK H. KRESS, taken on behalf of the Federal Election Commission, at 312 North Spring Street, Eleventh Floor, Los Angeles, California, commencing at 10:02 A.M., on Thursday, February 22, 1990, before ZORICA DRAGOVICH, Certified Shorthand Reporter No. 6524, pursuant to Subpoena.

* * *

2104088833326

APPEARANCES

For the WITNESS:

ROBERT NOLAN CONRAD
ATTORNEY AT LAW
6535 Wilshire Boulevard
Suite 700
Los Angeles, California 90048

For the FEDERAL ELECTION COMMISSION:

DANIEL J. BLESSINGTON
ATTORNEY AT LAW
Office of General Counsel
999 "E" Street, N.W.
Washington D.C. 20463

* * *

21040883327

INDEX

WITNESS	EXAMINATION	PAGE
MARK H. KRESS	By Mr. Blessington	5

EXHIBITS FOR IDENTIFICATION

COMMISSION		PAGE
1	Complaint of Mark H. Kress, dated May 30, 1989	50

INFORMATION REQUESTED

(None.)

WITNESS INSTRUCTED NOT TO ANSWER

(None.)

* * *

3104088833328

LOS ANGELES, CALIFORNIA; THURSDAY, FEBRUARY 22, 1990

10:02 A.M.

MARK H. KRESS,

produced as a witness by and on behalf of the Federal Election Commission, and having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. BLESSINGTON:

Q This deposition is being taken pursuant to an administrative subpoena issued in connection with a Federal Election Commission investigation conducted under Section 437g of Title 2 of the United States Code. The statute provides for the confidentiality of these proceedings and of the entire investigation until the matter is closed. The investigation is designated as Matter Under Review 2893.

My name is Daniel J. Blessington, and I'm representing the Commission today.

Would you please state your full name.

A Mark Howard Kress.

Q And you have a right to be represented by counsel. I see one is here. Could you identify him for the record.

A Robert Nolan Conrad.

2104088329

Q Have you ever had your deposition taken before?

A No.

Q I'm going to give you a brief description of what we're going to try to accomplish today.

I'll be asking questions involving the charges you made in your Complaint filed with the Commission in May of 1989. In that Complaint you charged that a number of individuals, including yourself, made contributions to the Presidential campaign of Senator Joseph Biden in June of 1987. You indicated that you and others were reimbursed for these contributions by Westwood One.

I'll be asking you some questions about your involvement in the matters raised in your Complaint as well as the involvement of others. To this end I'll be asking some background questions on individuals and on Westwood One.

The court reporter is taking down everything that's said in order to produce a written transcript. Please remember to give verbal answers to all questions rather than simply nodding or shaking your head.

If you don't understand a question, if you don't hear me completely or if you need a break, just let me know. If you want to qualify an answer, please do so. If during the course of the deposition you realize that you gave an incomplete or incorrect answer to a previous

3104088330

question, let me know, and I'll give you an opportunity to correct the record.

Please treat this proceeding as if you were in a court of law with a judge and jury present, and remember that you're under oath. We talked about this right before we went on the record. Under the rules you have a right to review and sign the deposition, and we encourage you to do so. Do you understand that?

A Uh-huh.

MR. CONRAD: You have to answer audibly.

THE WITNESS: Yes.

BY MR. BLESSINGTON:

Q What's your home address?

A 1423 Comstock Avenue, Los Angeles, 90024.

Q And your telephone number?

A (213) 556-1170.

Q Are you married?

A Yes, I am.

Q And what is the name of your spouse?

A Margaret Kress.

Q What's your current occupation?

A I do direct-response advertising.

Q Do you work for yourself?

A Yes.

Q So you're your own employer at this point?

3104088331

A I'm my own employer.

Q And your business address would be the same as your home address?

A My business address would be 8306 Wilshire Boulevard, Suite 1006, Beverly Hills, 90211.

Q And what kind of business is that?

A We run ads to get orders for various products by mail order.

Q I see. Do you have a college degree?

A Yes.

Q What was your major?

A I majored in economics, undergraduate, and went for my Master's degree in business.

Q And so you have a Master's in business administration?

A No. I fell short of my Master's degree.

Q But you did take courses?

A Sure.

Q Right before we went on the record we spoke a little bit about documents. You indicated that you don't have any documents with you today, but you're still trying to search for some?

A Correct. The documents you requested, I'm going to request them from the bank, and we'll try to get them to you as quickly as possible.

3104088333332

Q And basically what documents do you think that you'll be able to obtain?

A The documents -- the only documents I would expect to be able to obtain and to obtain would be copies of checks written by myself, my wife, and my brother to the Biden campaign.

Q And perhaps any deposit statement information and that type of thing?

A Yes. Yes, I will also try to get the deposit statement reflecting the Westwood One reimbursement that I spoke of in my Complaint.

Q Okay. Thank you. But there's nothing else? No --

A The check that was written to me by Westwood One as reimbursement, I have no record of that other than the deposit statement. I have no check stub on that.

Q There's no writing that you have involving this at all?

A I can recall no writings on this at all whatsoever on this subject.

Q Nobody sent you a memo on it?

A Nobody sent me a memo.

Q Now, apart from any discussions you may have had with your attorney, have you discussed this investigation with anyone since receiving the subpoena?

310408833333

A No, not in any material way.

Q Have you discussed it with anyone in any kind of way?

A I've discussed it with my parents, and I've discussed it with members of my immediate family.

Q And that's all?

A That's all.

Q Okay. Now, in your Complaint you indicated that you started with Westwood in 1984.

A May 1984.

Q Can you describe the circumstances surrounding your going to Westwood?

A I had known Norm Pattiz since 1969. We were friends when he started Westwood One. I believe that was in ~~1974~~ 1975. In 1984 he and I discussed my joining the company as director of sales, western region -- director of advertising sales, western region -- and I joined the company in May 1984.

Q And when we say Westwood One, we're talking about Westwood One, Incorporated?

A Westwood One, Incorporated. I'm not even sure what the actual -- I think the actual corporate name is Westwood One Radio Company, Inc.

Q And it was founded by Norman J. Pattiz in ~~1974~~ 1975?

A In ~~1974~~ 1975, right.

210408833334

Q And you said that you knew Mr. Pattiz since 1969?

A Uh-huh, yes.

Q How did you know him?

A We met in around 1969. We were both salesmen. We were both junior salesmen for competing Los Angeles independent television stations, and we met through business and became essentially best friends.

Q So you were very close at one time?

A Yes. We had previously worked together at KCOP Television in Los Angeles.

Q And in what capacity?

A Advertising sales.

Q So after meeting him in 1969, you remained friends or you became friends and then remained friends and were close friends at the time he asked you to come to --

A Yes.

Q -- Westwood One?

A Yes.

Q And tell me a little bit about what you did at Westwood One.

MR. CONRAD: Wait. Over what period because the duties varied over different time frames.

MR. BLESSINGTON:

Q When you first went there you indicated you

2104088333 5

were a director of --

A When I first went to Westwood One I was hired as director of advertising sales, western region. And in that respect I was in charge of all advertising sales for the company's radio programming in the western region, which included an area of the entire West Coast plus parts of Texas and Arizona and other parts of the country.

Q Can you tell me a little bit about what that job entailed.

A Well, Westwood One at the time was solely in the business of producing and distributing nationally syndicated radio programs. The company derived its income from selling advertising time in those programs. Programs were distributed to radio stations and -- programs were distributed free of charge to radio stations with Westwood One retaining the right to sell a portion of the commercial time in that show and the local radio station having the right to sell the remainder of the commercial time in that show.

For example, a show might allow for ten minutes of commercial time. Westwood One might have retained the right to sell five of those commercial minutes, and a local radio station might retain the right to sell the other five minutes.

The way the business operated was that Westwood

2104088336

One would syndicate these programs, and if the show was on the air on a hundred radio stations in a hundred markets across the country, Westwood One and myself, on behalf of Westwood One, would go to national advertisers and sell them positions for their advertising on that, quote, "network."

So if a show is airing, hypothetically, in markets one through one hundred, then an advertiser by buying a commercial position in that show would have his commercial aired in markets one through one hundred with a single buy.

Q So Westwood One would basically have a product that would be syndicated nationally, and you would simply --

A The product being the program. It could be an interview show. It could be a Top 40 countdown. It could be a concert. It could be a simulcast of a cable television broadcast. That was the bulk of what their programming was at the time.

Q So Westwood arranged for the production?

A Westwood handled the production in-house. Westwood often recorded its own material, did its production in-house, syndicated the programming through its own internal departments, and then followed through with verifications of delivery, with affidavits, with all the things that an advertiser wanted to substantiate that the programming ran.

2104088337

Q And by the time you got there in '84 this had been the way Westwood did business.

A ~~This was the way the company was started, and~~ this was the business they were in.

Q How long did you hold that position?

A Sometime in 19 -- I'm not sure whether it was the end of 1985 or -- somewhere around 1985, 1986, I began the creation of a new department or a new division in Westwood One known as music marketing. Music marketing was essentially involved in creating marketing efforts and promotions which involved -- which typically involved national advertisers, musical stars or groups, and radio stations.

My division handled such things as tour sponsorships involving Coca-Cola and M & M Mars Company and various other companies involving rock groups like Foreigner, Fleetwood Mac, Stevie Nicks, Starship, whatever. And it became a new profit center for Westwood One and also a means for Westwood One to become more deeply involved with advertisers, musical artists, and radio stations, all of whom were -- which formed the three most important areas for Westwood One.

Q So that would actually tie in with what you were doing previously, would it not?

A It called on some of my knowledge, certainly of

210408833338

advertisers and radio stations and musical groups. But it was a new effort that had never been done before by a radio network. I subsequently segued from my position as director of sales, western region, to general manager of -- my title became general manager music marketing and promotion.

Q And you were vice-president?

A At the time I became -- at this time I was not. I went from general manager -- from director of sales, western region, to general manager music marketing and promotion. My dates are fuzzy. Somewhere around the end of 1986 -- it could have been early '87 -- Pattiz told me what a great job I was doing and promoted me to vice-president of music marketing.

Q I see.

A So at the time of the incident stated in my Complaint and at the time of my subsequent departure from Westwood One my title was that, vice-president of music marketing.

Q But you had the same responsibilities as you had had when you went to that new position involving the tour sponsorship?

A I had the same responsibilities with perhaps greater authority.

Q And can you explain that a little bit?

A Only in that as a vice-president I had more

210408833339

authority over my own department.

Q You had more autonomy?

A More autonomy in the operations of my department.

Q Can you tell me a little bit about how Westwood One operated in 1984? What I mean is the decision-making and that type of thing.

A In 1984 when I came to the company it was prior to subsequent acquisitions. The company consisted of Westwood One Radio Networks, which was the production and syndication of programs, as I've described. The company -- could you clarify your question in terms of I'm not sure of what you mean, how the company ran.

Q Well, Norm Pattiz founded the company.

A Yes.

Q Did he not?

A Yes.

Q And he was chairman of the board at this time?

A At the time he was president, chairman, and CEO of the company. He had also -- the company had gone public just prior to my arrival, I believe, in 1984, and at the time Norm was the majority shareholder, to my knowledge.

Q Well, you've indicated after you received a promotion that you had greater autonomy in how you ran your operation.

2104088340

A Right.

Q I was wondering how the decision-making was done in the various areas of Westwood One.

A Well, when I say greater autonomy, I mean that I had greater autonomy over my own division. I always worked under the direction of Norm Pattiz.

Q That's what I'm getting at.

A And I always reported to Norm Pattiz. And in virtually all areas I always carried out his instructions and direction.

Q So would you say that Norm Pattiz ran the company?

A Absolutely.

Q On a day-to-day basis?

A Absolutely.

Q Pretty much every aspect of it?

A Norm's -- yes, Norm's influence permeated every aspect -- his direction permeated every aspect. And in my opinion virtually every action that was taken by department heads was either in following of his instructions or in anticipation of his pleasure or displeasure.

Q You said department heads. Now, when you first went there in 1984, would you consider yourself a department head then?

A Yes, although my department was me. ~~But I~~

2104088334

nevertheless ruled with an iron fist. My department at the time consisted of just me.

Q And how many department heads were there at the time?

A At the time -- would you like me to figure?

Q Yes, if you don't mind.

A It's hard to give a direct answer to that because it would be hard to define what a department head is. There were -- I mean, the head of the mail room is a department head. The head of the department that would have sent out tapes of the programming might be a department head. So it's really hard to tell you.

The primary areas of the company were advertising sales, programming, production, station relations, and, of course, finance.

Q How big a company was it in 1984?

MR. CONRAD: Are you asking how many employees?

MR. BLESSINGTON: Yes.

THE WITNESS: By the way, I need to clarify something earlier. Can I do that?

BY MR. BLESSINGTON:

Q Yes. Go right ahead.

A Earlier when I said that from the time I joined the company I worked directly for Pattiz, that wasn't exactly accurate. When I joined the company as director of

2104088342

sales, western region, I reported to the V.P. of advertising sales in New York. When I was promoted or moved into the music marketing area was when I began directly reporting to Pattiz.

Q I see. Now, who was that?

A His name was Ron Hartenbaum, H-a-r-t-e-n-b-a-u-m.

What was the last question?

MR. CONRAD: How many employees were there in 1984?

THE WITNESS: Oh, at the time I joined the company, according to my recollection, I believe the company was doing around --

MR. CONRAD: Just how many employees were there.

THE WITNESS: I would guess between 40 and 50.

BY MR. BLESSINGTON:

Q Okay. And of those 40 or 50, how many were top decision-makers?

A It would be difficult to define a top decision-maker. It would. I really can't give you a good answer.

MR. CONRAD: Well, you know, a moment ago you said that there were five major areas. You were talking about sales and promotion and advertising.

THE WITNESS: Uh-huh.

MR. CONRAD: Were those the main areas?

THE WITNESS: Yeah, those were the main areas.

2104088333433

Advertising sales was run by a V.P. of advertising sales who reported to Norm. Norm prided himself on being on the phone with Ron every -- or whoever was running advertising sales -- at 6:30 every morning from his treadmill at home with his cordless phone.

So Norm was in touch with advertising sales on a regular basis. Station relations which was syndication reported to Norm. He was very much involved with decisions as far as major market radio stations while leaving decisions relating to minor market relations more or less alone.

Programming was an area that was certainly dominated by Norm. Production to the extent -- production was run by the head of production. Norm was involved to the extent that he chose to be involved.

The other area I neglected to mention was artist relations, also known as talent acquisition, which had to do with procuring rights to concerts -- rights to record and broadcast concerts, interviews with artists. And that, too, was headed up by another vice-president who reported to Norm.

BY MR. BLESSINGTON:

Q Did you mention financial operations?

A The financial operations area, I mentioned it earlier. Financial operations at the time I joined the

2104088334

company was primarily run by Arthur Levine, who was the executive vice-president of the company. And Arthur subsequently became president of the company and subsequently departed the company in probably 1986.

Q Do you know why he departed the company?

A Arthur went on his own to start his own company.

Q How active was the board of directors during the period that you worked at Westwood One?

A I never personally served on the board of directors, nor was I ever present at a board of directors meeting. Norm had told me on several occasions that the board was -- that he controlled the board, that the board was a rubber stamp. He identified certain individuals on the board. I had specifically asked him why certain individuals were on the board, and he indicated that it was purely as a rubber stamp.

Q Can you name some of the people on the board of directors?

A The board of directors included, to my knowledge, besides Norm -- can you tell me what period you're referring to?

Q Well, 1984.

A 1984 I believe the board consisted of -- the names that I can name would be Norm, Arthur Levine, Brian

2104088345

Heimerl, who was head of production. I'm not a hundred percent positive about the other names, so I guess I shouldn't volunteer them because I might be inaccurate.

MR. CONRAD: Right. Just say what you know.

THE WITNESS: Yeah, that's what I know.

BY MR. BLESSINGTON:

Q And what did you know about the board's responsibilities?

A I had no real involvement in that, so I didn't know.

Q Did you know of any types of decisions that would be brought to the board for approval first?

A No.

Q Did you at any time that you were working at Westwood One sit down and have senior staff meetings?

A Once a week.

Q Could you give me an idea how those --

MR. CONRAD: Over what period because I think -- I'm sure they must have changed over the whole time frame.

BY MR. BLESSINGTON:

Q Well, why don't we begin in 1984.

A It was our practice to have a -- initially it was called a staff meeting. Subsequently it was called a managers meeting every Monday afternoon.

MR. CONRAD: How many people were present?

2104088334 6

THE WITNESS: In 1984 or thereabouts when I became involved we would go into -- we would have these meetings in Norm's office. There would be approximately eight -- eight or nine people involved. Norm would run the meeting and control the meeting.

BY MR. BLESSINGTON:

Q Was there an agenda for each meeting?

A There was no written agenda. The procedure was for Norm to make an opening remark for each person within that meeting to state any -- to basically update everything since the last meeting, what's going on, what's new. People would direct all of these responses to Norm who might ask them follow-up questions. It was mostly a reporting in of all the departments to Norm.

Q Was everybody pretty friendly with one another at Westwood during this period?

A Yes and no. It's hard to give a straight answer to that. It was like it was like any company. There were people who liked each other; people who didn't. There was politics. There was competition. There was all those things.

Q Well, you indicated earlier, of course, that you were best of friends with Norm Pattiz. And I wondered if the atmosphere was fairly collegial.

A No, I would never call it collegial. I

210408833347

would -- I wouldn't call it collegial.

Q Was Mr. Pattiz friendly with anyone else? In the upper management, I mean.

A Again it's hard to define what is friendly. I'm not sure how to answer that.

Q Well, did you socialize with Norm Pattiz for a number of years?

A Sure.

Q Prior to you going there?

A Sure.

Q So you would consider that to be a friendship beyond the professional relationship?

A Yes.

Q Did other people have relationships with Mr. Pattiz similar to yours?

A Certainly nobody in the company that I can think of had a friendship that predated their employment at the company. Within the context of people's employment there may have been some socializing on a personal/business level.

Q I understand. Sometimes that's hard to separate.

A Yeah, yeah. But as I say, nobody that I know of had a preexisting personal relationship.

Q All right. Now, you've indicated that in 1984

2104088334 8

at these weekly meetings there were no set agendas but people would report on various projects they were working on.

A Uh-huh.

Q And Mr. Pattiz would apparently give directions at that point?

A He would give directions. He would make decisions. He would indicate what subjects he wanted to continue talking about. He would stifle discussion on various issues that he had no interest or no patience for.

Q Would you be able to characterize the mood at these meetings among the people?

MR. CONRAD: Are we still in 1984?

MR. BLESSINGTON: Yes.

THE WITNESS: The mood of these people relative to -- well, it was clear that everybody was reporting in to Norm. It was clear to me that the purpose -- it was clear to me that a lot of people perceived the purpose of these meetings personally as a validation of their efforts and the quality -- and to present the quality of the work they were doing.

BY MR. BLESSINGTON:

Q Was there anxiety among people at these meetings?

A Certainly there was varying levels of anxiety,

210408833449

of course. There were people who were more or less comfortable with the situation. There were people who were treated kindly. There were people who were treated at times unkindly. There were people who fell in and out of favor and at times when they were out of favor were treated very harshly.

Q Were people ever humiliated at these meetings?

A Yes.

Q Was that a regular occurrence?

A No. But it wasn't surprising or unusual.

Q Would you say that some people feared Norm Pattiz?

A I would say that everybody feared Norm Pattiz.

Q And why did they fear him?

A I need a second with my attorney on that.

(The Witness and Mr. Conrad confer.)

THE WITNESS: Could you repeat the question?

MR. CONRAD: Wait a second. Let's go off the record.

MR. BLESSINGTON: Sure. Let's go off the record.

(Discussion held off the record.)

MR. BLESSINGTON: Let's go back on the record.

THE WITNESS: So what's my last question?

BY MR. BLESSINGTON:

Q Well, we've just had a discussion off the record. What we would like you to do is to explain to me

3104088350

how Westwood accomplished its business in roughly 1987.

A That's a very broad --

MR. CONRAD: Are you focusing in on the staff meetings and how the operations were run?

MR. BLESSINGTON: Yes. I'm focusing in on staff meetings, how decisions were made at high levels of the company.

THE WITNESS: Okay. The complexion of the company had changed to the extent that the company had made a couple of acquisitions. The company had acquired -- my dates are fuzzy. The company had already acquired the Mutual Broadcasting System, which was based in Arlington, Virginia. I ~~don't know whether~~ that was previous to, or prior to, the company's acquisition of NBC Radio Network because I'm not clear on those dates. The operation of the Los Angeles office, in my opinion, was totally controlled by Norm. His control was -- I'm trying to find a way to --

MR. CONRAD: Why don't you focus on --

THE WITNESS: On meetings?

MR. CONRAD: Yeah, on meetings of the hierarchy.

BY MR. BLESSINGTON:

Q You testified earlier that you had ~~four~~ weekly meetings. Did you still have weekly meetings?

A Yes. By this point the company had moved into a larger -- to a second building, and we no longer held the

meetings in Norm's office. We held them in the conference room. The cast of characters had grown to about 15 people.

In my opinion Norm tried to -- always tried to create a climate of -- well, people used to say things like, "This is his candy store." Norm ran the meetings -- it would be hard for me to recall him saying "we" as opposed to "I." "I don't want to talk about that." "I want to talk about that." "I want to go in this direction." "I want to do this." And in my opinion people were afraid of making decisions on their own for fear that Norm would dislike their decisions.

Q And what would that mean?

A Norm both had a major temper, and most people seemed to be aware of his dramatic mood swings. It was always my impression that much of this was manipulation and play-acting as much as anything. But it created a climate where people were afraid of making even the most basic decisions without clearing them with Norm first.

Q When you state "the most basic decisions," can you give me some examples?

A I can think of so many that I can't -- it's hard to focus on which ones would be good. Basic decisions?

Q Well, why don't you start with some decisions that you considered were basic in your area of responsibility.

3104088335 2

A Okay. In my area of responsibility, selection of bands or artists to become involved with was something that Norm would either dictate or criticize or control based on which bands he felt that he wanted to be involved with.

MR. CONRAD: Did he control basic decisions in your area as he did in, let's say, some of the other areas?

THE WITNESS: Yes. And it was a hit-and-miss situation. You often felt that he was encouraging autonomy, and then he would second-guess your decisions sometimes in petty areas and threaten to intimidate -- not so much threaten with, but intimidate you or scold you for -- well, here's an example. My years are really fuzzy.

At the time the "We Are The World" recording came out in "USA for Africa," the company obtained broadcast rights to -- well, the company obtained broadcast rights to a show for "We Are The World," and also threw a party for the advertising community and the press wherein various artists were going to come down for a party, and some would be interviewed, and we'd show our hospitality, and they would see the building as such.

I was put in charge of catering. And Norm instructed me to contact his personal caterer, Arthur Simon, who had done many parties for him. We had two tables, an Italian table and a Chinese table.

///

9104088353

BY MR. BLESSINGTON:

Q Good selection.

A The food was terrific, and everybody was impressed. A reporter from the "L.A. Times" came, Dennis McDougal, along with his family, and seemed to be enjoying the food quite a bit. But the next day when the article appeared in the "L.A. Times" about this party, the article focused heavy on the hypocrisy of throwing a party about feeding starving people in Africa while feeding these people on such delicious food.

Norm called me into his office and told me that this was all my fault because he had specifically directed me to have hot dogs and other such fast food at the party. That was not the case. But several of the other department heads were quick to agree that they had witnessed that conversation. And I was branded the culprit for creating this boomerang of what was going to be a great thing.

That was the type of situation -- it's a bit cuter than most, but that was the kind of situation that people generally feared at Westwood One, that Norm was second-guessing their opinions after the fact, would distort things, would change his version of the events to become the true way that everybody saw it and would come down on you.

Q What did they fear? Ultimately losing their jobs?

3104088354

A Ultimately losing their jobs or falling out of favor. Falling out of favor -- do you want me to get into this?

MR. CONRAD: I don't know.

THE WITNESS: Okay. Falling out of favor had all kinds of consequences. It could mean anything from lack of promotion to lack of respect.

There was one time when I fell out of favor -- and I don't recall which time it was -- where I was moved from my large office into a tiny office with no windows at the same time that my one subordinate was moved from a tiny office to one five times the size of my new office, all of this under the guise of temporary reorganization.

BY MR. BLESSINGTON:

Q This just happened one day when you went into work or what?

A We were moving from one building -- from the old building into the newer building, so people were being assigned new offices. Since I was in disfavor at this time, there I was in a shoe box. My subordinate was put in an office five times my size. As I say, the pretext was he had more stuff than I did.

Q Was he still your subordinate at the time?

A Yes. And when I said to Norm -- I went to Norm, and I said, "Why don't you just let me share his big

3104088355

office with him." He said something to the effect of, "I don't want to talk about it."

At any rate, these were some of the -- there were many, many cases of things like this.

Q What general time frame did this happen?

A My years are lousy. Probably in 1986. Probably in 1986. Could be '85, '86.

Q But it was when you moved offices from one building to another?

A Uh-huh.

MR. CONRAD: Is that "yes"?

THE WITNESS: Yes. I'm sorry.

BY MR. BLESSINGTON:

Q So people would fear Norm Pattiz humiliating them in some way? Punishing them?

A Humiliating them, firing them. He promoted the image of having a fiery temper. His moods were legendary. People would discuss his moods on a regular basis.

Q Did he fly into rages very often?

A Yes.

Q In view of other people?

A Sometimes in view of other people, sometimes in private.

Q But would he dress people down in front of others?

310408833356

A Yes.

Q And that was the topic of some conversation among the people that worked for him?

A Yes.

Q Why did you leave Westwood?

A I had been -- my responsibility was to create the types of promotions that I was describing, to both create and implement ~~creations of advertising radios and~~ to ~~a certain extent~~ musical artists. I had been working for almost a year prior to my ~~promotion for~~ the R.J. Reynolds Company for Salem cigarettes. It was going to be a windfall deal, and my commissions were going -- my commissions on that deal in its starting phase were estimated by me and by Pattiz to be somewhere in the range of

Q That's your personal commission?

A Correct. And this, of course, was far in excess of the kinds of commissions that I had been earning.

A week prior to the time that this deal was due to close -- let me back up. No, I don't need to back up. A week prior to the time that this deal was due to close, Pattiz called me into his office with his attack-trained German shepard by his side and said that he lost confidence in me and was letting me go.

It was clearly a subterfuge. The deal was

210408833357

already locked, and it was clearly a subterfuge, in my mind, to remove me and to avoid payment of short- and long-term commissions.

Q Did the deal go through?

A Yes.

Q Have you taken legal action against him for that?

A No.

Q Why not?

A Because I haven't.

Q Can you tell me a little about William Battison and when he came to the company?

A Bill Battison came in -- my years are terrible. Bill Battison came in -- he had been with the NBC Radio Network. He had been a --

MR. CONRAD: Mark, when it comes to a date, if you don't recall a date, you can tie it to an event. So rather than saying that, you know, your dates are terrible or you don't remember the date, you can just tie it to, you know, "When this happened at the company, this is when he came in," and then the date can later be determined.

THE WITNESS: Okay. Prior to the departure of Arthur Levine, who was the president of the company, Bill Battison was brought in, to my recollection, as executive vice-president. Few people in the company at that time had

2104088358

experience in operating traditional radio networks like NBC, and Bill had such experience in the nuts and bolts of that, so he was brought in. Shortly after Bill arrived, Arthur Levine, the president, departed to go on his own.

MR. CONRAD: Just answer the question.

THE WITNESS: I am.

MR. CONRAD: Okay.

THE WITNESS: Arthur departed, and Bill was promoted to president and chief financial officer. I never worked for Bill. My understanding of his position was that he was involved primarily in the financial area.

BY MR. BLESSINGTON:

Q Was he considered a top professional?

A I can't say.

Q What was his reputation in the company?

A It was considered that his title of president -- it was considered by me and other people that his title as president was primarily given to him so that he could interface with the financial community and reassure them that the company was continuing on the same courses that Arthur Levine had set. It was considered that he had no major -- I considered that he had no major influence in any other areas of the company other than finance and shareholder relations.

Q Did you consider him to be independent of Norm

210408833599

Pattiz?

A No. I considered him to, like everybody else, to rely very heavy on remaining in favor with Norm Pattiz.

Q Did you speak to Mr. Battison very much?

A No. Very little. We had no direct contact with him.

Q So you would only have contact at your weekly meetings?

A We would say "Hello" and "How are you?"

Q Okay. What can you tell me about Gary Yusko?

A Gary had been with Price-Waterhouse prior to joining the company. He was brought in as controller under Arthur Levine. At the time that Arthur left and Battison was promoted to president, chief financial officer, Gary was promoted to vice-president finance. Since I had no direct dealings in the financial area, I have only a vague impression of the job that Gary did. I didn't know him very well.

Q Was he one of these people that would have attended the --

A Yes.

Q -- the meetings?

A Yes.

Q Do you know Thomas Ferro?

A Sure. Tom was -- when I joined the company,

210408833360

Tom was vice-president of station relations. He subsequently was promoted to vice-president, general manager and at some point executive vice-president, general manager. Tom was considered to be Norm's protege. There were jokes that he was Norm's adopted son.

And Tom's primary responsibility was executing Norm's direction with respect primarily to the West Coast offices. He oversaw personnel, traffic, the facilities, artist relations, and pretty much implemented Norm's wishes in all those areas.

Q And would he have attended those staff meetings?

A Yes.

Q Did you relate to him very much?

A We were friendly. We were friendly.

Q Did you socialize with him at all?

A No.

Q Did you come into contact on a business basis very often?

A Yes.

Q So you had to deal with him on some of the projects that you were working on?

A Mostly I would keep Tom apprised of what was going on. Since my responsibilities leaned heavy on some other departments of the company that Tom was involved with,

2104088336

it was important to keep him involved in what I was doing. I also felt that it was important to keep him as an ally in terms of reinforcing the importance of my department to the company and getting cooperation from other department heads.

Q What can you tell me about Stephen Jaffe?

A Steve Jaffe was the assistant controller under Gary Yusko. He was not a high level -- not a particularly high-level employee, and he basically just did what he was told, as far as I know.

Q He did become the controller, though, did he not?

A Yes, he did, I think.

Q Was that when Yusko moved up?

A That's right, yeah. I believe Yusko was controller and Jaffe was assistant controller, and then Yusko became vice-president of finance, and I guess Jaffe became controller. And he left the company before I left the company.

Q Do you know why he left?

A I believe he went to work for Arthur Levine or went to another company that Arthur was somehow involved with.

Q But your impression of him was that he was fairly low level?

A Yeah. He was not a department head. He wasn't

210408833662

vice-president.

Q But he was controller.

A He was low level. Yeah, he was controller. He carried out other people's instructions.

Q Now, you know Dean Marion. Can you tell me something about Mr. Marian?

A Dean joined the company as director of merchandising. Initially his responsibilities were to come up with promotional pieces, sales aids, and to act as a general support for the advertising -- let me clarify.

Dean would develop promotions that the advertising sales department could present to advertisers in conjunction with advertising packages such as if you buy this, we will sell you time for $500,000 including $100,000 worth of spots in which we'll structure a sweepstakes for you and people can win prizes all related to your brand.

That's the kind of work that Dean did initially. His responsibilities were subsequently expanded to include the company's advertising, at which point he began working very closely with Norm.

Norm maintained very strict control over the company's advertising and imagery, everything from logos on letterheads to coffee cups with the company's name on it, selection of T-shirts that would be given out to advertisers and radio stations, trade show booths, all the way up to the

2104088363

company's full-page ads that might be placed in advertising trades or billboards.

Q He would work on the design of these?

A Dean would work with him in conjunction with an outside company, and everything was approved by Norm.

Q And were you pretty friendly with Dean Marion?

A Yes.

Q And you socialized with him?

A No.

Q No. But you considered yourself allies at work?

A Yes. I had socialized with Dean, but it wasn't a regular occurrence or even a frequent one.

Q Did Dean Marion leave -- let's establish he has left. He no longer works for Westwood?

A Dean left the company before I did. He was put in what he felt was an awkward position. Norm brought in a new vice-president named Jerry Sharell and had Dean reporting through Jerry to Norm. Dean felt Jerry was putting Dean in a position where Dean would have to do business with certain suppliers ~~who would probably, in Dean's opinion, be kicking back money to Sharell.~~ So Dean was very uncomfortable with that as an ethical guy. He left when he was offered a position at a start-up company, and that company never took off, as far as I know.

3104088933364

Q The company that he went to?

A Yeah. So Dean is now employed in the advertising field.

Q Can you tell me something about Eric Weiss?

A Eric joined the company -- I believe he had been employed at Mutual Broadcasting System prior to Westwood One's acquisition as a staff attorney. He was brought into Westwood One's West Coast office as director of business affairs and at some point was promoted to vice-president of business affairs.

Eric was the in-house lawyer. He conferred very closely with Norm on all matters. He would be involved in contracts that my department would do on contracts with advertisers and contracts with artists. He would be involved with contracts that the talent acquisition department would do for concert rights. And I don't think that he worked -- I think that -- it was my understanding that most high-level work was done by outside counsel who worked directly with Norm.

Q Who worked directly with Norm Pattiz?

A Right.

Q With Eric Weiss?

A I don't know.

Q But you would characterize Eric Weiss as being a top management employee?

3104088336S

A When he joined the company, I would say no. By the time I left the company, I would say yes.

Q What about June of 1987?

A By June of 1987 Eric was definitely a top management employee.

Q To your knowledge, of course, would Norm Pattiz seek his legal advice on the propriety of certain initiatives that were thought about?

A I don't know. Norm retained -- as far as I knew, Norm had several lawyers and several law firms with which he was involved. It was never clear to me which one was utilized for what purpose, so I can't say.

Q Okay. Do you know Debra Seyler?

A Yes. Debra Seyler was -- before she joined the company Debra Seyler was Norm's -- was a key client of Norm's when she was working at Ted Bates Advertising and placing the business for Warner-Lambert with Westwood One and was highly regarded in the business, was very important in the company's early development.

Debra was brought in to -- Debra was brought in based on her experience as a -- based on her reputation as an MBA who had taken many courses in management and administration. She was brought in as -- her title was corporate V.P., but her responsibilities were over administrative details and organizational details.

3104088336

She would come out to the West Coast office and hold seminars on everything from time management to how to conduct a meeting. She oversaw -- I think she was involved with things like health insurance, and she was based in the New York office. She was considered to be an old friend of Norm's.

Q And someone he relied upon?

A Someone he relied upon, yeah.

MR. BLESSINGTON: I think we'll just take a quick break.

MR. CONRAD: Okay.

(A recess was taken.)

MR. BLESSINGTON: Let's go back on.

Q Mr. Kress, in your Complaint you indicated that Norman Pattiz requested that you make some contributions to the campaign of Senator Biden. Can you explain the circumstances surrounding that?

A I was asked to come to Norm's office. He said, "I want you to give me a check for" -- "I want you to make contributions to Joe Biden for President." He said, "I'd like you to give me a check for $1,000 from you, one from your girlfriend, and one from your brother."

Norm knew my brother, knew that I handled my brother's affairs when my brother was out of the country and knew that my brother was staying with me at the time.

310408833677

He said, "I want you to give me contribution checks, and you won't have to pay for it" or "You won't have to eat it. The company will reimburse you."

I said, "Why are you interested in the Biden campaign?"

He said -- I remember him specifically saying, "I don't give a shit about Joe Biden." He explained that Inouye was head of a subcommittee dealing with broadcasting issues and that by making these contributions he would have the opportunity to testify before Inouye's committee.

Q Was that the extent of your discussion?

A Yes.

Q Did you have any misgivings about making these contributions?

A I was accustomed to taking orders. I didn't think about it. I did what I was told.

Q So you considered this a direct order?

A Definitely.

Q No doubt about that?

A It was a direct request. The line between an order and a request in this case escapes me. People at Westwood One did what Norm told them to do or asked them to do. It was the same thing.

Q And do you recall if he said, "I want you to do this" as opposed to, for instance, "Would you do this?"

3104088368

A No. He said, "I want you to do this." He said, "I want you to give me checks."

Q And was it your impression that he expected you to do it without delay?

A Yes.

Q Did you ask him whether this was legal?

A No.

Q Did you think it might be illegal?

A No.

Q Did he raise the question of legality at all?

A No.

Q So you didn't discuss, for instance, why the corporation wasn't just simply making a contribution to the Biden campaign?

A No. It wasn't my place to question his decisions. He didn't look kindly on that type of questioning.

Q Now, you said that he wanted you to make a contribution in your name and in the name of your girlfriend.

A Uh-huh.

Q Who was that?

A Margaret McAllister, who has since become my wife.

Q And your brother, you said, was staying with

2104088833369

you at the time?

A Yes.

Q Did you discuss this matter with him?

A With my brother?

Q Yes.

A Yes, to the extent that I conveyed Norm's wishes, and he complied.

Q Did he question it at all?

A No.

Q What precisely is your relationship with your brother's finances?

A My brother lives outside of the country much of the year, and during the time that he's away I take care of his affairs here to the extent that he has affairs here, or I take care of some of his affairs here.

Q And he was staying with you at the time of this request?

A Yes, sir.

Q And you said in your Complaint on or about June 17, 1987?

A Yes.

Q And just for the record, we're talking about Senator Biden's Presidential campaign, are we not?

A Yes.

MR. CONRAD: You have to wait until the question is

2104088337O

finished.

THE WITNESS: I'm sorry.

BY MR. BLESSINGTON:

Q You're too fast for me.

A I know.

Q And so you left Norm Pattiz's office, and did you think much more about it at that point?

A No.

Q Did you call your soon-to-be-wife?

A No. As I recall, I waited until I got home.

Q And you did the same thing with your brother?

A Yes.

Q They were both staying with you at the time?

A Yes.

Q And you simply decided that this was going to be done? Nobody questioned it?

A Yes, nobody questioned it. It was what Norm wanted, and it was to be done.

Q Did your brother know Norm Pattiz?

A Sure.

Q Were they friendly?

A They were -- they knew each other through me. We had all socialized at various times together.

Q Did your wife -- why don't we call her your wife -- your wife know Norm Pattiz?

2104088337

A I don't believe she ever met him at that time.

Q And she simply agreed to do this because you asked her; right?

A Yes.

Q Was anybody else present when Mr. Pattiz asked you to do this?

A No.

Q Did you talk about this with anyone else at Westwood?

A I don't recall doing so. It's possible, but I don't recall doing so.

Q Do you recall any discussion among anybody at Westwood that other people were also being asked to make these contributions?

A I recall being aware that other people had made the contributions. I don't recall how I was aware, and I don't recall which people I was aware of. But I was aware of the fact that I wasn't the only one.

Q But you just can't recall the specifics on that?

A No.

Q Now, you talked about what Norman Pattiz stated as his rationale for wanting to contribute to Senator Biden's campaign. Was there anything talked about his testimony?

2104088337 2

A No. I never heard anything about his testimony from that point forward until I was in the process of preparing my Complaint, and then I researched it and received a copy of his testimony, which was attached to my Complaint.

Q So the only conversation that you had with Norm Pattiz about this contribution and reimbursement involving yourself and your wife and your brother was that one meeting on or about June 17?

A Yes.

Q And there was no other discussion other than what you've told me here?

A No.

Q When did you decide to file the Complaint?

A The Complaint was filed in May of 1989, I believe.

Q And when did you decide that you were going to file one?

A Probably around April '89. I had been considering it for a month or two before the time that I did.

Q Well, I asked you before about when he initially proposed this to you, you didn't think much about the legality of it.

A No.

210408833733

Q At what point did you think that there might be some kind of a legal problem?

A Sometime after I was gone from the company I began questioning whether this was a right or a wrong thing to have been involved with. At that point I did some research. I called Lois Lerner at your agency. I went to the Hall of Records in Los Angeles where campaign contributions are reported. I examined the extent to which Westwood One employees had been involved in this, and I just felt that it was wrong and that it needed to be called to the Department's attention.

Q It was sometime after you left Westwood that you had second thoughts about what you had done; is that correct?

A I had second thoughts about what had been done, and at that time I decided to file the Complaint.

Q Can you tell me about the reimbursement?

A The reimbursement was given to me.

Q I've got a copy of the Complaint if you would like to take a look at it.

A Yes.

MR. BLESSINGTON: Why don't we just have that marked as an exhibit. Could you just please mark that as Commission Exhibit No. 1.

(Commission Exhibit 1 was marked for

2104088337 4

identification and is attached hereto.)

THE WITNESS: Anyway, as I stated in my Complaint, on or around July 9 I received a check from Westwood One, Inc. It was handed to me by Gary Yusko in the amount of $3,000. It was marked -- to my recollection, it was marked "Heart Tour Expenses," referring to the rock group Heart, for alleged expenses occurred in the execution of our promotions around that tour which, as I state in my Complaint, no such expenses were incurred or requested reimbursement for.

BY MR. BLESSINGTON:

Q How did you know this was for the reimbursement for the contribution?

A I looked at Gary when he handed it to me, and I said, "What's this?" And he smiled and shrugged, and nothing further was said.

Q So he didn't articulate what it was?

A Correct.

Q And you didn't either?

A It was clear.

Q Can you tell me how the expense reimbursement worked at Westwood?

A Employee business expenses which were incurred were documented on standard employee expense forms. One would submit those forms to his immediate superior. They would get approved, go to the accounting department, and be

2104088337 5

processed for reimbursement.

Q If you didn't fill out the forms that you were supposed to fill out in order to get reimbursement, would you be able to get a reimbursement for expenses?

A No.

Q I know you weren't in accounting or the financial end of it, but would there have to be some type of paper, a piece of paper, in order to get an expense reimbursement?

A Absolutely. You would fill out -- an employee would fill out expense reports, each report covering a one-week period. People under me would submit it to me.

MR. CONRAD: And who would you submit it to?

THE WITNESS: At times Tom Ferro, at times Norm.

BY MR. BLESSINGTON:

Q So you would go to either Tom Ferro or to Norm Pattiz with yours and your employees' expense requests?

A Yes.

Q Reimbursement requests.

A Or I would send them through interoffice mail.

Q And that would at various times have needed the approval of Tom Ferro or Norm Pattiz --

A Yes. When I was in advertising sales it would have been Ron Hartenbaum, and when I was in music marketing it would have been either Tom Ferro or Norm or, towards the

210408833376

end of my tenure subsequent to all this, to Jerry Sharell.

Q And do you know what happened to it after these people up the ladder got finished with them?

A Sure. Expense reports would be submitted to one's superior. The superior would forward them to the accounting department, and the accounting department would process them for payment, and you would get paid.

Q I see. Now, your knowledge of the contributions made by other individuals either that worked for Westwood or were associated with people that worked with Westwood is confined to your review of campaign finance reports of the Biden Committee; is that correct?

A Yes. I may have discussed this with Dean Marion at the time; I may not. I may have discussed it with him afterwards. But, yes, other than Dean I don't know that I had direct knowledge of any contributions until I looked through the records from the Biden campaign.

Q I know you can't remember specifically about the discussions regarding the contributions at the time that they were made. But you said you do have some recollection that everybody or many people knew about it. Is that correct?

A Uh-huh, yes.

Q To the best of your recollection, did people have a general sense that falsification of company records

3104088337

were used to conceal these contributions?

MR. CONRAD: Do you understand -- I'm sorry. Falsification of which company records?

MR. BLESSINGTON: Falsification of records such as expense accounts.

MR. CONRAD: I see. A false expense voucher. Okay.

THE WITNESS: I'm not sure. Are you saying did people know that they were breaking the law or did people --

BY MR. BLESSINGTON:

Q You said there was a general sense or understanding, if I'm not mischaracterizing your testimony, that people were aware that contributions were being made and that there were --

A I'm saying that it was -- it's my recollection that it was my impression at the time that a number of people were doing it. It was never my impression that Norm was asking me to do this and nobody else. But in terms of specifically -- in terms of -- I cannot remember any specific conversations, although I may have had one with Dean Marion. I can't remember any specific conversations or any specifics of other people who would have made such contributions.

Q Was there ever any concern among people at Westwood about the making of political contributions?

A I never heard any expressed.

210408833378

MR. BLESSINGTON: Well, I think that's about all for today. I'm going to continue the deposition. I may need to talk to you again. If I do, I'll try to make it as easy as possible for you. Maybe we can do something by phone or whatever.

MR. CONRAD: Great.

THE WITNESS: How long are you down for?

MR. BLESSINGTON: I'll be leaving over the weekend.

I want to just get on the record that we have your witness and mileage fee check back in Washington, and we'll be mailing that to you.

And just finally to close up, you will be reviewing this and correcting it for any inaccuracies; is that correct?

THE WITNESS: Yes.

MR. BLESSINGTON: Well, that will do it.

MR. CONRAD: Why don't you send the original to Mr. Kress.

MR. BLESSINGTON: I guess that will do it for a while.

THE REPORTER: Penalty of perjury or notary?

MR. BLESSINGTON: A notary is fine.

MR. CONRAD: Whatever Mr. Blessington wants is fine.

(Discussion held off the record.)

MR. BLESSINGTON: Back on the record.

2104088337379

MR. CONRAD: That's fine.

MR. BLESSINGTON: After we closed for the day, Mr. Kress mentioned a couple of things to me.

Q And I think that it would be appropriate to get them on the record involving a couple of contacts made by Norm Pattiz to Dean Marion and to you, Mr. Kress. Is that correct?

A Uh-huh, yes.

Q Just please state what you told me before for the record.

A According to Dean Marion, once this Complaint was initially filed, Norm called Dean and asked him what he knew about the Complaint. Dean indicated to Norm that he knew about the Complaint and had signed the Complaint. Norm was, according to Dean, very surprised that Dean had signed the Complaint and said in a flustered manner to Dean, "Well, if you hadn't signed this, we could have all just said it didn't happen, and it would have all just gone away. Now I don't know what I'm going to do."

And that was pretty much the end of the conversation as Dean related it to me.

Q And you indicated that you also heard from Mr. Pattiz after you initially attempted to file the Complaint?

A Yes. He left a number of messages, ~~or~~ AND he and

2104088333380

his secretary left a number of messages, on my answering machine. I subsequently called him back. And he said, "Is it true that you did this?"

MR. CONRAD: Referring to what?

THE WITNESS: Referring to the filing of the Complaint.

I said yes, it was. He said, "That's just great," in a sarcastic manner. And we had nothing further to say to each other, and that was the end of the conversation.

BY MR. BLESSINGTON:

Q So it was a very brief conversation?

A It was a very brief conversation.

Q He didn't state anything to you that if you had just kept quiet, nothing would have happened?

A No.

Q So he just thanked you in a sarcastic fashion?

A Yes.

Q For what you had done?

A Yes.

MR. BLESSINGTON: Thank you.

(Whereupon the deposition adjourned at 11:40 A.M.)

* * * * *

MARK H. KRESS

2104088338

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, _____,
a Notary Public in and for the County of Los Angeles, State of California, do hereby certify:

That on the ____ day of_____, 1990, before me personally appeared _____, the witness whose deposition appears herein;

That the said witness was by me first duly advised of the right to make such changes and corrections as might be necessary in order to render the within transcript true and correct;

That the said witness stated to me that the said deposition was read to or by said witness, who, having made such changes and corrections as desired, thereupon subscribed and swore to the said deposition in my presence.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal this day hereinabove written.

_____
Notary Public in and for the County
Of Los Angeles, State of California

/
/

1040883382

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

The undersigned Certified Shorthand Reporter of the State of California does hereby certify:

That prior to being examined, the witness in the foregoing proceedings was duly sworn to testify the truth, the whole truth and nothing but the truth.

That said proceedings were taken before me at the time and place therein set forth, and were taken down by me in shorthand and thereafter transcribed into typewriting under my direction and supervision; and I hereby certify that the foregoing transcript of proceedings is a full, true and correct transcript of my shorthand notes so taken.

I further certify that I am neither counsel for nor related to any party to said action, nor in anywise interested in the outcome thereof.

In witness whereof, I have hereunto subscribed my name this 5th day of March, 1990.

Zorica Dragovich

ZORICA DRAGOVICH
CSR No. 6524

210408833383

EXHIBIT

2104088833884

HAND DELIVERED 06C2943

FEDERAL ELECTION COMMISSION
89 JUN -9 PM 3:33

FEDERAL ELECTION COMMISSION
89 JUN -1 PM 1:58

MUR 2493

May 30, 1989

SENSITIVE

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

Dear Sirs:

My name is Mark H. Kress, and my residence address is 1423 Comstock Avenue, Los Angeles, California 90024.

I have personal knowledge of violations of federal election laws committed by Norman J. Pattiz, Chairman of the Board of Westwood One Companies, which now owns the NBC Radio Network and the Mutual Broadcasting System, as well as radio stations in New York and Los Angeles. Mr. Pattiz's home address is 1225 Angelo Drive, Beverly Hills, California 90210; his home telephone number is 213 550-1632. His office address is 9540 Washington Boulevard, Culver City, CA 90232. His office phone number is 213-840-4201.

Mr. Pattiz secretly financed campaign contributions in the names of his employees and their relatives, each of whom was subsequently reimbursed by Mr. Pattiz through his corporation. In doing so, he violated Federal Election Campaign Act provisions which restrict corporate campaign contributions, set a $1000 per person contribution limit, and forbid contributions to be made in the names of other persons.

I am writing to request your formal investigation and appropriate action. Below are stated the facts to the best of by knowledge and belief:

Recitation of Facts

I was employed by Westwood One from May, 1984 through September, 1988, most recently as Vice President/Music Marketing. Prior to that, Mr. Pattiz and I had been personal friends since 1969.

Commission Exhibit 1
Date 2-22-90
ZORICA DRAGOVICH, N.P.

2104088338 5

On or around June 17, 1987, Mr. Pattiz summoned me to his office. He said that he wanted me to give him three checks; on behalf of myself, my brother (whose finances Pattiz knew I managed), and my fiance, each for $1000 payable to the Biden for President Campaign. He volunteered that he would arrange for Westwood One to repay the money to me. I asked him why he was supporting Biden, to which he replied, "Oh, I don't give a shit about Joe Biden. It's Inouye I'm interested in". He went on to explain that Senator Daniel Inouye was one of the Biden campaign's National Co-Chairmen, and that Sen. Inouye was also chairman of a subcommittee then dealing with certain broadcasting issues of interest to Mr. Pattiz and Westwood One. He stated that raising this money for the Biden campaign would enable him to testify before Senator Inouye's subcommittee.

Westwood One had always been run as a personal fiefdom by Mr. Pattiz, and it was well known that one's career would suffer from any refusal of his whims. Consequently, over the next few days it became common knowledge that this same request had been made of a number of Westwood One employees, all of whom had readily complied.

According to information filed by the Biden For President Campaign, the following contributions were received within the next few days, all from persons who were in fact Westwood One employees:

William Battison 316 36th Street Manhattan Beach, CA 90266 President	$1000	June 19, 1987
Eric Weiss 521 Montana Avenue #104 Santa Monica, CA 90403 Director of Business Affairs	$1000	June 22, 1987
Gary Yusko 14108 Hamilton St. #2 Van Nuys, CA 91401 V.P. Financial Operations	$1000	June 19, 1987
Mark Kress Complainant V.P. Music Marketing	$1000	
Debra Seyler 48 Wexford Drive Mendham, NJ 07945 V.P.	$1000	June 19, 1987

2104083386

Thom Ferro 23448 Moonshadow Drive Malibu, CA 90265 V.P. General Manager	$1000	June 22, 1987
Dean Marion 2670 Kelton Ave Los Angeles, CA 90064 Director of Merchandising	$1000	June 19, 1987
Stephen Jaffe 5054 Haskell Avenue Encino, CA 91436 Controller	$1000	June 18, 1987

Public record also shows the following contributions during that period of time to the Biden campaign by friends and relatives of the above:

Elizabeth Bauman Now the wife of William Battison, President	$1000	June 29, 1987
Socorro Yusko Wife of Gary Yusko, V.P. Financial Operations	$1000	June 20, 1987
Mari Hand Now the wife of Thom Ferro, V.P. General Manager	$1000	June 22, 1987
Andrea Jaffe Wife of Stephen Jaffe, Controller	$1000	June 18, 1987
Robert Kress Brother of Complainant	$1000	
Margaret McAllister Now the wife of Complainant	$1000	

> 10408833387

On June 24, 1987, I personally delivered to Mr. Pattiz three checks (mine, my brother's and my fiance's) for $1000 each, payable to the Biden for President Campaign. On or around July 9, 1987, Gary Yusko, V.P. Financial Affairs, handed me a check payable to me from Westwood One for $3000. The check stub carried the notation "Heart Tour Expenses", apparently referring to a musical tour sponsorship which I was overseeing for Westwood One. However, I had incurred no such expenses, and had not submitted any request for such expense payments. In fact, this was Westwood One's covert reimbursement to me for the Biden contributions.

Dean Marion, then Westwood One's Director of Merchandising, also was instructed by Mr. Pattiz to delivered a check for $1000, with the same understanding of forthcoming reimbursement. Mr. Marion, who has read this complaint, and stands ready to verify the details, attests that he too delivered a $1000 contribution, and was subsequently reimbursed by Mr. Pattiz through Westwood One. A check for $1000 was delivered to him by Mr. Pattiz' private secretary approximately three months later, and was falsified as a "bonus".

On July 9, 1987, as he foretold, Norman Pattiz did indeed appear as a witness before the Subcommittee on Communications of the Committee on Commerce, Science and Transportation. The Chairman of this subcommittee was Senator Inouye. Mr. Pattiz testified in support of the Broadcasting Improvement Act of 1987 which contained provisions which would preserve one-to-a-market rules for station ownership. This was legislation which Mr. Pattiz supported as a means of blocking stronger competitors, notably the ABC Radio Networks, from gaining competitive advantages over Westwood One and its subsidiary, the Mutual Broadcasting System, by owning more radio stations in major markets.

As Mr. Pattiz stated in his testimony, "...traditional radio networks that own radio stations have a tremendous advantage over radio networks and other companies that do not own radio stations. And to the extent that these traditional radio networks can increase the amount of radio stations that they own, they can mandate distribution of commercial announcements which is, after all, the source of the support for all of our networks". He obviously believed this, as Westwood One has since taken control of two radio stations in New York and one in Los Angeles.

> 1 0 4 0 8 8 3 3 8 8

SUMMARY

Norman Pattiz is the Chief Executive Officer of one of the largest and most powerful radio organizations in our country. He has openly and arrogantly flaunted the nation's election laws in order to simply gain petty favors which might influence his company's bottom line. This is a flagrant violation of not only the Federal Law, but of the honorable principles expected of America's national broadcasters and local broadcast licensees. These matters deserve your careful investigation and firm action.

I know all of the facts stated herein of our own personal knowledge, or upon information and belief, and as to those matters, believe them to be true.

Very truly yours,

Mark H. Kress

Margaret M. Kress

Robert D. Kress by Mark H. Kress, Atty in Fact
Robert D. Kress, by Mark H. Kress, his Attorney in Fact

Sworn to and subscribed before me this 30th day of May, 1989 at Los Angeles, California.

Katherine Craft
Notary Public in and for said city and state

OFFICIAL SEAL
KATHERINE CRAFT
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires SEP 18, 1992

> 1040883389

89 MAY -2 AM 10:23

April 27, 1989

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

Dear Sirs:

My name is Mark H. Kress, and my residence address is 1423 Comstock Avenue, Los Angeles, California 90024.

I have personal knowledge of violations of federal election laws committed by Norman J. Pattiz, Chairman of the Board of Westwood One Companies, which now owns the NBC Radio Network and the Mutual Broadcasting System, as well as radio stations in New York and Los Angeles. Mr. Pattiz's home address is 1225 Angelo Drive, Beverly Hills, California 90210; his home telephone number is 213 550-1632. His office address is 9540 Washington Boulevard, Culver City, CA 90232. His office phone number is 213-840-4201.

Mr. Pattiz secretly financed campaign contributions in the names of his employees and their relatives, each of whom was subsequently reimbursed by Mr. Pattiz through his corporation. In doing so, he violated Federal Election Campaign Act provisions which restrict corporate campaign contributions, set a $1000 per person contribution limit, and forbid contributions to be made in the names of other persons.

I am writing to request your formal investigation and appropriate action. Below are stated the facts to the best of by knowledge and belief:

Recitation of Facts

I was employed by Westwood One from May, 1984 through September, 1988, most recently as Vice President/Music Marketing. Prior to that, Mr. Pattiz and I had been personal friends since 1969.

> 10408833390

On or around June 17, 1987, Mr. Pattiz summoned me to his office. He said that he wanted me to give him three checks; on behalf of myself, my brother (whose finances Pattiz knew I managed), and my fiance, each for $1000 payable to the Biden for President Campaign. He volunteered that he would arrange for Westwood One to repay the money to me. I asked him why he was supporting Biden, to which he replied, "Oh, I don't give a shit about Joe Biden. It's Inouye I'm interested in". He went on to explain that Senator Daniel Inouye was one of the Biden campaign's National Co-Chairmen, and that Sen. Inouye was also chairman of a subcommittee then dealing with certain broadcasting issues of interest to Mr. Pattiz and Westwood One. He stated that raising this money for the Biden campaign would enable him to testify before Senator Inouye's subcommittee.

Westwood One had always been run as a personal fiefdom by Mr. Pattiz, and it was well known that one's career would suffer from any refusal of his whims. Consequently, over the next few days it became common knowledge that this same request had been made of a number of Westwood One employees, all of whom had readily complied.

According to information filed by the Biden For President Campaign, the following contributions were received within the next few days, all from persons who were in fact Westwood One employees:

William Battison 316 36th Street Manhattan Beach, CA 90266 President	$1000	June 19, 1987
Eric Weiss 521 Montana Avenue #104 Santa Monica, CA 90403 Director of Business Affairs	$1000	June 22, 1987
Gary Yusko 14108 Hamilton St. #2 Van Nuys, CA 91401 V.P. Financial Operations	$1000	June 19, 1987
Mark Kress Complainant V.P. Music Marketing	$1000	
Debra Seyler 48 Wexford Drive Mendham, NJ 07945 V.P.	$1000	June 19, 1987

> 1 0 4 0 8 8 3 3 9 1

Thom Ferro = $1000 June 22, 1987
23448 Moonshadow Drive
Malibu, CA 90265
V.P. General Manager

Dean Marion $1000 June 19, 1987
2670 Kelton Ave
Los Angeles, CA 90064
Director of Merchandising

Stephen Jaffe $1000 June 18, 1987
5054 Haskell Avenue
Encino, CA 91436
Controller

Public record also shows the following contributions during that period of time to the Biden campaign by friends and relatives of the above:

Elizabeth Bauman $1000 June 29, 1987
Now the wife of William Battison, President

Socorro Yusko $1000 June 20, 1987
Wife of Gary Yusko, V.P. Financial Operations

Mari Hand $1000 June 22, 1987
Now the wife of Thom Ferro, V.P. General Manager

Andrea Jaffe $1000 June 18, 1987
Wife of Stephen Jaffe, Controller

Robert Kress $1000
Brother of Complainant

Margaret McAllister $1000
Now the wife of Complainant

> 10408833 92

On June 24, 1987, I personally delivered to Mr. Pattiz three checks (mine, my brother's and my fiance's) for $1000 each, payable to the Biden for President Campaign. On or around July 9, 1987, Gary Yusko, V.P. Financial Affairs, handed me a check payable to me from Westwood One for $3000. The check stub carried the notation "Heart Tour Expenses", apparently referring to a musical tour sponsorship which I was overseeing for Westwood One. However, I had incurred no such expenses, and had not submitted any request for such expense payments. In fact, this was Westwood One's covert reimbursement to me for the Biden contributions.

Dean Marion, Westwood One's Director of Merchandising, also was instructed by Mr. Pattiz to delivered a check for $1000, with the same understanding of forthcoming reimbursement. Mr. Marion, whose signature appears on this complaint, attests that he too delivered a $1000 contribution, and was subsequently reimbursed by Mr. Pattiz through Westwood One. A check for $1000 was delivered to him by Mr. Pattiz' private secretary approximately three months later, and was falsified as a "bonus".

On July 9, 1987, as he foretold, Norman Pattiz did indeed appear as a witness before the Subcommittee on Communications of the Committee on Commerce, Science and Transportation. The Chairman of this subcommittee was Senator Inouye. Mr. Pattiz testified in support of the Broadcasting Improvement Act of 1987 which contained provisions which would preserve one-to-a-market rules for station ownership. This was legislation which Mr. Pattiz supported as a means of blocking stronger competitors, notably the ABC Radio Networks, from gaining competitive advantages over Westwood One and its subsidiary, the Mutual Broadcasting System, by owning more radio stations in major markets.

As Mr. Pattiz stated in his testimony, "...traditional radio networks that own radio stations have a tremendous advantage over radio networks and other companies that do not own radio stations. And to the extent that these traditional radio networks can increase the amount of radio stations that they own, they can mandate distribution of commercial announcements which is, after all, the source of the support for all of our networks". He obviously believed this, as Westwood One has since taken control of two radio stations in New York and one in Los Angeles.

) 1 0 4 0 8 8 3 3 9 3

SUMMARY

Norman Pattiz is the Chief Executive Officer of one of the largest and most powerful radio organizations in our country. He has openly and arrogantly flaunted the nation's election laws in order to simply gain petty favors which might influence his company's bottom line. This is a flagrant violation of not only the Federal Law, but of the honorable principles expected of America's national broadcasters and local broadcast licensees. These matters deserve your careful investigation and firm action.

We the undersigned know all of the facts stated herein of our own personal knowledge, or upon information and belief, and as to those matters, believe them to be true.

Very truly yours,

Mark H. Kress

Margaret M. Kress

Dean Marion

Robert D. Kress, by Mark H. Kress, his Attorney in Fact

STATE OF CALIFORNIA
COUNTY OF Los Angeles
On this the 21 day of April 19 89
before me, EDNA R. RUBY, the undersigned
Notary Public, personally appeared
Mark H Kress, Dean Marion and
Margaret M. Kress
☐ personally known to me - ☒ proved to me on the basis of satisfactory evidence
to be the person(s) whose name(s) are
subscribed to the within instrument, and
acknowledged that they executed it.
WITNESS my hand and official seal.
Edna R. Ruby
(Signature)

OFFICIAL SEAL
EDNA R. RUBY
NOTARY PUBLIC – CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Expires March 27, 1992

STATE OF CALIFORNIA
COUNTY OF Los Angeles | S.S.
On this the 21 day of April 19 89 before me,
the undersigned, a Notary Public in and for said County and State,
personally appeared Mark H. Kress
personally known to me or proved to me on the basis of satisfactory evidence to be
the person(s) whose name is
subscribed to the within instrument, as the Attorney in fact of
Robert D. Kress
and acknowledged to me that he subscribed the name
of Robert D. Kress thereto as
principal and his own name as Attorney in fact.
Signature Edna R Ruby

FOR NOTARY SEAL OR STAMP

OFFICIAL SEAL
EDNA R. RUBY
NOTARY PUBLIC – CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Expires March 27, 1992

PEOU Stock No. CAL-373 (Rev. 10-82) Attorney-In-Fact Staple

>10408833994

S. Hrg. 100-314

BROADCASTING IMPROVEMENTS ACT OF 1987

HEARINGS

BEFORE THE

SUBCOMMITTEE ON COMMUNICATIONS

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

ON

S. 1277

TO AMEND THE COMMUNICATIONS ACT OF 1934 REGARDING THE RESPONSIBILITIES OF BROADCASTING LICENSEES, AND FOR OTHER PURPOSES

JULY 17 AND 20, 1987

Printed for the use of the Committee on Commerce, Science, and Transportation

>10408833395

U.S. GOVERNMENT PRINTING OFFICE

8-183 O WASHINGTON 1987

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

) 1 0 4 0 8 8 3 3 9 6

tative guidelines generally and second, the FCC noted that advertising is an important support mechanism for children's television programming. The U.S. Court of Appeals reversed the FCC, finding the adoption of "what had heretofore been an unthinkable bureaucratic conclusion" arbitrary and capricious.

The Court noted that for 15 years, "the FCC's regulation of children's television was founded on the premise that the television marketplace *does not* function adequately when children make up the audience." Children cannot comprehend conceptually the difference between programming and advertising. Because of their youth and inexperience children are "far more trusting of and vulnerable to commercial 'pitches' than are adults." The Commission itself so found in its 1974 Report. The Court reminded the Commission of the fact that "kids are different; the Commission cannot cavalierly revoke its special policy for youngsters without reexamining its earlier conclusions."

Even now, the Commission maintains policies which are premised on the basic notion that children are unique and not subject to regulation by the marketplace. Its ban on hostselling (television commercials which feature the same primary characters as those in the adjacent program) and the requirement of strict separation between advertising and program content exist because of the recognition that the market will not work for kids. How, under these circumstances, can the Commission permit half-hour long programs which are nothing more than commercials designed to promote toy sales? Why are these programs different when there clearly is no separation of programming from commercial? The short answer is that the Commission has turned its back on our nation's children, whatever the consequences. It is now left to Congress to address the situation if we are to improve the state of children's television.

In conclusion, ACT commends the effort made in S. 1277 but stresses that this is just a first step. More is needed, especially in light of the sorry state children's television is now in. We ask that you consider legislation such as S. 1594, which was introduced in the 99th Congress. The Commission has clearly forgotten that child by child we build our future.

Thank you.

QUESTIONS OF SENATOR INOUYE AND THE ANSWERS

Question 1. Ms. Charren, many opponents of this legislation contend that the term "meritorious" is too vague and will cause confusion. How would you define meritorious programming directed towards children?

Answer 1. I agree that the term, "meritorious", while the proper standard, needs fleshing out. In my view, such fleshing out should be along the lines of S. 1594 in the 99th Congress.

Question 2. Ms. Charren, if a particular station determined that it was not going to direct any of its programming towards children, say it only wanted to broadcast news and felt that other stations in the market broadcast sufficient children's programming, do you believe that that station should not be entitled to have its license renewed?

Answer 2. My focus at ACT is upon television, and I believe that so also should your legislative focus. Radio, with its thousands of stations (e.g., 59 in Chicago, 39 in Washington), can and should specialize, such as the all news stations in your example (although even then there surely can be appropriate segments dealing with matters affecting children). Television, however, stands on a different footing as to children's programming. The FCC, in both its 1974 and 1985 reports, correctly stressed that each TV licensee has a duty to serve the unique child audience. Thus, even if a TV station specialized (and few do today), it would have a continuing duty to serve the child audience in a way appropriate to its specialization (e.g., Spanish language, black oriented). I would therefore strongly urge that no TV stations be renewed that failed in this most important responsibility.

Senator EXON. Thank you, Ms. Charren.

Mr. Pattiz? Do I pronounce your name correctly?

Mr. PATTIZ. Absolutely right.

STATEMENT OF NORMAN PATTIZ, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, WESTWOOD ONE

Mr. PATTIZ. Thank you, Mr. Chairman. I am the founder, chair-

) 1 0 4 0 8 8 3 3 9 7

largest producer and distributor of syndicated radio programs. We also own the Mutual Broadcasting System, which is right across the river in Arlington, Virginia. Mutual is the single largest individual radio network, with about 860 affiliates across the country.

We do not own radio stations. We do, however, interact heavily with radio stations. And we are not a company that is involved in any broadcast businesses other than radio. So, I will be speaking to this legislation strictly as it relates to the radio business.

We strongly support the provisions of S. 1277 that would preserve the duopoly and one-to-a-market rules.

I might mention that when I started this enterprise 12 or 13 years ago, I learned right away that there were opportunities for entrepreneurial ventures in the radio business that were not available in a lot of other businesses, and we could fill the needs of broadcasters—which was not inconsistent at all with fulfilling the needs of the local communities that they serve.

One of the reasons that we were intrigued with this business from the very beginning was we felt that there were no major players. Because of the way radio was regulated at the time, with the 7-7-7 rules, and the duopoly and one to a market rules, there was no way that any of the big boys were going to be able to come down and influence radio stations to carry or not carry our programs.

When the 7-7-7 rule became the 12, 12 and 12 rule, we started to get a little bit more nervous. And now that the FCC has asked for comments on one-to-a-market and duopoly, there is generally a feeling afoot that something is going to change. In conversations that I have had with staff up here and also with various commissioners at the FCC, it is clear to me that if the FCC is allowed to do what the FCC wants to do, we are going to see further and further and further de-regulation. In terms of the diversity and quality of programming that I think we all seek, deregulation of the duopoly and one-to-a-market rules would have a disastrous effect on the marketplace.

The fact of the matter, and the one point that I want to make before I end my comments, is that traditional radio networks that own radio stations have a tremendous advantage over radio networks and other companies that do not own radio stations. And to the extent that these traditional networks can increase the amount of radio stations that they own, they can mandate distribution of commercial announcements which is, after all, the source of the support for all of our networks.

And the thing that concerns me is that if there are less and less limits on the ownership of radio stations that are owned by networks and owned by single companies, it will be more and more difficult for independent broadcasters and independent companies, which seem to me to be of paramount interest in providing diversity and quality programming and differing opinions. It will become more and more difficult for us to find and supply those independent broadcasters—to have outlets for that diversity. It is, after all, fairly unusual for ABC to allow Mutual to affiliate its radio stations.

I would be happy to deal with anything further in questions if

STATEMENT OF NORMAN PATTIZ

Mr. Chairman and members of the Subcommittee, I am pleased to have the opportunity to testify this morning concerning S. 1277, the "Broadcasting Improvements Act of 1987." In particular, I am encouraged by the fact that this legislation promises to bring a halt to the Federal communication Commission's wrongheaded and foolhardy proposals to relax the duopoly and one-to-a-market rules, the rules that limit concentration of ownership of broadcast outlets.[1]

These proposals do nothing to advance the public interest and threaten significant harm to the diversity of views and programming that the duopoly and one-to-a-market rules make possible. By turning independent stations into captive markets for programming dictated by corporate owners often far removed from the communities they serve, frequently with business interests that have little to nothing to do with radio, these proposals threaten to set loose a headlong slide to mediocrity in radio programming. It has to be stopped, and I am very pleased to see that you are prepared to stop it.

I am the Chairman and Chief Executive Officer of Westwood One, a company that I founded some thirteen years ago that has grown to become the largest syndicater of radio programming in the nation and the owner of the Mutual Broadcasting System.

Westwood One owns no radio stations. We provide entertainment, news, and public affairs programming to radio stations across the United States who buy our services because we provide first rate programs. No one buys our programming because he has to. The decision to accept or reject our programming is made by independent stations in response to local interests and needs. We have no captive markets. We succeed because we serve the public's interest in quality programming, not because we own or control major broadcast facilities in major markets.

In my view, that is the way it should be. The duopoly and one-to-a-market rules serve the public interest by ensuring the diversity of ownership and independence that makes diverse programming possible. Consolidating ownership stifles the independence that is now the hallmark of the radio industry, without advancing the public interest. And that's wrong.

The FCC and proponents of the FCC's proposal argue that relaxing the duopoly and one-to-a-market rules (1) will not have an adverse effect on diversity, and, (2) will actually have a positive impact on diversity and the quality of broadcast programming. Both of these arguments are specious. In my view, the changes in the duopoly and one-to-a-market rules would only benefit those who seek to own multiple media outlets. I see no public benefit from increased concentration of ownership in the broadcast field.

The FCC's proposal abandons the principle that has guided broadcast regulations for the past fifty years—that diverse ownership of broadcast outlets will foster diversity of programming and viewpoint.[2] As you know, the multiple ownership rules were designed to promote programming and viewpoint diversity by encouraging diverse ownership of broadcast outlets.[3] Although the airline and trucking industries have been deregulated with some measure of success in recent years, the plain and simple fact is that the broadcast industry is fundamentally different from the airline and trucking industries—if for no other reason than the fact that broadcasting provides a forum for the exercise of a constitutional right. For this reason, Congress placed the airwaves under the exclusive stewardship of the federal government.[4]

---

[1] See Proposed Amendment of the Broadcast Multiple Ownership Rules summarized in 52 Fed Reg 8866 (1987) (hereafter "Notice").

[2] This assumption is reflected throughout the Communications Act of 1934, see, e.g. 47 USC §§ 307(b), 310(b), 312(a), 325(b), 396(a) and (g)(1), 532(a), and 533, and has been strongly endorsed over the years by the FCC, see, e.g. *Second Report and Order* in Docket No. 18110, 50 FCC2d 1046, 1050 (1975), recon granted in part, 53 FCC2d 589 (1975), *aff'd sub nom.*, FCC v National Citizens Committee for Broadcasting, 436 U.S. 775 (1978); the Congress, see, e.g. H.R. Rep. 934, 98th Cong. 2d Sess. 31, 32 (1984), and the courts, see, e.g. Red Lion Broadcasting v FCC, 395 U.S. 367, 390 (1969), Associated Press v U.S. 326 U.S. 1, 20 (1945).

[3] See, *Multiple Ownership of Standard, FM, and Television Broadcast Stations* 22 FCC2d 306, 314 stating that "the operation of broadcast stations by a large group of diversified businesses will better serve the public interest than the operation of broadcast stations by a small and limited group. . . . [T]he fundamental purpose of this facet of the multiple ownership rules is to promote diversification of ownership in order to maximize diversification of program and service viewpoints as well as to prevent any undue concentration of economic power contrary to the public interest" quoting 16 FCC2d 291, 293.

The multiple ownership rules do not represent limitations on another economic market. Rather, they serve as protections for diversity in the marketplace of ideas guaranteed by the First Amendment.[8]

Nonetheless, the FCC would virtually abandon the multiple ownership rules in the misguided belief that blanket exceptions would have no adverse impact on diversity. Such a belief underestimates how easily diversity might deteriorate under a less protective regime. Blanket exceptions to the multiple ownership rules would allow multiple media outlets in one market to come under the control of a single owner, drastically reducing the number of viewpoints available to the public.

An example will illustrate the dangers of a blanket exception to the one-to-a-market rule.[9] A blanket exception would permit each owner of a television station in a viewing area to own at least one radio station in that same market. If each owner of a television station purchased one of the largest radio stations in an area, a reasonable likelihood, the impact on diversity would be dramatic. A city with three major television stations and three leading radio stations—a total of six separate viewpoints—might lose the three independent voices of its radio stations, gaining nothing more than a radio repetition of views already widely dispersed through the television outlets.

Anyone who doubts this has only to listen to the evening radio news broadcast churned out by the major television networks. All too often, these radio reports are nothing more than the audio portion of news reports later re-broadcast, with pictures, on television. This may serve the networks' bottom line, but it is stark evidence of the homogenization of views and programming that can be expected from consolidated ownership.

The effect of relaxing the one-to-a-market rule would be magnified by a blanket exception to the duopoly rule. Although the absolute number of stations available might remain the same, a large number of listeners would hear only a few voices. It is easy to envision that the proposed exceptions could lead to domination of the airwaves by a few speakers, in a way not possible if the current multiple ownership rules were maintained and enforced.

Wiping out the multiple ownership rules would further erode diversity because large media conglomerates would enjoy competitive advantages over independent stations. Radio stations live or die on their ability to attract advertising. In a competitive market, this economic incentive promotes high quality programming; advertisers seek excellent programming, because good programming attracts large audiences.

But in a consolidated market, owners of multiple broadcast properties are able to attract advertisers through the sheer quantity of broadcast outlets they offer—not through the quality of their programming. In this environment, programming cannot help but suffer because it becomes increasingly irrelevant. As the owners of multiple properties confiscate the advertising base of their competition by buying it outright, the markets for independent programmers dry up—and the opportunities for quality programming alternatives wither, reducing both the number of independent voices in the community as well as the incentives for entrepreneurs to produce high quality programs.

Although, in theory, the antitrust laws might slow such concentration of ownership, the antitrust laws were not designed to protect First Amendment interests; that is the FCC's role. And because First Amendment values are at risk, the FCC has historically sought to prevent even the potential for anticompetitive effects.[10] This standard, higher than the one imposed in purely economic arenas, takes greater care to protect competition in the broadcast market because significant constitutional harms could result from diminished competition.

Blanket exceptions to the multiple ownership rules would probably cut inroads into viewpoint diversity where this diversity most needs protection—in the area of minority ownership and local control over media outlets. Because the multiple ownership rules prevent national corporations from controlling multiple media outlets in a single market, opportunities exist for independent local and minority-owned stations. Notably, in direct contrast to the obvious effect of the FCC proposal, S. 1277 seeks to promote minority ownership by codifying a system of preferences and tax certificates. Mr. Chairman, this approach of fostering minority ownership and

[8] *See* Abrams v. U.S., 250 U.S. 616, 630 (1919); Associated Press v. U.S., 326 U.S. 1, 20 (1945).

[9] The FCC suggested that it would consider a blanket exception from the duopoly and one-to-a-market rules for the largest markets. Capital Cities/ABC proposed a blanket exception for the fifty largest markets in the comment it submitted in response to the FCC's Notice. *See Comments of Capital Cities/ABC, Inc.*, (filed June 15, 1987).

[10] *See, e.g.*, 72 FCC 2d at 914.

views rather than encouraging concentration of ownership is the appropriate direction for broadcast regulation.

The FCC also maintains that the proposed rules will promote the public welfare by enhancing competition and diversity and by allowing for higher quality programming and news gathering. Mr. Chairman, the proposed relaxation of the multiple ownership rules will not promote public welfare one iota. The only welfare that the rules change will promote is the private welfare of those who own multiple broadcasting outlets.

The FCC holds to the belief that owners of multiple broadcast outlets will invest more in news gathering and programming because they are assured of customers for their products. Moreover, joint news-gathering and programming is beneficial, so the argument goes, because the economies of scope and scale produce a higher quality product; money saved through economies of scope and scale theoretically can be used to tailor broadcasts to specialized audiences, enhancing diversity of views and formats. I flatly reject these contentions. The supposed public benefits of joint ownership are spurious.

The FCC and those that support relaxation of the ownership rules assert that joint owners will make larger investments in news gathering and programming because they are assured of buyers for their product. There is no evidence to support this position and, frankly, it flatly contradicts everything we know about the way the marketplace works.

Westwood One has to produce quality programming to stay in business. We have no captive buyers. We know full well that any of our buyers can give us the heave-ho anytime we fail to provide programming that is responsive to the needs and interests of the market, or when somebody else in this business starts offering something better. None of these incentives is present for the corporation that owns its buyers.

The notion that joint ownership is important because it allows for joint news gathering and programming is similarly fatuous. Mr. Chairman, joint news gathering and programming is my business, and I will tell you that an organization that provides quality news coverage and programming can be successful by selling its product to independently owned broadcast outlets. Joint ownership of broadcast outlets is not necessary for the public to enjoy the benefits of joint news gathering and programming. As long as independently owned stations can contract with providers of joint news-gathering and programming, the advantages of joint news gathering and programming are not a reason to relax the rules on multiple ownership.

To the contrary, there is a very strong reason to prefer contractual solutions over relaxation of multiple ownership rules: contractual solutions do not endanger diversity. When independent radio stations take advantage of the benefits of size by purchasing news or programming, they retain editorial discretion to pick and choose among various news stories and programs available on a national market. But when radio and television stations are jointly owned, the valuable independent voice usually audible in programming choice and editorial policy is silenced by decisions from a distant headquarters. Therefore, because contractual relationships provide all the benefits offered by multiple ownership without endangering diversity, arguments that multiple ownership is beneficial to the public interest should be regarded with suspicion.

As for the claim that joint ownership will enhance diversity by promoting well-tailored formats that are sensitive to local or specialized listening tastes, nothing could be further from the truth. Specialized or tailored formats work best when independent station owners create their own format by picking and choosing programming that is available from various sources, not when a corporate owner impresses and imposes its editorial viewpoint and programming on a local station.

Finally, in those isolated cases in which there is solid evidence that joint ownership will benefit the public, the FCC can provide exceptions to the multiple ownership rules. In essence, Mr. Chairman, my quarrel with the FCC's proposal to relax the multiple ownership rules is that the Commission has chosen a radical departure, a blanket exception from the duopoly and one-to-a-market rules, when a much less drastic approach, case-by-case exceptions, is available and would address the problems equally well.

I acknowledge that the multiple ownership rules should not be applied mechanically in every instance. There are assuredly cases in which an exemption from the multiple ownership rules would not harm diversity and might actually bring some benefit in programming.[11] In such instances, it is perfectly appropriate and desirable

[11] For instance, multiple ownership rules should be waived if it is clear that a station would otherwise go out of business.

? 1040883399

for the Commission to waive one of its multiple ownership rules. But such cases are few and far between.

Case-by-case review would give the Commission the ability to differentiate between the vast majority of situations in which multiple ownership would harm diversity and those few instances in which more concentrated ownership would not implicate the basic First Amendment concerns that are the cornerstone of broadcast regulation. In contrast, a blanket exception would allow concentration of ownership without any assurance that the consolidation in question would be in the public interest.[9] In most cases, I believe consolidation would not be in the public interest. Quite simply, Mr. Chairman, the First Amendment mandate of programming and viewpoint diversity is far too critical an objective to sacrifice for the administrative convenience of a simple blanket exception.[10]

Let me address one final point with respect to the proposed changes to the multiple ownership rules. The FCC and those who support the relaxation of the multiple ownership rules suggest that these changes would benefit AM radio. Mr. Chairman, I doubt that there is anyone in the country who is more committed to the revival of AM radio than I. It is a great resource that is wasting away. But relaxation of the multiple ownership rules is not even a partial prescription for the ills that plague AM radio.

The solution to the problems of AM radio is economic growth. Ten years ago, many industry analysts thought that radio networks would go the way of the dinosaurs. Radio networks were not saved by changes in the regulatory environment or philosophy. Rather, programming entrepreneurs armed with inventive and vigorous ideas spurred the economic revival of radio networks. The same can and will happen in AM radio.

The FCC does have a useful role in fostering the resurgence of AM radio, and one that will not undermine the diversity protected and preserved by the multiple ownership rules. AM radio is being stifled by a technological logjam over high-quality AM receivers and the unavailability of AM stereo. If the FCC wants to help AM radio, and I believe that is an appropriate role for the Commission, it should directly address the technological issues that are holding back the economic growth crucial to AM radio's return to prominence and profitability.[11] Altering the multiple ownership rules would have only the most minor impact on AM radio, and this small and speculative benefit hardly warrants the otherwise unsupportable and detrimental rule changes proposed by the Commission.

In summary, Mr. Chairman, the action the FCC is contemplating with respect to the duopoly and one-to-a market rules would be a grave mistake. It would dramatically alter a historically successful regulatory policy, when a far less draconian response would produce the desired public benefit.[12] If the multiple ownership rules occasionally produce an anomalous result, the prudent course is to provide for case-by-case exceptions to the rules, not to abandon the rules as the FCC proposes.

I applaud this Committee's vigilance over an FCC that seems more interested in implementing a political philosophy than carrying out its function in protecting First Amendment interests. I enthusiastically support those provisions of S. 1277 that address the multiple ownership rules, and I thank the Committee for the opportunity to present my views.

---

[9] Two recent FCC decisions provide a telling indication that blanket relaxation of multiple ownership rules would not serve the public interest in all cases. RCA Corp. (GE Merger), 60 R.R. 2d 663 (1986); Capital Cities Communications, Inc., 59 R.R. 2d 451 (1985). Both cases involved station holdings that would be allowed under the proposed blanket relaxation of the multiple ownership rules, but which the Commission found not to be in the public interest when an exception from the rules was sought.

[10] While I strongly support the provisions of S. 1277 that preserve the duopoly and one-to-a market rules, I am very troubled by the section of the legislation that would reinstitute the anti-trafficking rule, the so-called three-year rule. I believe that repeal of the three-year rule has played a crucial part in opening up capital markets to the broadcast industry and bringing needed resources into broadcasting.

Many people dislike the three-year rules because they think it brings investors into the radio business who care only about profit and not about radio. They think that investors seeking to make the highest profit from radio will cut budgets for news and public affairs programming, to the detriment of the listening public. The solution to this problem is not to reinstitute the three-year rule. If Congress thinks that a certain measure of news and public affairs programming is essential to the public interest, it should reimpose direct requirements for news and public affairs programming. Attempting to address the problem by reinstituting the three-year rule would needlessly deprive the radio industry of much needed resources without insuring that radio stations air news and public affairs programs.

The worst possible scenario is reinstitution of the three-year rule and blanket exceptions to the duopoly and one-to-a market rules. The three-year rule would dry up capital markets. Blanket exceptions to the duopoly and one-to-a market rules would mean that media conglomerates can purchase numerous broadcast properties. In combination, these rules changes would not only allow media conglomerates to purchase numerous stations, but would have those owners become entrenched because of the operation of the three-year rule. The result will be that entrepreneurs will be frozen out of the market depriving the broadcast industry of needed new blood.

[11] In February of this year, the National Telecommunications and Information Administration within the Department of Commerce issued a report called *AM Stereo And The Future Of* [illegible] a variety of actions to assist AM radio. Notably none of

[12] It is rumored that the FCC would like to relax or repeal other multiple ownership rules if its proposal with respect to the duopoly and one-to-a market rules is accepted. The problems with multiple ownership will only get worse if other multiple ownership rules, particularly the

Questions of Senator Inouye and the Answers

Question 1. Mr. Pattiz, are there efficiencies to owning more than one station in a market?

Answer. Efficiencies are certainly possible, but these efficiencies come at the expense of the diversity and independence that are and always have been the distinguishing feature of the radio market. It is important to keep in mind that joint ownership is not the only way for radio stations to achieve efficiencies. Programming networks such as Westwood One and Mutual provide stations with quality news and entertainment programming that no small stations or group of stations could provide alone, and we do so without owning a single radio station.

Joint ownership makes certain management efficiences possible, but there is no guarantee that stations will be better managed simply because they are jointly owned with other broadcast properties, and there is certainly no guarantee that any efficiencies that result from joint ownership will work to the benefit of the public. The only thing we are guaranteed by abandoning the duopoly and one-to-a market rule is less diversity and independence in the market.

It is worth noting that the staff of the Federal Trade Commission, in comments before the FCC supporting relaxation of the common ownership rules, demurred on the impact of common ownership on diversity in editorial viewpoints, calling it a matter "beyond our institutional expertise." But the impact of common ownership on editorial diversity cannot be so lightly ignored. Indeed, it's the single most important issue in this debate. Whatever efficiencies may be claimed for common ownership, they cannot make up for the loss of editorial diversity that is certain to follow if the duopoly and one-to-a market rules are abandoned.

Question 2. Mr. Pattiz, I realize that frequently owners of more than one station in a particular market may program those stations to reach different audiences because of the competition. But doesn't common ownership increase the likelihood that there will be a reduction in program diversity?

Answer. Absolutely. Abandoning the one-to-a market and duopoly rules guarantees a reduction in the number of voices in the marketplace. It should be self-evident that ten stations owned and operated by ten owners yield greater diversity than ten stations owned by five owners, regardless of the programing decisions made by the owners. Even if stations are programmed to reach different audiences, they will probably share certain critical aspects of their programming. Such as news or public affairs programming, and it is fair to assume that the only editorial viewpoint expressed on these stations will be the viewpoint of the joint owner. Furthermore, it is important to keep in mind that a station's editorial viewpoint is not limited to news and public affairs programming. Even music programming reflects the editorial judgments of the station's ownership. A superficial diversity in programming may mask the fact that certain kinds of music or certain artists never get played, certain news events never get covered, and certain political views never find their way on the air. The chances for views to be stifled or ignored increase with the consolidation of broadcast ownership in a few hands.

Question 3. Could the relaxation of the multiple ownership rules make it more difficult for stand-along stations?

Answer. "More difficult" puts it mildly. I think stand-alone stations could go the way of the corner grocery if chains are allowed to gobble up stations in local markets.

For better or worse, advertising is what makes radio possible. There is simply no way for a stand-alone station to compete for long with somebody who can guarantee

an advertiser key placements in multiple stations because that somebody owns the stations. Moreover, as network ownership is allowed to grow, it becomes more and more difficult for companies like Westwood One to secure outlets for independent programming. As I noted in my testimony before the Committee, the network-owned stations have never been terribly interested in Westwood's One's product. As the number of available outlets shrinks, we lose the ability to offer the advertising base that provides the revenues that make it possible for us to provide first class programming. Indeed, we would likely be forced to buy stations, as a defensive measure, in order to maintain our advertising base, and other programming networks would be forced to do the same. In short order, we can expect to find fewer and fewer firms providing programming to stand-alone stations. That means diminished opportunities for the stand-alone firm to augment its local programming at a time when its advertising base, and the revenues that make strong local programming possible, is under attack from multiple outlet competition. In these circumstances, the stand-alone firm will be well advised to become part of a multiple outlet operation in order to stay in business, further diminishing diversity of views in the marketplace.

Senator EXON. Just let me say that I think you brought up a good point. As I indicated earlier, I have been for as much deregulation of the broadcast industry as possible because I think over the years we have built up a lot of archaic rules, especially with regard to re-licensing and so forth. I was not enthused when we went over to the 7-7. I am not for going anywhere beyond 12-12 because I think while that might be very good for those who presently own broadcasting stations and licenses, I am not sure that it is good for the overall service to the general public to have more and more of our limited broadcasting media despite the fact that it is proliferating very rapidly to fall into the same hands. And I share your concern.

Mr. Marshall?

STATEMENT OF PLURIA MARSHALL, CHAIRMAN, NATIONAL BLACK MEDIA COALITION

Mr. MARSHALL. Thank you, sir. I appreciate the opportunity to come before you today.

We at the National Black Media Coalition have been in this struggle to try and maintain some responsibility in the broadcasters' hands. And after deregulation, we felt that much of this had been dealt a very severe blow. We think that radio has been turned loose completely, and in the black community it is a very special problem because all of the radio stations point to the "black formatted station' as the stations who are supposed to serve you. And many of these stations have simply not provided anything but music.

And I think that we do have special news needs that are not necessarily being met by the news stations. They have very little "integrated news.' It is a repeat of what happens in the newspapers a lot of times.

We think that this bill does begin to address broadcasters' responsibility in a very sane way. I do not know why they have gone after so many rules that made them so much money for so long. If it ain't broke, don't fix it. But somehow they felt the need to do this.

I think that the Congress should require the FCC to increase utilization of its minority preference policies, its tax certificate policies, and maybe they will start again to use the distress sale policy because since the Reagan Adn is people have begun to reflect the distress sales in six years. So, the for the most part.

I think that we are a long w and minority ownership needs rather than have these folks tal ty policies. We think that the pr matic renewal should be elimin be held to some levels of respo than just getting automatic ren really has to be looked at very

The other part where public getting any financial compensat is basically an interference wit telling the broadcaster who they Many of the deals that we have have been responsible for pullin The deal would not have even that company that we can't be that deal through.

And I think that the idea of in this instance is left alone—y stances where you want to do there are some folks that you them to come under some othe remain consistent with the rule of the bill.

Thank you very much.

[The statement follows:]

STATEMENT OF PLURIA W. MARSHALL

Mr. Chairman: I am Pluria Marshall (NBMC). I appreciate the opportunity to today on the issue of deregulation.

As chairman, I come before this distin and its 85 affiliates throughout the U NBMC has gained the experience, stre across the table with the largest media clude: Evening News Association, Post Davis Broadcasting, General Electric ing, Gannett Company, Inc., etc.

Our mission is to (1) provide equal level of the industry, particularly dece programming in the public interest, and erties by black entrepreneurs.

NBMC provides ongoing programs an the broadcast industry. It is the most United States that works exclusively on Some of our accomplishments have inc major market VHF network affiliated about $10,000,000 below market price ment fund capitalized at $750,000. The black banks, grants, scholarships an $2,000,000 for black colleges. Finally, spe ing in new hirings and promotions of the NBMC media resource center that example in 1985, eleven (11) NBMC

> 1 0 4 0 8 8 3 4 0 0

DEPOSITION OF DEAN W. MARION

Los Angeles, California

Friday, February 23, 1990

COPY

Barnhill
DEPOSITION
SERVICING
CERTIFIED SHORTHAND REPORTERS
[illegible] Wilshire Blvd., Suite 475
[illegible], California 90036
[illegible] FAX 213.937.3016

REPORTED BY:

[illegible]

JOB NO.

ATTORNEY'S NOTES

Page No.	Line No.	

THE UNITED STATES OF AMERICA

BEFORE THE FEDERAL ELECTION COMMISSION

In re the Matter of)
)
MARK H. KRESS)
)

No. MUR 2893

Deposition of DEAN W. MARION, taken on behalf of the Federal Election Commission, at 312 North Spring Street, Eleventh Floor, Los Angeles, California, commencing at 10:06 A.M., on Friday, February 23, 1990, before ZORICA DRAGOVICH, Certified Shorthand Reporter No. 6524, pursuant to Subpoena.

* * *

2104088340 3

APPEARANCES

For the WITNESS:

LAW OFFICES OF MICHAEL W. WEINSTOCK
BY: MICHAEL A. BRODIE
9107 Wilshire Boulevard
Suite 600
Beverly Hills, California 90210

For the FEDERAL ELECTION COMMISSION:

DANIEL J. BLESSINGTON
ATTORNEY AT LAW
Office of General Counsel
999 "E" Street, N.W.
Washington D.C. 20463

* * *

2104088334004

INDEX

WITNESS	EXAMINATION	PAGE
DEAN W. MARION	By Mr. Blessington	5
	By Mr. Brodie	47

EXHIBITS FOR IDENTIFICATION

COMMISSION		PAGE
1	June 14, 1989 letter to Lawrence M. Noble from Dean Marion	17

INFORMATION REQUESTED

(None.)

WITNESS INSTRUCTED NOT TO ANSWER

(None.)

* * *

>1040883405

LOS ANGELES, CALIFORNIA; FRIDAY, FEBRUARY 23, 1990

10:06 A.M.

DEAN W. MARION,

produced as a witness by and on behalf of the Federal Election Commission, and having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. BLESSINGTON:

Q This deposition is being taken pursuant to an administrative subpoena issued in connection with a Federal Election Commission investigation conducted under Section 437g of Title 2 of the United States Code. The statute at Section 437g(a)(12)(A) provides for the confidentiality of these proceedings and of the entire investigation until the matter is closed. The investigation is designated as Matter Under Review 2893.

My name is Daniel J. Blessington, and I'm representing the Commission today.

Can you please state your full name.

A Dean Ward Marion.

Q You are allowed to be represented by counsel. Do you have your counsel present with you today?

A Yes.

2104088340 06

Q Would you please identify your counsel for the record.

MR. BRODIE: My name is Michael A. Brodie.

BY MR. BLESSINGTON:

Q Mr. Marion, have you ever had your deposition taken before?

A In a criminal matter for some -- a theft. So, yes, I have.

Q So you have some idea of what to expect. I'll tell you what I'm going to try to accomplish today.

A Okay.

Q I'll be asking questions involving the charges made in the Complaint filed by Mark Kress in May of 1989. The Complaint charged that a number of individuals, including yourself, made contributions to the Presidential campaign of Senator Joseph Biden in June of 1987. You indicated in your Response to the Complaint that you were reimbursed for these contributions by Westwood One, Incorporated.

I'll be asking you questions concerning your involvement in the matter as raised in the Complaint as well as the involvement of others. To this end I'll also be asking for background information on individuals and on Westwood One.

The court reporter will take down everything

21040883407

that is said in order to produce a written transcript. Please remember to give verbal answers to all questions rather than simply nodding or shaking your head.

And try not to answer before I finish a question. It may be clear to you where I'm going, but it will make for a confusing transcript, and it's difficult for the reporter.

If you don't understand a question, if you don't hear me completely, or if you need a break, let me know. If you want to qualify an answer, please do so. If during the course of the deposition you realize you may have given an inaccurate or incomplete answer to an earlier question, let me know. I'll give you an opportunity to correct or supplement the record.

Please treat this proceeding as if you were in a court of law with a judge and jury present, and remember that you're under oath.

Under Commission rules you have a right to review and sign the deposition. That's Section 111.12(c) of the Commission's regulations. And we encourage you to take a look. Will you be reviewing and signing the deposition?

A I suppose.

MR. BRODIE: Yes, Mr. Marion will be doing that.

BY MR. BLESSINGTON:

Q Mr. Marion, what is your home address?

210408834408

A 2670 Kelton Avenue, K-e-l-t-o-n, Los Angeles, 90064.

Q And could you give me your telephone number, please?

A (213) 474-2817.

Q Are you married?

A Yes, I am.

Q And what's the name of your wife?

A Kathie, K-a-t-h-i-e, Marion, M-a-r-i-o-n.

Q Are you currently employed?

A Yes, I am.

Q And who is your employer?

A Allan, A-l-l-a-n, Sekular, S-e-k-u-l-a-r, & Associates.

Q And do you have the address?

A 4400 Coldwater Canyon Avenue, Suite 320, Studio City, 91604.

Q What type of business is that?

A We're an advertising and graphics company.

Q And what do you do there?

A I am in charge of business development and account service.

Q And what is your job title?

A V.P. client services.

Q Do you have a college degree?

>10408834009

A I do not.

Q Do you have any college education?

A A year and a half of junior college prior to going into advertising.

Q Now, do you have any documents with you that are responsive to the Commission's subpoena?

A We have -- do not.

MR. BRODIE: For the record, there were two Requests for Production of Documents contained in the subpoena. One was for any checks or other financial records that relate to the political contributions made in Mr. Marion's name.

Mr. Marion has made a good faith search through his accountant and has requested his accountant to produce that check. She is in the process of trying to secure that check, and we will produce it wherever the Commission requests that we produce it, either here or in the District or whatever would be appropriate.

MR. BLESSINGTON: Well, once you're able to locate that, you can just send it to us in the mail would be fine, a copy of it.

MR. BRODIE: Fine.

With regard to Request No. 2, which requires or requests documents relating to reimbursement of the political contributions made by Mr. Marion, it does indicate "any member of your family or any other individual known to

2104088341O

you." There's nothing with regard to his family or other individuals here. He has no documents.

We did discuss prior to the beginning of the hearing whether or not a deposit slip that Mr. Marion may have used to deposit the reimbursement check was available. If that is what the Commission is looking to as following under the aegis of that, we'll make a good faith effort to try to secure the deposit slip and produce that also.

Other than that, either the deposit slip or the check itself, we have no other documents in response to that request.

MR. BLESSINGTON: In terms of the reimbursement, just in case, if you wouldn't mind checking with your bank to find if the underlying instrument was somewhere in his records.

MR. BRODIE: That's a good point. We can go through the bank if they have something, First Interstate or whatever it may be. We'll also make that attempt and get back to you.

MR. BLESSINGTON: Okay. Thank you.

Q Mr. Marion, apart from any discussions you may have had with your attorney, have you discussed this investigation with anyone since receiving the subpoena?

A I have discussed the matter with my wife and with Mark Kress on a couple of occasions.

210408341

Q Did you speak --

A I also mentioned it to my employer.

Q I see. Did you give your employer details?

A No. Just, you know, I just wanted to let him know that there was a matter that would be requiring some of my time.

Q I see. And have you spoken with Mark Kress in the past couple of weeks?

A Yes, I have. I spoke with him prior to his coming in to see you just to review, you know, our recollection of matters as they occurred back in 1987.

Q Did you speak with him on the phone?

A Yeah.

Q And can you just give me the substance of the conversation you had?

A There was mainly -- there was one item which was -- I just wanted to make sure we were clear that I had recalled discussing, after Norm Pattiz made a request of us to make a contribution and before I actually wrote the check, that we had basically had a very brief conversation where we had said, "This doesn't seem like a terribly kosher thing to do. But I guess if we're going to be part of the team at Westwood One, the management team, I guess we'll have to do this, won't we?" And we just sort of agreed, "Yeah, I guess so." And I just wanted to see if he recalled

210408834112

that we had that conversation.

Q Did he recall that?

A Yes.

Q And you recall that it was sometime subsequent to your being asked to make a contribution.

A It would have been that day or the next day.

Q We'll be getting into more of the details on the contribution and reimbursement in a while. I just wanted to get some background first.

Did you ever work for a company by the name of Westwood One, Incorporated?

A I did.

Q And when did you start with Westwood?

A November 5, 1984.

Q How did you come to work for Westwood One?

A I responded to an advertisement in a publication entitled "Adweek" magazine wherein they were searching for a director of merchandising. And since I was looking to make a career change, a job change at that time and was somewhat interested in Westwood One as a company, I decided to go in and interview just to get a feel for what was going on with the company.

Q What were you doing at this time?

A I was doing freelance advertising, copywriting and design for several small advertisers in the computer

> 1 0 4 0 8 8 3 4 1 3

field.

Q And how did you know about Westwood One?

A Through just hearing their programs over on various radio stations from time to time.

Q And who interviewed you?

A Mark Kress.

Q Well, obviously you got job, so I guess the interview went pretty well?

A Yeah, it took -- we interviewed first. It took about 90 days before I was actually hired. For whatever reason, they did a very exhaustive search for the right person.

Q And this was for the director of merchandising position?

A Right, right.

Q And did that come under the responsibility of Mark Kress?

A At that time, yes. I was directly reporting to Mark Kress when I joined the company.

Q Did you speak with anybody else at Westwood prior to being hired?

A Very briefly I spoke with Norm Pattiz who came in to meet me and, I suppose, approve of Mark's choice.

Q I see. What was your salary at that time?

A It started to come --

> 1 0 4 0 8 8 3 4 1 4

Q And so you became director of merchandising. How long did you hold that position?

A I maintained that position or those responsibilities. About a year later I was given additional responsibilities for the company's advertising, and then subsequent to that additional responsibility pertaining to the company's -- some aspects of the company's tour sponsorship program.

Q And did you work with Mark Kress on that as well?

A That's correct. In the tour sponsorship area Mark was the general manager of the tour division. I was reporting at that point directly to Norm Pattiz for matters pertaining to advertising, and I worked with Mark in the area of tour sponsorship.

Q So the lines of authority were somewhat blurred at that point, would you say?

A I wouldn't say blurred. I would say divided.

Q Divided. Okay. And with the additional responsibilities you got an additional salary increase, did you not?

A Somewhat. There was additional salaries. Not nearly as much as I thought would have been warranted but which eventually led to my leaving the company.

Q What were you making when you left the company?

2104083415

A

Q Well, you've indicated at least one of the reasons why you left. Was the desire to make more money the only reason you left?

A No. There was a gentleman that was hired in -- I believe that was June of 1987 -- by the name of Jerry Sharell, S-h-a-r-e-l-l, and he was hired as executive vice-president of music marketing. And I perceived that he was basically -- he was to be the new person that I would report to. And I felt that my chances for upward mobility were pretty well limited by having him to report to instead of Norm.

Q So he was going to come in and take on more of the advertising function?

A He would have overall responsibility for it.

Q Did you work with Norm Pattiz on a daily basis?

A Yes, I did.

Q And how would you describe Mr. Pattiz's management style?

A Well, I would say that he is very meticulous about every aspect pertaining to the day-to-day operation of the company, very thorough, rather talented in the areas of advertising, and who wanted to put his stamp and style on everything that was done.

Q Did this affect your ability to make decisions?

> 1 0 4 0 8 8 3 4 1 6

A Certainly it would have some effect, although Norm, you know, because the company was growing so fast, made it clear that he didn't want to be bogged down with every little detail. But when it came to approving -- there was never an ad that went out without him seeing it. Let's put it that way. But I was in a position to make a lot of decisions over financial expenditures pertaining to promotions that I was putting together on behalf of advertisers of Westwood One where his involvement was far less.

Q How would you describe your relationship with Norm Pattiz?

A Stimulating.

Q Stimulating in what way?

A Well, as I said, I find him -- he's a very bright individual, and I had a lot of respect for some of the ideas he had in advertising. He had a very good feel for it. And as long as you don't make a mistake with him, it can be a lot of fun.

Q What happens if you make a mistake? What happened if you made a mistake?

A I made very few. But when a mistake was made or when he perceived that a mistake was made, he was the type of individual that would definitely read you the riot act and potentially make it known to other people that you

> 1 0 4 0 8 8 3 4 1 7

had, in management meetings or whatever, that you had made a mistake.

Q He would inform you of your mistake in the presence of others?

A If there were others present or if you happened to be in your car, you might get a call on the car phone and be read the riot act. That happened to me a couple of times.

MR. BLESSINGTON: I'm going to ask the court reporter to mark this as Commission Exhibit 1. It's a copy of the response to the Complaint that you submitted dated June 14, 1989. And I just thought it would be useful so that we can refer to it possibly from time to time.

MR. BRODIE: That's fine. We've got a copy, and this is a copy for Mr. Marion to look through during the testimony.

MR. BLESSINGTON: Yes.

MR. BRODIE: And this will then be attached as No. 1?

MR. BLESSINGTON: Yes, that's correct.

(Commission Exhibit 1 was marked for identification and is attached hereto.)

BY MR. BLESSINGTON:

Q You recall in your response that you made reference to part of "the team." Can you tell me what you meant by that concept?

>10408834 18

A Yes. There was a management team that sat in on weekly meetings, management meetings, that pertained -- that basically involved all department heads and those with general responsibility for the company such as Norm and the general manager, Tom Ferro, financial people. And that was generally regarded -- in those meetings everything that was happening in the company was discussed, you know, day-to-day operational matters, what was happening financially with the investment community, plans for expansion and acquisition. You know, it was a pretty intimate group in a lot of ways.

Q And these were weekly meetings that took place since when you began through when you left?

A I was not invited initially. But when my responsibilities were expanded to include some major promotions and then, of course, when advertising was added, I became invited regularly.

Q And approximately what time frame was this?

A When I was invited to the meetings?

Q Yes.

A I believe about six months after I started with the company. So maybe around April of '85. I really don't recall, but probably in that time frame.

Q Did these continue until you left?

A That's correct.

Q And roughly how many people would attend these

> 1 0 4 0 8 8 3 4 1 9

meetings?

A Ten to fourteen people.

Q How long would they last?

A An hour to two hours.

Q Was there an agenda?

A The agenda normally consisted of reports from each of the attendees over their areas of responsibility. Any additional agenda would have been provided by Norm in terms of if he had specific things he wanted to discuss.

Q Can you characterize these meetings in any fashion?

A Well, they gave everyone, all the major department heads, a chance to report on their activities and to hear what else was happening within the company and to offer any ideas they might have. And it was also quite a chance for Norm to perform.

Q When you say it was "a chance for Norm to perform," what do you mean by that?

A Well, he would preside over the meetings and make comments about, you know, industry events, joke around with the people, you know. A little bit of a putdown here and there or, you know -- he could be very positive as well, but it was just a chance for him to be kind of the king of the court.

Q Was there a good deal of give and take at these

210408834420

meetings?

A Yes, there was, to my recollection.

Q Did you approach these meetings with any anxiety ever?

A Not really. If one of the rare occasions where I might have made a mistake, I figured, "Well, he's going to let me have it." That rarely happened, though. They were quite interesting meetings, actually.

Q Was Mr. Pattiz in control of these meetings?

A Most definitely. If he was there, he was in control.

Q Do you know a William Battision?

A Yes, I do.

Q Can you tell me who he is?

A He is president of the Westwood One Companies.

Q Is he one of the individuals that attended these meetings?

A Yes, he is.

Q Did you work with him very much?

A Not on a day-to-day basis. I would occasionally have contact with him if there was a specific -- if he had specific interest over a specific activity that I might be doing.

Q What type of activity might he be interested in?

2104083421

A Well, if it was maybe around the time when we acquired the Mutual Broadcasting Company, some advertising that we did that had financial implications or was meant -- you know, involved Westwood One or Mutual in a certain way that it would be attractive to the financial community, he would have more interest in something like that.

Q So he was basically a finance man?

A Yes. He was basically brought on board, to my recollection, after Mutual had been acquired and they knew then that they were definitely going to make additional acquisitions. He was brought on board to engineer the NBC acquisition, and he also had a good research background and was the type of person that they wanted to have be the president of Westwood One Companies.

Q Because of his background?

A From the industry visibility standpoint; right.

Q And he reported directly to Norm Pattiz?

A Right.

Q Do you know if he had a fair amount of independence?

A I really don't. I really don't.

Q Do you know a Gary Yusko?

A Yes, I do.

Q And can you tell me who he is?

A I believe that he has left the company

210408834422

subsequent to this. But when he was there, he was director of finance, I guess, and became vice-president of finance. I'm not a hundred percent sure of the titles, but I believe he was made a vice-president. I believe that title was V.P. finance.

Q Do you believe that he's left the firm?

A Yeah, I think I heard he left the company.

Q Do you know when?

A I just -- I recall somebody saying that he left.

Q Would that have been in the last six months?

A Maybe six months ago. I'm not a hundred percent sure, though. Somebody mentioned that Yusko had left, but I don't pay that much attention to the day-to-day runnings of the company, so that would have been, "Oh, really?"

Q Did you work with him when you were at Westwood?

A Very minimally. I mean, basically he would see that checks were issued per check requests that I might issue, or if I was making a large expenditure, I might let him know that he could plan that we might -- we're going to need a large check on a certain date.

Q Did he report directly to Norm Pattiz?

A Functionally I believe he did, whether or not

210408834423

this may have been on an order, reporting to Norm. But in practicality Norm would have been pretty much in control of the finance department.

Q Was he a member of the team?

A Yes.

Q So he attended these meetings.

A Right.

Q Do you know a Stephen Jaffe?

A Yes.

Q And can you tell me who he is?

A He reported to Gary Yusko and was basically his assistant or right-hand man. He would have been like a director of finance although, again, I'm not sure of his title.

Q He was the controller?

A Oh, that might -- yeah, I'm not sure of the title, but that makes sense, yeah.

Q Was he one of the team?

A He attended the meetings, you know, so I suppose by that definition he was.

Q But he didn't report directly to Norm Pattiz?

A No. He reported to Yusko.

Q Continuing with the list, do you know an Eric Weiss?

A Yes, I do. Again, not being sure as to his

210408834424

title, his basic function was corporate counsel for Westwood One.

Q And in that capacity he reported directly to --

A To Norm Pattiz.

Q Norm Pattiz, by the way, in case we haven't established this for the record, what was his position at Westwood One?

A Absolute owner and ruler.

Q Okay. Thank you.

Did you work with Eric Weiss at all?

A Yes. Again, on a fairly limited basis, but occasionally matters came up in terms of clearance not to use likenesses in advertisements or in referring to certain entertainment personalities when I would have checked things with him to make sure that everything was being done according to what would be legal, according to their contract with the company.

When Eric started he was almost exclusively involved in these contracts for artists to, you know, have their programs taped and then broadcast by Westwood One. In return we would be given a certain number of runs of the program, and there would be advertising involved or not and specific guidelines as to what extent we would use their likeness in advertising and promotion.

Q And he would basically give legal clearance to

> 1040883425

certain --

A Exactly. Since he had drawn up the contracts, he knew intimately what we could do and what we couldn't do.

Q Obviously only to the extent that you know, did Norm Pattiz rely on him for legal advice with respect to any matters of the company?

A I really couldn't tell you that, how much. You know, certainly Norm relied on him for legal matters pertaining to contracts of artists. But beyond that I really don't know what the relationship was.

Q You don't recall at any of these meetings -- I assume he was a member of the team.

A Yeah, right. He attended the meetings.

Q You don't recall that at any of these meetings where a legal question might come up he would defer to Mr. Weiss?

A I'm sure that happened, but that was -- those would have been legal questions only pertaining to, you know, general company business.

Q I see.

Do you know a Debra Seyler?

A Yes, I do. And, once again, I will not be able to give you her title. She was business development -- her basic function was to join the company and be responsible for -- let me think for a minute how to describe this. It's

> 1040883426

a very strange job.

There were matters of employee review and training and orientation and that type of activities that when she came on board, that's sort of what she did, is implement more sophisticated personnel handling and evaluation procedures than we had had before she joined the company.

Q Did she have an MBA or something?

A Yes.

Q And it was your understanding that she joined the company to professionalize it to some extent?

A That would be a good characterization.

Q Was she in the Los Angeles office?

A Yes.

Q She was?

A Well, she was in both for a while. She had kind of spent a couple weeks here, a couple weeks in New York, go back and forth.

Q So Westwood One had an operation in New York as well?

A Right.

Q Was that a fairly big operation?

A I believe there were 30 to -- approximately 30 people in that office. Primarily sales, advertising sales.

Q They were involved in advertising sales for the

> 1 0 4 0 8 8 3 4 2 7

East Coast? Is that essentially it?

A Right. And also the company's research activities were handled out of the New York office.

Q What kind of research would Westwood do?

A Analyzing audience numbers and demographics to help in the marketing of programs and the positioning of various programs and networks.

Q And the West Coast office would deal with artists and --

A Production of radio programs, finance, advertising sales West Coast, and the general day-to-day operation of the company.

Q Did Debra Seyler ever attend these meetings of the team?

A When she was in town she would be invited.

Q Who's Thomas Ferro?

A Tom Ferro was vice-president and general manager of Westwood One at the time when I left the company.

Q What was he prior to your leaving the company? You seem to suggest that he just became --

A Well, he had been given the general manager's position or responsibility a year or a year and a half, I think, before I left the company. But essentially before that and even after being made general manager his primary responsibility was over the station relations -- the

> 1040883428

clearance department of Westwood One, that department that was responsible for actually getting the radio programs aired on radio stations.

Q What would that involve?

A There's an in-house sales team that places phone calls to program directors and general managers of radio stations and encourages them to, you know, air the programs and makes them aware of regular programs and specials and live concerts. And it's a full-time responsibility to keep the programs on the stations that they already have and selling new programming.

Q Did you work with him?

A Yes, because -- the primary focus of the majority of our advertising was to get stations excited about our program. So he would be consulted a lot just to make sure that the advertising was going to -- he felt would be -- the proper things were being stressed or which programs were the ones that he helped and which ones would be important to radio stations.

Q So did you have meetings with Mr. Ferro and Mr. Pattiz about this?

A No. It would be basically after Norm had -- well, sometimes I would discuss with Tom -- prior to starting an advertisement, I would ask him if he felt that this was something that we would want to push, and then we

210408834 29

would go ahead and develop it, and then I would sell it through to Norm. And, conversely, if Norm wanted an ad done, I would let him see it so if he wanted to make comments, he was certainly invited to do so.

Q And he, Mr. Ferro, reported directly to Norm Pattiz?

A Right.

Q Have I left anyone out on the team?

A Let me think. Well, did we discuss Mark?

Q We haven't discussed Mark yet.

A Brian Heimerl was another person. He was director of operations or V.P. of operations for the company, and he was at all the meetings, and Gary Landis was director of programming. Those two come to mind.

Q When was Gary Landis at the company, to your knowledge?

A I believe he started around the beginning of '86. Somewhere around like that. Somewhere between January and June of '86, and is still there, to my knowledge.

Q And Heimerl?

A Brian Heimerl.

Q When was he with the company?

A He was with the company early on and, as I said, vice-president of operations, and he was also, I believe, vice-president or secretary of the company. He's

2104088343O

on the board of directors. He's a corporate officer. I should put it that way. I'm not sure that he's on the board of directors, but he's a corporate officer.

Q Say in 1987 would that pretty much constitute the team?

A Yeah, I'm pretty sure those are the players.

Q And, of course, you mentioned Mark Kress. Mark Kress was a member of the team.

A Right.

Q And did you work with him after your first six months?

A I was constantly involved in activities with Mark. We were, in addition to our title and specifically defined responsibilities, frequently brought in to handle whatever special projects might be -- might have come up because of our general background in advertising and marketing and sales. We would sort of handle things that weren't specifically -- that didn't fall into, you know, an existing department.

Q Did Mark Kress have a good relationship with Norm Pattiz?

A Well, it was my perception that the relationship was good when I joined the company and was -- and slowly deteriorated. As Norm became richer and more important, their relationship seemed to deteriorate, and he

2140883431

started to pick on Mark much more as time went on.

Q Would you say that when you got to the company Mark Kress and Norm Pattiz were good friends?

A Yes.

Q And that relationship deteriorated over the course of time?

A That's correct.

Q And in what ways did you notice this?

A Well, Norm would be very quick to point out -- any chance to humiliate Mark or to make it seem that he had screwed up or he did something dumb, he would make sure that everybody knew about it. I think mainly because the perception of the company was that the only reason Mark was there was because he was a life-long friend of Norm, and Norm went out of his way to make it clear that he wasn't, you know, all that buddy-buddy with him. So he would make it even harder on Mark to be successful at times, I felt.

Q So you say that other members of the team didn't think Mark was worthy of being a member of the team?

A Yeah. I would say there was a lot of jealousy because they felt that, "Hey, this guy has got a cushy job because he's Norm's friend." And I never thought that to be the case at all. It may have started that way, but to my perception Mark was highly professional and did quite a lot of good things for the company.

> 1 0 4 0 8 8 3 4 3 2

Q But did he essentially remain in the same position all that time?

A Well, when I joined the company he was in charge of advertising sales, West Coast, and after about a year and a half there was an opportunity to start up a tour marketing division which was, in essence, a division that sponsored the tours of major rock groups and sold sponsorships of those groups. And Mark found that to be much more exciting and wanted to start that division and did.

Q Do you know why he left that company?

A There was a sponsorship package, a major package with R.J. Reynolds that, my understanding was, he was very close to bringing to fruition that he had been working on for quite a long time that involved many millions of dollars. And just prior to the papers being signed -- I don't remember the intimate details -- but some item was brought to light that he had, you know, screwed something up, and he was abruptly fired.

Q How did you know this?

A He told me.

Q Mark?

A Mark told me, you know, "I left the company." You know, we have remained casual friends. You know, I probably speak with him, you know, four or five times a year.

2104083433

Q But you don't know any of the details of that arrangement?

A I don't recall the specific instance for which he was fired, but it seemed to me spurious -- I mean, that that wouldn't be a reason to fire him, especially if he was on the verge -- if he was on the verge of bringing in a huge piece of business.

Q Was there any discussion among members of the team as to why he was fired at the time?

A I was gone. I had left the company before that.

Q You were already gone at that point?

A Right. So I have no idea.

Q You didn't see these people socially then?

A Other than occasionally getting together with Mark for lunch just to talk about what was happening in our lives, no.

Q You said that Norm would humiliate Mark Kress. In what ways?

A Well, there weren't -- it was just he just kind of in a pseudo-humorous way insulted him. You know, there was an instance, for example, where Mark was in charge of a radio broadcast. It was called "USA for Africa," "Radio USA for Africa." It was the radio version of the activity.

And Mark was in charge of providing catering

2104083434

for the various celebrities and press who were going to be attending the broadcast. And a writer for the "Times" chose to point out in an article subsequent to the broadcast that wasn't it ironic that we were doing a live broadcast to benefit starving people in Africa, but the food provided there was a sumptuous and lavish feast.

So that article embarrassed Norm greatly, and I would say that he was relentless in pursuing Mark on -- and whose decision on the catering was solidly endorsed -- that it was Mark's screw-up that he bought such nice food.

Q Did Mr. Pattiz act in this way to other people other than Mark Kress?

A At any given time he might, you know, just go off on someone. But, again, because I think he felt that a lot of people thought Mark only had a job because he was his friend, he would go out of his way to show people that he was objective. And so he would give Mark an extra bad time, I think, more than he would someone else.

Q You mentioned earlier that those meetings, those weekly meetings that we talked about -- I believe you said rather humerously -- was an opportunity for Norm to perform; he was the king in his court. Was Norman Pattiz considered an absolute ruler at Westwood One?

A Sure.

Q That he would make the final decision on

210408834435

everything of any importance?

A That's correct.

Q Now, of course Westwood One had a board of directors. Are you familiar with what responsibilities the board took on?

A I'm really not. I never recall any meaningful direction coming from that body.

Q Do you recall any direction at all coming from that body?

A None that came to my attention.

Q Was there ever any discussion at your weekly meetings about the board of directors?

A I can't recall.

Q You just don't recall anything about it?

A I believe not. I believe it never came up.

Q Well, I'm going to ask you some questions about why you came here.

MR. BRODIE: Off the record.

(Discussion held off the record.)

(A recess was taken.)

MR. BLESSINGTON: We'll go back on.

Q Mr. Marion, did you ever make a contribution to the Presidential campaign of Senator Joseph Biden?

A Yes, I did.

Q Do you know when you made that campaign

210408834336

contribution?

A I do not know the exact date, but I issued a check in the amount of $1,000 sometime early in June of 1987.

Q How did you come to make that contribution?

A I was summoned to Norm Pattiz's office on one -- at some point early in June, and he mentioned to me that he would appreciate it if I would make a contribution in my name, and also have my wife make a contribution, both in the amount of $1,000, and that I should not be concerned, we would be reimbursed.

Q And what did you say to that?

A I said okay.

Q Did you discuss it at all with Mr. Pattiz?

A No, I did not. He said, "Please do this." And, well, I did say "Why? I mean, that's interesting. Why should I do that?" And he said that there was a committee meeting in Washington D.C. that was headed up by Senator Daniel Inouye, who was also chairman of the Biden for President Committee, and that by having people from Westwood One all donate to the campaign it would make it possible for he, Norm, to testify before this committee and give him an opportunity to bring out points that could potentially be beneficial to Westwood One.

Q So he didn't indicate any particular enthusiasm

210408834337

for Senator Biden at that time?

A Quite the opposite. I recall him saying things like, "I could care less about Biden. It's Inouye's committee I'm interested in, but this is a way to get to that committee."

Q You didn't discuss any details beyond that with him, did you?

A No.

Q You didn't ask him who told him that, did you?

A No, I didn't.

Q Did you have any misgivings about making this contribution?

A Yeah. I felt that it wasn't really the type of thing that I -- that a public corporation should do.

Q Why did you think that?

A It just didn't seem like a fair practice.

Q Well, in what respect? What did you find uncomfortable about it?

A Well, if he was going to reimburse me for my thousand dollars, then it's not really -- my contribution really wasn't then because I was supporting Biden for President.

Q You didn't ask him, did you, why the corporation wouldn't just make a contribution directly?

A No, I didn't ask him that.

210408834338

Q Did that occur to you?

A No, because it seemed clear that his motivation was he wanted to make friends and influence people in high places. That was the obvious goal for this.

Q And you're absolutely certain that he mentioned to you that he wanted you to make the contribution and others to make the contribution to the Biden campaign because he wanted to testify before Senator Inouye's subcommittee?

A That's correct.

Q Did you agree at that point?

A Yes, I did.

Q To make a contribution or to have your wife make a contribution?

A I agreed to do that. However, I did not act upon my wife. I just felt that why should I get her involved in something that I didn't feel was all that great to do, so I just kind of let it slide. And I remember apologizing to Lydia Servera, his private secretary, several days after I had handed in my check, and she said, "Don't worry about it. We already sent the money in. It's too late."

Q So after your discussion with Mr. Pattiz, you ultimately wrote a check for $1,000 made payable to the Biden for President Campaign?

210408834439

A That's correct.
Q And gave that to his personal secretary?
A That's correct.
Q Was that what he told you to do?
A Yes, he did.
Q And did he raise the point about reimbursement?
A Yes, he did. I can't recall the exact wording, but it was, "Don't worry. You'll get your money back."
Q So you didn't even ask him about, "Gee, this is a lot of money for me to come up with"?
A No, uh-uh.
Q He initiated it, is what I'm getting at?
A That's correct.
Q And you've indicated in your response that you were subsequently reimbursed?
A Yes, I was.
Q And do you recall the circumstances of that reimbursement?
A I recall that I went up to Norm's office a lot anyway because I was constantly, you know, meeting with him on advertising matters. So at some point -- I think it was maybe four or six weeks later or something like that -- he just handed me an envelope, and there was a check in there for me for $1,000, which I recall stated that it was a "Bonus."

> 1 0 4 0 8 8 3 4 4 0

Q And you recall that it was for $1,000?

A $1,000 exactly.

Q It wasn't more than $1,000 to make up for taxes or anything?

A No. That's one of the reasons I recall it so vividly. I rather resented it being called a bonus, if that's in fact what happened. It's kind of vague. I remember I was aggravated, and I think it was because it was a bonus. And I realized that I would be liable for income tax.

Q Could it have been an expense reimbursement?

A I don't believe in any case it was. That was the way that I understand it was typically done, but something about it -- I remember something about it really rubbed me the wrong way, and I'm pretty sure that I saw in the bottom left-hand corner this "Bonus." It could have been either/or, but I'm pretty sure it was called a bonus.

Q Perhaps when your accountant, you know, finds the check we can --

A The purpose for the check was indicated on the front. It would have either been "Reimbursement" or "Bonus," and I'm pretty sure it was "Bonus."

Q Prior to Norm Pattiz calling you to his office -- this was during the workday, I assume?

A Right.

210408834411

Q Prior to his calling you to his office to ask you to contribute, had you heard of anybody else in the company contributing to the Biden campaign?

A No, because it all sort of happened in a day so that after I was made aware of it, then I remember saying to Mark, "Are you doing this with Norm and Biden?" And that's when we had our discussion about, you know, "This is kind of a silly thing for this company to be doing, but I guess we're going to be doing this, aren't we, because this is what Norm wants us to do," and we both agreed that we would.

Q Did you ever seriously consider not doing it?

A No.

Q Did you consider the request to be a casual request by Norm Pattiz?

A Yeah, in the context of the time and, you know, all the busy activities that were going on, it was kind of a matter of fact. And I think he probably went out of his way to make it seem matter of fact.

Q You indicated in your response that Mr. Pattiz didn't threaten you in any way but that you felt it was a matter of being a trusted member of the team that we talked about before.

A That's correct.

Q Can you explain that a little bit?

210408834442

A Well, you know, if he was going to call me in and tell me that he wanted to pull strings in Washington D.C. and he wanted me to help him in that regard by doing this, making this contribution to Biden, it seemed obvious that he was taking me into his confidence and other -- and whoever else was requested to do that. And it just feels like if you say no, then he might not call you into his confidence the next time for whatever matter might be, you know, under discussion.

Q Did you consider his request to be equivalent to a polite order?

A Yeah, I think that would be an excellent way to describe it.

Q Other than Mark Kress, did you talk to anyone else about the contribution?

A I'm not sure. I don't think I did. It wasn't really something that we were going to be, you know, roundly discussing because you didn't know who else was asked to do it.

Q So you didn't know of anybody else other than Mark?

A I believe that Mark let me know because he was, you know, still at that point closer to -- much more on an intimate basis to Norm than I was. It was obvious to me that most of the people that were, you know, on the team,

21040883443

the management meeting people, were being asked to do this. That was my perception.

Q And your perception as you recall was based upon your conversations with Mark Kress?

A Yes. I mean, that's the only one that I can actually, you know, under oath say. I can't recall other discussions. I don't think that I talked about it with very many people. Just Mark. And once we decided to do it, it was done.

Q Now, you mentioned earlier with respect to the reimbursement that you recall that yours was a bonus but that the others were expense account --

A I know because Mark told me that his came back as reimbursement for road expenses in connection with the tour sponsorship, and I don't know what other people's were. I was just -- again, he kind of told me it was mainly like expense reimbursement, was the way that it was being handled most of the time.

Q Was the subject of contributions to Biden ever mentioned at any of these Monday meetings that you had?

A No.

Q Was Norm Pattiz's testimony before Senator Inouye's committee ever mentioned at these meetings?

A I left the company --

Q Prior to?

2124088344

A -- about when he was doing that, so I don't know.

Q You don't recall any discussion about his imminent appearance before a subcommittee?

A Only that he wanted to do this and that he felt that by doing the Biden contributions he would be able to do that. He felt very confident that he would be able to do that.

Q And that was only by way of your conversation in the office with Norm Pattiz?

A That's correct.

Q And no one else was present?

A No.

Q Have you ever spoken with Norm Pattiz subsequent to your leaving the company?

A Yes, I have.

Q Can you tell me how many times you spoke with him?

A I've seen him on two occasions at Laker basketball games where I exchanged pleasantries. And I also spoke with him once on the telephone shortly after it became public knowledge that Mark Kress had in fact filed the complaint with the FEC.

Q Would this have been in around May or something of 1989?

210408834445

A Yeah.

(Telephone interruption.)

MR. BLESSINGTON: Can you just read back what was said just before we broke.

(Record read by the reporter.)

BY MR. BLESSINGTON:

Q Now, that was in probably May of this past year?

A That's correct. 1989.

Q And how did you happen to speak to him then?

A He called me. He asked me if I had any knowledge or was aware of any -- of Mark Kress having filed a Complaint with the FEC. And I told him that yes, I was aware of it and in fact that I had signed it, at which point he became very agitated, and he said to me, "Why did you go and do that? All you had to say is that it never happened and Mark becomes a disgruntled ex-employee, and the whole thing goes away."

Q Do you recall those being his exact words?

A Very close to it. He was quite agitated, so it's easy to remember the words. It was my perception that my having signed that Complaint, the original Complaint that was subsequently rejected because of some legal matter, that, you know, I had made this something real.

Q Was that the extent of your conversation?

2104088344 6

A Yeah. He proceeded to say some other insulting things. I don't really recall. Nothing that had any importance or anything, and then hung up.

Q Did you respond to his statement about the matter going away?

A I said that everything that was stated in the Complaint was true, as I understood it, and that I signed it because I didn't want to be in a position where someone might try to convince me otherwise.

Q Such as a phone call from Norm Pattiz?

A Right.

Q I'm just going to move back for a minute and ask you about some other people.

Do you know someone by the name of Mari Hand?

A Yeah, I know of her. I've met her like once or twice.

Q Did she ever work for Westwood One?

A Not to my knowledge.

Q Do you know Andrea Jaffe?

A I do not.

Q And do you know a Socorro Yusko?

A I never met her.

Q Thank you.

Well, I have no further questions at this time. I want to thank you for your cooperation. I'm going to

210408834447

continue the deposition. I don't think that I'll want to speak to you again. But I am going to be talking to some other people, and if there's something that I might want to confirm, I would like to have that option.

THE WITNESS: Uh-huh.

MR. BRODIE: Can I put one or two things on the record just to ask him questions to clarify please, Dan?

MR. BLESSINGTON: Sure.

EXAMINATION

BY MR. BRODIE:

Q Mr. Marion, at the time that this was going on you said that your position was director of advertising.

A And promotion.

Q And promotion. Were you on the board of directors?

A I was not.

Q Were you an officer of the corporation?

A I was not.

Q In 1987 when you gave the check to Norm Pattiz or to his secretary made out to the Joe Biden for President Campaign, did you know anything about the Federal Election laws?

A I did not.

MR. BRODIE: I have no further questions.

2104088344 8

MR. BLESSINGTON: Okay. Thank you.

(Discussion held off the record.)

MR. BLESSINGTON: We'll go with the local practice. That's fine. Penalty of perjury.

(Whereupon the deposition adjourned at 11:17 A.M.)

* * * * *

2140883449

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, the undersigned, say I have read the foregoing deposition and hereby declare under penalty of perjury the foregoing is true and correct.

Executed this _____ day of _____ 19___, at _____.

_____
DEAN W. MARION

/
/

210408834500

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

The undersigned Certified Shorthand Reporter of the State of California does hereby certify:

That prior to being examined, the witness in the foregoing proceedings was duly sworn to testify the truth, the whole truth and nothing but the truth.

That said proceedings were taken before me at the time and place therein set forth, and were taken down by me in shorthand and thereafter transcribed into typewriting under my direction and supervision; and I hereby certify that the foregoing transcript of proceedings is a full, true and correct transcript of my shorthand notes so taken.

I further certify that I am neither counsel for nor related to any party to said action, nor in anywise interested in the outcome thereof.

In witness whereof, I have hereunto subscribed my name this 5th day of March, 1990.

ZORICA DRAGOVICH
CSR No. 6524

> 1 0 4 0 8 8 3 4 5 1

EXHIBIT

2124088834552

OGC #3206
Blessington

DEAN WARD MARION
2670 Kelton Avenue
Los Angeles, CA 90064

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 JUN 26 PM 12:52

June 14, 1989

Mr. Lawrence M. Noble
General Counsel
FEDERAL ELECTION COMMISSION
999 E Street N.W.
Washington, D.C. 20463

Dear Mr. Noble:

I am in receipt of your letter of June 9, 1989, signed on your behalf by your Associate General Counsel, Lois G. Lerner, and of a copy of the complaint filed on May 30, 1989 by Mr. Mark H. Kress (MUR 2893).

After reviewing the complaint, I would like to make the following comments regarding same.

To the best of my recollection, all of the statements contained within the complaint are true.

I was requested by Mr. Pattiz, in early June of 1987, to issue a check in the amount of $ 1,000.00 payable to the Biden for President campaign. Mr. Pattiz also requested that I have my wife, Kathie Marion, also issue a check, for which we would both be reimbursed by the Company, the Westwood One Radio Networks.

At the time, I recall thinking that, what Mr. Pattiz was requesting of me must surely be illegal or, at the very least, unethical. However, Mr. Pattiz made it clear that he wished to testify before Mr. Inouye's subcommittee and that these contributions would make that testimony possible.

While at no time did Mr. Pattiz threaten me in any way, I felt that it was a matter of my being a trusted member of "the team" (those members of management taken into his confidence in this matter) or not. As I had no intention of leaving the firm at the time and did not wish to lessen my chances for advancement, I complied with his request. However, I did not ask my wife to also participate, because in my heart I felt that what we were doing was not right and did not want her exposed to it.

While I cannot speak for any other individuals named within Mr. Kress' complaint, my recollection is that everyone involved was, at the time, impressed with Mr. Pattiz' political prowess at arranging to testify before a subcommittee whose actions could significantly affect the Company's future, and readily agreed to accede to his wishes.

Exhibit 1
Date 2-23-90
ZORICA DRAGOVICH, N.P.

2104088345 3

As stated in Mr. Kress' complaint, after delivering my $ 1,000.00 check to his personal secretary, Lydia Cervera, I was subsequently reimbursed approximately 75 days later when I received a $ 1,000.00 check from Ms. Cervera which, to my recollection was designated as a "Bonus."

While I was only a willing conduit in the above activities, I do wish to cooperate fully with the Commission in any further investigation which may result regarding this matter.

Very truly yours,

Dean Marion

21040883454

DGC 6060

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

90 APR 30 AM 11:03

LAW OFFICE OF
MICHAEL W. WEINSTOCK
A LAW CORPORATION
9107 WILSHIRE BOULEVARD, SUITE 600
BEVERLY HILLS, CALIFORNIA 90210
TELEPHONE (213) 275-1212
FAX (213) 275-1380

MICHAEL W. WEINSTOCK
MICHAEL A. BRODIE

April 24, 1990

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 APR 30 PM 2:11

Daniel J. Blessington
Office of the General Counsel
999 "E" Street N.W.
Washington, D.C. 20463

Re: The Matter of Mark H. Kress
Number: MUR 2893

Dear Mr. Blessington:

This is to advise you that Dean Marion read and executed his deposition transcription April 12, 1990. He made the following changes or corrections to that transcript:

1. Page 13: 25, delete "to come" and insert in lieu thereof "at".

2. Page 23: 1, delete "order" substitute in lieu thereof "org chart".

3. Page 24: 12, delete "not".

4. Page 24: 18, delete "helped" and substitute in lieu thereof "needed help with".

5. Page 38: 19, delete "Servera" and substitute in lieu thereof "Cervera".

6. Page 39: 22, delete "he" and substitute in lieu thereof "his secretary, Lydia".

Except for the changes noted above, Mr. Marion made no other alterations to his deposition.

Very truly yours,

LAW OFFICES OF MICHAEL W. WEINSTOCK
A Law Corporation

By: Michael A. Brodie

MAB/ter

2104083455

TRANSCRIPT OF PROCEEDINGS

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

ORIGINAL

IN THE MATTER OF:	
MARK H. KRESS	M. U. R. 2893

DEPOSITION OF THOMAS A. FERRO

Los Angeles, California

Friday, March 9, 1990

ACE-FEDERAL REPORTERS, INC.
Stenotype Reporters
444 North Capitol Street
Washington, D.C. 20001
(202) 347-3700
Nationwide Coverage
800-336-6646

2104088●456

THE UNITED STATES OF AMERICA

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:)
)
MARK H. KRESS) No. MUR 2893
)

DEPOSITION OF THOMAS A. FERRO

Los Angeles, California

Friday, March 9, 1990

ZORICA DRAGOVICH, CSR No. 6524

0104088 4457

THE UNITED STATES OF AMERICA

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:)
)
MARK H. KRESS) No. MUR 2893
)

Deposition of THOMAS A. FERRO, taken on behalf of the Federal Election Commission, at 312 North Spring Street, Eleventh Floor, Los Angeles, California, commencing at 10:10 A.M., on Friday, March 9, 1990, before ZORICA DRAGOVICH, Certified Shorthand Reporter No. 6524, pursuant to Subpoena.

2104088458

APPEARANCES:

For the FEDERAL ELECTION COMMISSION:

DANIEL J. BLESSINGTON
ATTORNEY AT LAW
Office of the General Counsel
999 "E" Street, N.W.
Washington, D.C. 20463

For the Deponent THOMAS A. FERRO:

WILEY, REIN & FIELDING
Attorneys at Law
BY: JAN W. BARAN
and
TREVOR POTTER
1776 "K" Street, N.W.
Washington, D.C. 20006

2104088●459

I_N_D_E_X

WITNESS	EXAMINATION	PAGE
THOMAS A. FERRO	BY MR. BLESSINGTON	5, 62
	BY MR. BARAN	62

EXHIBITS_FOR_IDENTIFICATION

COMMISSION'S		PAGE
1 -	Two checks from Thom Ferro, one to Joe Biden for President, one to Mari Hand (fronts and backs)	36
2 -	Two checks from Mari Hand, one to The Committee to Re-elect Edward Kennedy, one to Joe Biden for President (fronts and backs)	37
3 -	One check (tissue copy) dated 6-26-87 from Westwood One to Thom Ferro	43
4 -	7-13-87 Accounts Payables Account Distribution Report, Westwood One Radio, Inc.	44
5 -	Four checks dated 6-26-87 from Westwood One to Gary Yusko, Thom Ferro, Mark Kress, William Battison (fronts and backs)	49
6 -	One Check Request Form dated 6-26	52
7 -	One check dated 7-12-87 from Thom Ferro to the Committee to Re-elect Edward Kennedy	58

WITNESS_INSTRUCTED_NOT_TO_ANSWER

PAGE	LINE
10	18

0104088●4460

LOS ANGELES, CALIFORNIA; FRIDAY, MARCH 9, 1990

10:10 A.M.

THOMAS A. FERRO,

produced as a witness by and on behalf of the Federal Election Commission, and having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. BLESSINGTON:

Q Good morning.

This deposition is being taken pursuant to an administrative subpoena issued in connection with a Federal Election Commission investigation conducted under Section 437g of Title 2 of the United States Code. The statute provides for the confidentiality of these proceedings and of the entire investigation until the matter is closed. The investigation is designated as Matter Under Review 2893.

My name is Daniel J. Blessington. I am representing the Commission today. Please state your full name.

A Thomas Anthony Ferro.

Q You have a right to be represented by counsel, and I see two are present. Would you please identify them.

A Jan Baran and -- excuse me. Your name escapes

2104088 4461

me.

MR. POTTER: Potter.

BY MR. BLESSINGTON:

Q Mr. Ferro, have you ever had your deposition taken before?

A No.

Q I'm going to ask you some questions involving the charges made in the Complaint filed with the Commission by Mark Kress in 1989. The Complaint charged that a number of individuals, including yourself, made contributions to the presidential campaign of Joseph Biden in June of 1987.

You indicated in your Response that you were reimbursed for those contributions by Westwood One. I'm going to be asking you questions involving your involvement in the matters raised in the Complaint as well as others. To this end I'll also be asking for some information on certain individuals and on Westwood One.

The court reporter will take down everything that is said in order to produce a written transcript. Please remember to give verbal answers to all questions rather than simply nodding or shaking your head. If you don't understand a question, if you don't hear me completely or if you need a break, let me know.

If you want to qualify an answer, please do so.If during the course of the deposition you realize that

21040884462

may have given an inaccurate or incomplete answer to a previous question, let me know, and I'll give you an opportunity to supplement or correct the record.

Please treat this proceeding as if you were in a court of law with a judge and jury present. Remember that you're under oath.

What's your home address?

A 23448 Moon Shadows Drive, Malibu, California 90265.

Q And your telephone number?

A (213) 456-2015.

Q And are you married?

A Yes.

Q And what is the name of your spouse?

A Mari Ferro. That's M-a-r-i.

Q And what's your current occupation?

A I work for the Westwood One Radio Network.

Q And --

MR. BARAN: May I ask?

MR. BLESSINGTON: Yes.

MR. BARAN: Counsel, at what point would you like to have the production of documents on the record?

MR. BLESSINGTON: Just a moment.

MR. BARAN: Okay.

///

210408804463

BY MR. BLESSINGTON:

Q What type of business is that?

A We're a radio network.

Q And could you tell me your address?

A 9540 Washington Boulevard or 8966 Washington Boulevard. There are two addresses that we use.

Q Do you have a college degree?

A Yes, I do.

Q What was your major?

A Radio, television, and film.

Q Do you have any graduate degrees?

A No.

Q Where did you go to school?

A Cal State University Northridge.

Q And what year did you graduate?

A December of 1976.

Q Did you have any jobs prior to Westwood One?

A Yes.

Q Just give me an idea of what they were.

A How far do you want me to go? I mean, high school days or just --

Q No, no, no. Just college.

A Upon graduation from college I worked for the City of Los Angeles. I then moved to the state of Washington to work for a company called CTC Television, a

2104088●4464

television production company. From there I moved to Great Falls, Montana, to work for KAAK Radio, which was a radio station that we put on the air in Great Falls, Montana. From there I moved back to Los Angeles because I wanted to come home to work for ASI, which is an audience research company, and in 1980 I joined Westwood One.

Q Now, you brought some documents with you today responsive to the Commission's subpoena.

Counsel, do you want to make a comment upon that?

MR. BARAN: I just want the record to reflect that prior to the commencement of the deposition Mr. Ferro did provide to you documents which are now in your possession.

MR. BLESSINGTON: And we'll be, in all likelihood, introducing them later on in the deposition.

Q Apart from any discussions that you may have had with counsel, have you discussed this investigation with anyone since receiving the subpoena?

A My wife.

Q Is she the only one?

A Yes.

Q Prior to receiving the subpoena, did you discuss the investigation of the Commission with anyone?

A No.

Q At no point?

> 10408804465

A No.

Q Well, after you received the Commission notification in, I guess it was, June of 1989, did you discuss the matter with anyone?

A When I received the notification, Eric Weiss, who is our vice-president of legal affairs for the company, would have been who I discussed it with, I believe.

Q And can you tell me what you discussed?

A I don't really remember. Probably I just discussed what the situation was.

Q At some point you decided you needed legal counsel, did you not?

A Right.

Q Do you recall discussing that with anyone at Westwood One.

A Only Eric Weiss, who would have been our vice-president of legal.

Q And do you recall what he told you?

MR. BARAN: I will interpose an objection here. I believe that the subject matter of the conversation between Mr. Ferro and who he has just identified as internal counsel may be subject to the privilege. I frankly have not looked into that particular matter, and I'm not in a position to advise Mr. Ferro definitively.

I would advise him at this time, pending

210408804666

further resolution, assuming you wish to pursue this issue, not to answer any questions that request the divulgence of matters discussed with counsel, namely Mr. Weiss.

MR. BLESSINGTON: I understand the position. I certainly wouldn't be asking him about any discussions he had with you.

MR. BARAN: I don't want, you know, this to become a big issue. Frankly, I would just like to reserve the right to look into the possibility of an attorney-client privilege existing, which I think is very likely since he turned to an attorney and had a discussion. And you've now asked him what did that attorney tell him, so I pose the objection on that ground.

MR. BLESSINGTON: And you're advising him not to answer on those grounds?

MR. BARAN: On grounds of attorney-client privilege, which, if it exists, as I think is very likely, he would waive by testifying as to his discussions.

MR. BLESSINGTON: Well, let me do this. I'd like to find out a little bit about what Eric Weiss' position was at Westwood.

MR. BARAN: Sure.

MR. BLESSINGTON: That's fair game.

Q So I will not pursue that line of questioning right now with respect to what you said, but I would like to

210408804467

find out what he did at the time that you did speak to him.

A At the time in May of '89?

Q Yes.

A Eric is vice-president of legal and oversees the legal operations for Westwood One and the entire company, meaning Westwood One, Inc.

Q And do you know how long he held that position?

A Not really, no. I can speculate, but I don't really know.

Q Do you know what his duties entailed?

A Not entirely, no.

Q Do you know at all?

A Well, I know in my dealings with him that he's head of legal.

Q And when you say "head of legal" does that mean that he deals with contract matters involving productions that are financed and undertaken by Westwood One?

A Yes.

Q Is he also the chief legal advisor to the board of directors?

A In-house.

Q In-house he is. Is he involved, to the best of your knowledge, in all legal matters associated with the company?

A Yes.

210408804468

Q Does he provide advice to individuals who are employees of Westwood One as individuals?

A I don't understand the question. I mean, personally or business --

Q Well, if you have a legal problem, do you go --

A A business legal problem?

Q Yes, a business legal problem. Do you go to him?

A Yes.

Q If you had a personal legal problem, would you go to him?

A I might ask him a question, yes.

Q And when you approached him back in June of '89, in what capacity did you approach him?

A Probably as a friend.

Q As a friend?

A You know.

Q Okay. We'll probably get back to that at some point.

Now, you indicated you started with Westwood One in 1980?

A Yes.

Q And how did you come to work for Westwood?

A I had a friend of mine who was working for Westwood One named Brock Janoff who I had hired in radio,

210408804469

and he was working for the company and introduced me to the company.

Q Did he hire you?

A No. I was hired by a woman named Judy Gold, who was the vice-president of affiliate relations.

Q And what was your position at that time?

A I was affiliate relations manager.

Q And what did that entail?

A It entailed dealing with radio stations and signing on new affiliates for our series of programs, our network programs.

Q Was that an entry-level job?

A No, not entry-level.

Q Was it mid-level?

A Mid-level.

Q And how long did you stay in that?

A One year. Then I became national affiliate relations manager.

Q Working out of the Los Angeles office?

A Yes.

Q And after that?

A I became director of affiliate relations, I believe, the end of 1982, and after that I became vice-president of affiliate relations. And then in 1985 I became the general manager; vice-president and general manager.

21040884470

Q And is that the position you hold today?

A Yes, I hold executive vice-president, general manager.

Q What's the difference?

A Not much; title.

Q More money?

A Yeah, more money, more responsibility.

Q In what way is there more responsibility?

A Just, you know, it's just the company has gotten larger, and we have more programs and more people, and I supervise more people than I did at that point.

Q In May of 1987 what was your position?

A General manager; senior vice-president and general manager.

Q Senior vice-president at that time?

A Yes.

Q And how many employees did you supervise?

A Well, I supervised vice-presidents directly, so I probably had -- this is a guess -- but probably eight or so. Six or seven or eight. I'm not really sure, to be honest with you.

Q And the vice-presidents that you supervised were responsible for what divisions?

A Production, programming, affiliate relations, mobile recording. And I also supervised some people that

210408804471

were directors of personnel, billing, station compliance. That pretty much covers it.

Q What did your duties entail as senior vice-president in June of 1987?

A Well, I ran the operational side of the business, basically. All of the operational side reported to me.

Q When you say "the operational side," you mean what?

A I mean excluding finance, accounting, and sales.

Q So productions, that type of thing?

A Right.

Q Affiliate relations?

A Right. I know they're kind of funny terms to an outsider.

Q Who did you report to?

A I reported to Norm Pattiz.

Q And how long had you been reporting to Norm Pattiz?

A Since 1982 when I was promoted to the director of affiliate relations. Prior to that I had reported to Judy Gold.

Q So subsequent to 1982 you reported directly to Norm Pattiz?

0104088472

A Right.

Q And you increased your responsibility throughout that period of time until today?

A Yes.

Q Is it fair to say you're second in command to Norm Pattiz?

A No.

Q How would you describe your position there?

A You mean as far as rank?

Q Yes.

A Well, the company structure would probably be Norm, and Bill Battison would follow second, and after that it would be cloudy as to who's third and fourth. It levels out as to different levels.

Q So you're saying it would be Norm Pattiz number one, then Bill Battison. And can you identify Bill Battison of the company?

A President and CFO.

Q And after that?

A It's not a clear structure. But some people go directly in to Bill. I go directly in to Norm. There was a person, Debra Seyler, who goes directly in to Norm.

Q So is there a group of eight or ten senior managers that effectively comprise the upper level?

A Yeah, I would say that would be fair to say.

210408804473

Q How many people would you say comprised that group?

A Six to eight.

Q Can you tell me who they are?

A Norm Pattiz, Bill Battison, myself, Gary Yusko, Eric Weiss, Greg Batusic.

Q That last name, Greg --

A Greg Batusic, B-a-t-u-s-i-c.

Jack Klemetz, Mike Kakyanis, and Bob Wilson. I probably forgot somebody in there.

MR. BARAN: You'll hear about it.

BY MR. BLESSINGTON:

Q You're talking about today; right?

A Right.

Q Was this the same group of people in 1987 that comprised the upper level?

A No. In '87, the summer of '87, Mike Kakyanis was not with us at the time. But other than that, I think everybody else was with us.

Q Now, in 1987 did this group have regularly scheduled meetings?

A No. And we don't today either.

Q Did you have meetings at all?

A Yes.

Q Could you describe them?

>10408804774

A We have a managers' meeting every Monday in Los Angeles for the Los Angeles -- the major Los Angeles managers, which would include myself, Norm Pattiz, Bill Battison, Gary Yusko, Eric Weiss, other vice-presidents and directors of departments.

Q And you had that also in 1987?

A Yes.

Q Were any other people involved generally in these meetings?

A Meaning --

Q Any other individuals that you can identify that used to attend these meetings on a more or less regular basis?

A Brian Heimerl, who's vice-president of production; Gary Landis, who is vice-president of programming; Steve Jenkins, who was vice-president of affiliate relations. I don't recall who was the head of PR at the time, but whoever the head of PR at the time was would have attended. Mark Kress, who was vice-president of music marketing; Dean Marion, who was head of advertising. Jim Brown was the head of PR, come to think of it. That pretty much covers it.

Q Steve Jaffe?

A No.

Q Still sounds like a pretty crowded room.

210408804475

A Yeah. There's probably 15, 20 people.

Q And typically, if you can say typically, what went on at these meetings?

A We discussed the operation of the business. You know, what was going on. Everybody gave a short report, probably three to five minutes on their area. And then we discussed areas and answered questions about how the business was running and how we were going to move forward and whether we were going to make this deal or that deal; you know, tried to shore up weak areas of the company and praised the people that were doing a good job in the strong areas.

Q Who would praise the people?

A Myself or Norm or any one of the senior management people.

Q You said that you praised people. Did you also criticize people at these meetings?

A Oh, sure. I don't know if criticize is the proper term, but --

Q What would be proper?

A Pointed out if there was something that was operating improperly.

Q Do you recall that there was a fair amount of tension at these meetings?

A I don't know if tension is the right word, but,

210408804776

you know, there's certainly a meeting where you're subject to be called out on the carpet. There could be tension, sure.

Q And did you call people out on the carpet?

A As I said before, we dealt with the issues at hand, whether they were good or bad. It's just like any company. When you're running it, you have to deal with what's facing you.

Q Did Norm Pattiz control these meetings?

A Not always, but sometimes.

Q How often, if you can tell me?

A He probably controlled them 50 to 60 percent of the time, and the other time I would control them.

Q I see. Did Norm Pattiz ever point out people's shortcomings at these meetings?

A I'm not sure if I understand the question.

Q Well, if an individual wasn't performing up to the standard that Norm Pattiz felt, did he point that out to him at these meetings?

A Yes.

Q Do you know if people were embarrassed ever at these meetings?

A Probably.

Q Can you think of an instance where somebody was?

210408804777

A Not really, no. I mean, these are meetings that we've been having for a long time. They're every Monday, so they all kind of blend together.

Q I'm just trying to get a sense of what went on and how Mr. Pattiz conducted the meetings.

MR. BARAN: Maybe less formal and less tension-filled meetings than the Federal Election Commission.

THE WITNESS: Well, yeah.

MR. BARAN: I haven't objected at this point. You are asking an occasion whether somebody experienced a particular emotion such as embarrassment. I don't think Mr. Ferro is competent to testify to something like that. If you're trying --

MR. BLESSINGTON: He may be a keen observer of the human condition.

MR. BARAN: Well, he can observe what people do, say, and act like, but not what emotions they experience. He can certainly testify to his own emotions. What are you driving at in terms of the atmosphere of these meetings?

MR. BLESSINGTON: I'm trying to get a sense of whether or not it was clear to everyone that Norm Pattiz, number one, was in control of these meetings.

THE WITNESS: Well, I run the meeting. I always led them off. So is he in control? He's the CEO of the company, so I imagine that any senior management player

0104088●478

would know that his presence would have some control.

BY MR. BLESSINGTON:

Q What was your relationship with Norm Pattiz in 1987?

A I was an employee of his as I had been for the past seven years prior.

Q You kept getting promotions during that period?

A Yes.

Q Would you say that you were fairly close allies within the company?

A "Ally" meaning? What do you mean by "ally"?

Q Well, if you could describe your relationship with Norm Pattiz, you can describe it in any words you'd like.

A I mean, I would say I was an employee of the company at that point.

Q There were many employees of the company, were there not?

A Yes.

Q Was your relationship with Norm Pattiz better professionally than Mark Kress at the time?

A No, I wouldn't think so.

Q Well, what was the relationship between Norm Pattiz and Mark Kress?

A Well, they had been personal friends at one

210408804479

point, and I believe they were still friends. But, you know, I was not privy to their relationship.

Q Did you ever talk to Norm Pattiz about Mark Kress?

A Only on a business level if we were talking about tour sponsorship, but not on a personal level.

Q Was Mr. Pattiz generally happy with Mark Kress' performance?

A Yes.

Q This is in '87?

A Uh-huh.

Q At some point their relationship deteriorated, did it not?

A I don't -- I don't know whether their personal relationship deteriorated. The business relationship at the music marketing division ceased to be productive.

Q Can you tell me what happened?

A We went from where we were doing six tours -- which I believe had probably been the summer of '87 -- down to one or none. One tour, in other words, no business being generated in that division.

Q And what was the reason for that?

A Well, that's a tough thing to say. I mean, there's a lack of revenue. There were -- tours weren't being signed, and advertisers were not being placed with

0104088480

tours. So it's hard to say what the reason was, whether it was all falling on Mark Kress' head or whether the business is down. That's another question. It's hard to say.

Q Was Mark Kress fired?

A I don't know.

Q His responsibilities fell within your general area, did they not?

A I was responsible for music marketing to an extent until Jerry Sharell joined the company in 1987. Jerry Sharell was the executive vice-president of talent, and part of his contract was to report directly to Norm. Up to that point I oversaw talent and music marketing as well.

Q So Mark Kress would have reported to Jerry Sharell at that point?

A Yes.

Q You were not aware, then, of the circumstances surrounding his leaving the company?

A No.

Q You never talked to Norm Pattiz about it?

A No.

Q What was Mark Kress' reputation at the company?

A Best friend of the boss. That's real honest. Okay?

Q Did that mean that people thought that he had the job because of his relationship with Norm Pattiz?

> 1040880481

A Yes.

Q And was there a fair amount of resentment about that?

A I don't know.

Q You weren't resentful?

A No.

Q Did you hear people discuss that ever?

A Yes.

Q Did you ever talk about that with Norm Pattiz?

A No.

Q What did you talk about with Norm Pattiz?

A It depends on the day. But I generally talk about the business that's at hand, whatever the business problems that are facing me at the time.

Q Did you speak to him daily?

A Probably not daily, no.

Q How often?

A It could have been, you know, three times in one day, or it could be once a week. It just depends on the week.

Q Was Norm Pattiz generally in the office every day?

A Yes.

Q Were you?

A Yes.

2104088●4882

Q But if there was anything on the operational side of Westwood One's business, he would come to you and discuss it with you; is that correct?

A Yes.

Q At least until Jerry Sharell came, and then --

A Well, the company has always -- it's run by an entrepreneur, so it's not your classic corporate structure. But generally the operational problems would be discussed with me.

Q That's what I'm trying to get at. I'm trying to find out how the company operated. If you could just give me a general description, it might save some time.

MR. BARAN: Everyone doing their thing?

THE WITNESS: Yeah. I mean, it's not the classic structure of a company that you might expect. It's a lot of people working together. It's talented people in a lot of areas who do what they do best. And even though I might be the executive vice-president and general manager, someone on the level of a PR person would have direct access to Norm and may deal directly with him. I may get informed later on as to what the decision was because Norm might have made it because he started the company and always had a creative hand in most areas.

BY MR. BLESSINGTON:

Q So Norm was a real activist?

0104088●4883

A Yes. I was given a lot of autonomy to run my side of the business in conjunction with the head of sales, Greg Batusic. But Norm was always informed, and in some cases he may have made a decision in between.

Q Would you characterize his involvement as being greater than in the general sense one would expect in a business?

A Yes.

Q Would you say that most major decisions needed to go through Norm?

A Yeah, that's probably a fair statement.

Q Now, Westwood One has a board of directors; does it not?

A Yes.

Q Were you ever on it?

A No.

Q Do you know who was on it in 1987?

A I believe it would have been Norm Pattiz, Bill Battison, Brian Heimerl, who were on it who are in-house company employees. And the outside directors at that point would have been -- I can't remember who was on the outside at that time. Joe Smith from Capitol Records and Larry Freeman.

Q Larry Freeman, what was he associated with?

A He's with the Freeman Shampoo Company. He's

210408804484

a -- I don't know his relationship or how he ended up on the board. I'm not privy to that information.

Q Do you know him?

A Only just "How are you, Larry," because he's on the board.

Q Do you know a Paul Krasnow?

A Yes. Krasnow might have been on the board at that time also. I'm not sure.

Q He's on the board today?

A He's on the board today, yeah. I don't know if he was on the board then or not. Krasnow handled our insurance for our company.

Q So he's in the insurance business?

A Right.

Q And to the best of your knowledge, there were five or six people on the board?

A Right.

Q Paul Krasnow may or may not have been on the board in 1987?

A I don't know in 1987.

Q Did you ever attend any board meetings?

A No.

Q Did you ever discuss the board of directors with Norm Pattiz?

A No.

210408804485

Q Do you know what the role of the board was in 1987?

A To make decisions, you know, on major acquisitions of the company and how the company was moving forward.

Q Did Norm Pattiz or anybody else at your weekly meetings ever mention decisions of the board?

A No.

Q So is it fair to say that, to your knowledge, the board wasn't a particularly active board?

MR. BARAN: If you know.

THE WITNESS: I don't really know. I mean, they certainly had meetings every now and again, but I wasn't privy to the information.

BY MR. BLESSINGTON:

Q Well, when big decisions were made at Westwood, acquisitions and that type of thing --

A That would have been made by the board of directors.

Q Did Norm Pattiz ever talk about that having to be made by the board of directors?

A No.

Q Decisions were generally made at these meetings?

A At board meetings or at the managers' meetings?

0040887486

Q At the managers' meeting.
A For acquisition.
Q Acquisition or something of that magnitude?
A No.
Q Where would they have been made?
A They would have been made either at the board or other level that I'm not familiar with.
Q What other level would there be?
A It would be Norm or Bill Battison as president, but I'm sure that it would have had to have been cleared by the board.
Q How were you informed of major decisions?
A Generally at a major -- generally at the managers' meeting.
Q So you're testifying that you really don't know how the board operated?
A I don't.
MR. BARAN: I think the record will reflect that.
BY MR. BLESSINGTON:
Q You mentioned William Battison earlier, the president and chief financial officer.
A Right.
Q Do you work with him quite a bit?
A No.
Q When do you come into contact with him?

0408874487

A I might come into contact with him if I needed something, you know, if I was doing something where I'm working out a deal where financially I might ask his opinion, but I don't deal directly with Bill generally.

Q And is that because you handle one side and he the other?

A I handle the operational side of the youth programs, and Bill handles the adult. So I don't deal directly with Bill.

Q He handles the adult side?

A The adult side.

Q What age group is that?

A Well --

MR. BARAN: Don't worry. You're in it.

THE WITNESS: That is really not entirely true. The youth side that I handle now goes all the way to 54. So the adult side goes even higher than that. Our side would be -- you know, generally 12 to 49 would be the demographic that I would handle in the programs that I handle. Youth and adult is becoming more and more blurred every day. But as the baby-boomers grow up -- I mean, I'm now 36 years old, so I'm out of the youth demo. I'm in the adult demo.

BY MR. BLESSINGTON:

Q Do you know what William Battison's relationship is to Norm Pattiz?

210408804488

A He's the president and CFO of the company.
Q Do you know if he relies on him a great deal?
A Norm?
Q Yes.
A Yes.
Q They have, to your knowledge, a fairly close working relationship?
A Yes.
Q I think you also mentioned Gary Yusko earlier.
A Yes.
Q Can you tell me who he is?
A Vice-president of finance.
Q And he works directly for William Battison?
A Yes.
Q So he reports to William Battison?
A Yes.
Q Does he also deal with Norm Pattiz directly?
A Yes.
Q And he was one of these individuals that would attend the monthly -- excuse me -- the weekly managers' meetings?
A Yes.
Q And we talked about Eric Weiss earlier, and you've indicated that he's the chief legal officer?
A He's vice-president of legal.

210408874889

Q Vice-president of legal affairs?
A Right.
Q Do you know what his position was in 1987?
A I believe he was head of business affairs. He was not a vice-president.
Q And he didn't have a title of a legal official at all?
A I think he was business affairs at that point.
Q Just business affairs?
A Uh-huh.
Q Did he provide any legal advice at these weekly meetings?
A You know, contractwise for artist contracts and things like that he might have.
Q So to your recollection, his legal advice was limited to contracts that Westwood was involved with?
A Yes. Artist contracts and things like that.
Q Not a general legal advice?
A No.
Q Do you know Stephen Jaffe?
A Yes.
Q Can you tell me who he is?
A Stephen Jaffe was an employee at Westwood One, and I believe his position was controller. I'm not sure how long he was there. He's no longer with the company.

210408804490

Q Do you know when he left?
A A year ago or so, I guess. I'm not really sure.
Q And he reported directly to Gary Yusko?
A Yes.
Q We talked about Mark Kress, and I think that you mentioned Dean Marion earlier.
A Yes.
Q Can you tell me what Dean Marion did in 1987?
A He was director of advertising, was responsible for the ads that we placed in magazines, trade papers, and direct-mail pieces and things like that.
Q And who did he report to?
A I believe he reported to Mark Kress.
Q And Debra Seyler?
A Seyler. That's okay. I'm not offended if you mispronounce her name. She probably would be.
Q Can you tell me who she is?
A Yes. She's vice-president of corporate.
Q So she's out of New York?
A Yes.
Q She would report directly to Norm Pattiz?
A Yes.
Q Did she do so in 1987?
A Yes.

Q How would you describe her job?
A I really don't describe her job. I know that the Source Network, the youth network, reports directly to her. I'm not sure of all her other responsibilities.
Q So you haven't dealt with her very much?
A No, I don't deal with her on a day-to-day basis.
MR. BLESSINGTON: Now I think we'll take a break for just a few minutes.
MR. BARAN: That's fine with me.
(A recess was taken.)
MR. BLESSINGTON: Back on the record.
Q Mr. Ferro, you produced some documents responsive to the subpoena this morning. I'd like to introduce one of them now, and we can mark that as Exhibit 1, a two-page document.
Would the reporter mark the exhibit.
(Commission's Exhibit 1 was marked for identification and is attached hereto.)
BY MR. BLESSINGTON:
Q Mr. Ferro, can you describe this to me?
MR. BARAN: I'm going to ask, if I may, if we can go off the record for a moment just to make an inquiry about the procedure here.
MR. BLESSINGTON: Fine.

491 - 104088-4

(Discussion held off the record.)

MR. BARAN: Back on the record.

THE WITNESS: Okay. Two checks, one written to Joe Biden and one written to my girlfriend, who is now my wife.

BY MR. BLESSINGTON:

Q And that is Mari Hand?

A Mari. It's a tough name to pronounce.

MR. BLESSINGTON: I'd like to have the court reporter mark as Exhibit 2 another document you produced this morning, Mr. Ferro.

(Commission's Exhibit 2 was marked for identification and is attached hereto.)

BY MR. BLESSINGTON:

Q And can you please tell me what this is?

A Two checks, one to Edward Kennedy and one to Joe Biden.

Q So based on the exhibits that we have here, it appears that both Mari Hand and you made thousand-dollar contributions to Joe Biden in June of 1987.

A Yes.

Q Can you explain the circumstances surrounding your making of those contributions?

A I was asked by Norm Pattiz to make a contribution to the Joe Biden campaign and was asked if I could have my wife make one.

0104088●4492

Q Do you recall where he asked you this question?
A Yes. In his office.
Q Had he called you into his office?
A Yes.
Q Specifically for that purpose?
A I don't recall.
Q You don't recall if you discussed anything else then?
A I don't recall.
Q And do you recall what he said to you?
A He asked me if I would make a contribution to the Joe Biden campaign and if I could have my girlfriend make one also and that I would be reimbursed for it.
Q He volunteered that you would be reimbursed for it?
A Yes.
Q Did you ask him why?
A No.
Q Did you think much of it at the time?
A No.
Q Did you consider it a part of your job to do this?
A No.
Q Was it a personal favor for a friend?
A No.

0104088●4493

Q How would you describe her job?

A I really don't describe her job. I know that the Source Network, the youth network, reports directly to her. I'm not sure of all her other responsibilities.

Q So you haven't dealt with her very much?

A No, I don't deal with her on a day-to-day basis.

MR. BLESSINGTON: Now I think we'll take a break for just a few minutes.

MR. BARAN: That's fine with me.

(A recess was taken.)

MR. BLESSINGTON: Back on the record.

Q Mr. Ferro, you produced some documents responsive to the subpoena this morning. I'd like to introduce one of them now, and we can mark that as Exhibit 1, a two-page document.

Would the reporter mark the exhibit.

(Commission's Exhibit 1 was marked for identification and is attached hereto.)

BY MR. BLESSINGTON:

Q Mr. Ferro, can you describe this to me?

MR. BARAN: I'm going to ask, if I may, if we can go off the record for a moment just to make an inquiry about the procedure here.

MR. BLESSINGTON: Fine.

210408804994

Q Well, what was it?

A It was -- I was asked by my boss to make a contribution, and so I did.

Q Did the fact that he was your boss influence your decision to make this contribution?

A I don't know. Probably.

Q Did you know anything about Joe Biden?

A No.

Q Did you know who he was?

A I didn't even know who he was. I became familiar with him afterward with the press and everything.

Q Did you discuss with Norm Pattiz the reason why he wanted you to make this?

A He indicated that it was good for the company.

Q Did he say why that was going to be good for the company?

A No.

Q Were you curious as to why it would be good for the company?

A No.

Q Had he ever asked you to do anything like this before?

A No.

Q It doesn't appear to have made much of an impression on you.

210408804495

A I don't know if I understand the question.

Q Well, you don't seem to recall much about it at all other than he asked you to do it and you did it. Was it a very quick conversation?

A Yes. Probably 30 seconds or so.

Q Do you recall feeling that you could tell him no?

A I don't recall.

Q Now, he requested this. It was in the form of a request, was it not?

A Yes.

Q When Norm Pattiz wanted you to do something that was business related, would he normally request it politely?

A Yes.

Q Did you consider this to be the equivalent of any other business request he might have made?

A Yes.

Q Thank you.

So you agreed to this and presumably left the office. And what did you do then?

A I didn't do anything then.

Q You ultimately wrote a check?

A Yes.

Q And how did you go about that?

210408804496

A He reminded me about a week later that he needed those checks. And I wrote a check, and I asked my wife, or then girlfriend, for the check.

Q So prior to his reminding you, did it slip your mind?

A I just hadn't thought about it, and that was it. We had a conversation, and I had forgotten it.

Q And where did he remind you of it?

A I don't recall. Probably in the hall.

Q He didn't call you into his office specifically?

A No.

Q Do you recall what he said to you?

A No.

Q Do you recall generally what he said to you?

A "I need those checks."

Q Something to the effect that "I need those checks"?

A Right.

Q Did you deal with anybody else relative to these contributions at Westwood?

A No.

Q After he reminded you, you wrote a check, and you asked Mari Hand to write a check; is that correct?

A Yes.

> 1040884497

Q You collected the check from her?
A Yes.
Q And then what did you do with the two checks?
A Placed them in an envelope and handed them to Norm Pattiz's secretary, who I believe was Lydia Servera at the time.
Q How did you know to do that?
A He had told me to hand the check to his secretary.
Q Did he give you any other instructions?
A No.
Q Did you have any qualms about doing this at all?
A No.
Q Had he asked you to make contributions to any organization or person before?
A No.
Q Is this the first time that he's asked you something like that?
A Yes.
Q Did you think anything was wrong with doing this at the time?
A No.
Q It didn't strike you as odd that you would make a contribution to a political candidate and be reimbursed

210408804998

for it by the corporation?

A I never really thought about it.

Q Did you ask Norm Pattiz how you would be reimbursed?

A No.

Q Did he volunteer how you would be reimbursed?

A No.

Q He just said that you would be?

A Yes.

MR. BLESSINGTON: I'm going to ask the reporter to mark Exhibit 3.

(Commission's Exhibit 3 was marked for identification and is attached hereto.)

BY MR. BLESSINGTON:

Q Take your time with that.

This is a one-page document, and it appears to be a copy of a tissue copy of the check with a statement.

MR. BARAN: I would note for the record that the document speaks for itself.

MR. BLESSINGTON: I think it would help if we made it clear that it was probably a tissue copy. It says "Not Negotiable" at the bottom of it.

Q Does this look familiar to you, Mr. Ferro?

A It's a Westwood One check.

Q And it's made out to you?

0104088●4999

A Yes.

Q And the date is 6-26-87. Do you recall is this how you were reimbursed?

A I believe. I don't recall. I mean, I know I was reimbursed by check.

Q If you look at the top where it appears to be a statement, it says Invoice Date. It's a little difficult to read, but it says 6-26-87, I believe. And under the column described as Description, it says "Venue Fee REO," I believe. Do you know what that would be?

A It would be venue fee, probably, for REO. That's the name of a band.

Q REO Speed Wagon?

A Right.

Q But what you're saying is you don't recall specifically this check?

A No.

MR. BLESSINGTON: I'm going to ask the reporter to mark this as Exhibit 4.

(Commission's Exhibit 4 was marked for identification and is attached hereto.)

BY MR. BLESSINGTON:

Q Take your time with that, Mr. Ferro.

Now, this is a three-page document, and it's entitled "Accounts Payables Account Distribution Report,

210408805500

Westwood One Radio, Incorporated," and there are a number of columns and numbers and all. I would like to direct your attention down to the --

MR. BARAN: May I ask --

MR. BLESSINGTON: Yes.

MR. BARAN: -- a preliminary question as to whether Mr. Ferro has ever seen this document before today?

BY MR. BLESSINGTON:

Q Have you ever seen this document?

A No, I have not.

Q Can we go up about four lines from the bottom.

MR. BARAN: As a matter of procedure, if you have questions without reference to this document which my client has never seen, I'm sure he would be glad to respond to your questions in that regard. Since he's now testified that he has not seen this document before, I will object to any questions which presume that he has either any familiarity with it or --

MR. BLESSINGTON: For the record, I'm using the record as a prop so that we can all take a look at it.

MR. BARAN: I understand.

BY MR. BLESSINGTON:

Q And maybe it will help refresh your recollection even if you've never seen it before. I'm looking for specific information on the document.

0104088●501

If you take a look about four lines up from the bottom, there's an indication of Venue Fees/REO, and if you move over a little bit, it indicates Thom Ferro, REO, and then in the far right-hand column $2,000. Do you recall receiving $2,000 for venue fees for REO Speed Wagon?

A I don't know if I understand the question.

Q Well, this would seem to indicate, as did the previous exhibit, that you received $2,000 in what is described as venue fees for REO. And I want to know if you recall anything about that.

MR. BARAN: Is the question, therefore -- without regard to any documents, particularly those that he has been unable to identify -- is your question does Mr. Ferro recall receiving $2,000 as venue fees for REO?

MR. BLESSINGTON: Yes.

THE WITNESS: No.

BY MR. BLESSINGTON:

Q You don't. Can you tell me what a venue fee is?

A Yeah. A venue fee would be paid to a venue. A venue would be like The Forum or Madison Square Garden in New York or, you know, a club or whatever, and then it would be for recording purposes.

Q Who would a venue fee be paid to?

A Generally it would be paid to the venue. If

210408805502

the person had paid it directly, it might be paid in a reimbursement to the person. Sometimes we're out on a recording gig, and you may end up you go to a club like the Roxy here in Los Angeles, and they may have no venue fee, and then they decide they're going to charge you for a venue fee. I mean, it's subject to what the club is going to charge you and what they're not going to charge you.

Q So sometimes employees of Westwood would make a payment?

A Right.

Q And then they would seek reimbursement under this venue fee category?

A Right.

Q So a --

MR. BARAN: Let him finish.

MR. BLESSINGTON: Go ahead.

MR. BARAN: I was advising my client to allow you to complete your question.

MR. BLESSINGTON: Thank you.

Q So certain employees of Westwood would sometimes get reimbursed for paying venue fees to venues; is that correct?

A Yes, yes.

Q And a venue would be a concert hall? A nightclub? Is that what a venue would be?

210408850 3

A Yes.

Q So the fees would be paid to the management of that particular venue?

A Yes.

Q Did you ever have occasion to receive a venue fee reimbursement from Westwood One?

A No.

Q Who in the company would?

A I don't know.

Q So you're not familiar with -- well, excuse me. I don't want to say that.

You don't know who in the company would receive venue fees. You were familiar with what a venue fee was?

A Yes.

Q Would anybody in Westwood One legitimately receive venue fees?

A Richard Kimball, who is a director or vice-president of mobile recording.

Q Is he the only one?

A I don't know.

Q There could be others?

A Yes.

Q Would they work for Richard Kimball?

A Most likely.

Q Generally the senior management staff would not

have occasion to receive venue fee reimbursements from Westwood?

A Yes.

MR. BLESSINGTON: I'm going to ask the reporter to mark as Exhibit 5 a two-page document.

Q Take your time with that. Let me know when you're ready.

(Commission's Exhibit 5 was marked for identification and is attached hereto.)

MR. BARAN: We're ready. You may proceed.

BY MR. BLESSINGTON:

Q As I indicated, this is a two-page document consisting of copies of four checks on the first page and the back sides of those same checks on the second page. I'm interested in the second one down which indicates that you received a $2,000 payment on 6-26-87 from Westwood One. Have you ever seen this before?

A No.

Q You haven't?

A (No audible response.)

Q You've never seen that check that was made out to you?

A I don't recall.

Q Can we turn to the second page.

As I indicated, these are the back sides of

0104088505

those checks. The second one down, corresponding to the first page, indicates "For Deposit Only." Is that your signature?

A Yes, it is.

Q So it is possible that you did see this check and cashed it?

A Oh, very likely. I mean --

MR. BARAN: I would just point out that the testimony is he doesn't recall specificly seeing either of these documents or this particular copy of the check.

THE WITNESS: Yes.

MR. BLESSINGTON: Fine.

Q But you did just identify that has your signature on the back side of the check.

A Yes.

MR. BARAN: And, of course, Mr. Ferro has submitted an affidavit acknowledging that he received reimbursement.

MR. BLESSINGTON: Thank you for pointing that out, Counsel.

MR. BARAN: We are, and continue to be, very cooperative in this case.

MR. BLESSINGTON: I understand. It's a pleasure doing business with you.

MR. BARAN: I hope I will be able to say the same.

///

2104088●5506

BY MR. BLESSINGTON:

Q Mr. Ferro, do you think that this is the vehicle whereby you were reimbursed for your contribution and your girlfriend's contribution to the Biden campaign?

A I don't know.

Q Well, you have testified that you never had received any venue payment, that you had no occasion to receive a venue payment, but that it appears that this was a reimbursement for venue payment.

A Yes.

Q If you can, take a look at the check that was made out to you again. It's a Westwood One check. Is that the kind of check that you would receive for any kind of expense reimbursement?

A Yes.

Q Does it look different from a payroll check?

A Yes.

Q Would they always be co-signed?

A Unless it was signed by Norm Pattiz.

Q Okay. So Norm Pattiz could sign one of these himself, but everyone else had to get a signature of someone else?

A Right.

Q And it appears that Gary Yusko signed that. Do you recognize the name above that?

2104088●507

A Bill Battison.

Q Were they the people who would normally sign checks such as these?

A Yes.

MR. BLESSINGTON: I'm going to ask the reporter to mark Exhibit 6. It's a one-page document, and there's a W at the top, and it indicates that it's a Check Request Form.

(Commission's Exhibit 6 was marked for identification and is attached hereto.)

BY MR. BLESSINGTON:

Q Have you ever seen this before?

A This actual form?

Q Yes. A copy.

A No.

Q Have you ever seen a blank form such as this?

A Yes.

Q When you needed to be reimbursed for something, as I image you have, did you have to fill one of these forms out?

A Yes.

Q Now, whose responsibility was it to fill out a form such as this?

A I might -- if it were for reimbursement for myself?

Q Yes.

0104088●5508

A I might have filled it out, my secretary, an assistant, someone that worked under me, depending on what the situation is.

Q Do you know who filled this out?

A No.

Q When you would have a form filled out like this, it would have to be okayed by somebody?

A If I filled it out, I can okay it myself as a vice-president.

Q And where would it go after you okayed it?

A To accounting.

Q And would it be dealt with by some lower-level person in accounting at that point?

A Yes.

Q So it wouldn't necessarily go to someone like Gary Yusko?

A It might, but not generally.

Q Do you recognize the signature?

A No.

Q It doesn't look familiar to you at all?

A No.

Q It doesn't look like your secretary's signature?

A No.

Q It's not your signature?

2104088●5509

A No.

Q Normally if you filled out a check request form, you would sign off on the "Okayed By" line; is that correct?

MR. BARAN: I don't believe that's consistent with his testimony.

BY MR. BLESSINGTON:

Q Well, can you tell me?

A Yes.

Q Yes, what?

A I would sign off on it.

Q Would anybody else ever sign off on it?

A On a check request payable to me?

Q Yes.

A It's possible.

Q You don't recall any instances, though?

A No.

Q Were you aware if anybody else made contributions to the Biden campaign?

A No.

Q As far as you knew, when you were requested by Norm Pattiz to make these contributions, you were the only one that had been approached by Norm Pattiz?

A Yes.

Q When did you find out that other people had

> 1040885 10

made contributions?

A When it became public.

Q So you're talking about in roughly May of 1989?

A Probably about that point.

Q Now, in July of 1987 Norm Pattiz appeared before a subcommittee of the United States Senate, did he not?

A I don't know.

Q You are not aware of that?

A No.

Q It was indicated in the Complaint that you were notified. Do you recall seeing that?

A No.

Q You don't recall?

A No.

Q Do you recall if Norm Pattiz ever gave any testimony before the United States Senate?

A I believe that he has.

Q Do you recall that he did that in 1987?

A No.

Q Did you ever discuss his testimony with him?

A No.

Q Did he ever indicate to you that the contributions were the purpose of being able to appear before a Senate subcommittee?

2104088511

A No.

Q And to the best of your recollection, the only rationale he gave you was that it was good for business?

A Good for the company.

Q Good for the company. Nothing specific beyond that?

A No.

Q I just want to return to the point that we discussed at the outset about Eric Weiss and your conversation with Eric Weiss. Counsel has instructed you, at least for the time being, not to answer on the basis of a possible attorney-client privilege that existed.

I want to make the record very clear at this point that I would like to find out that information. And in the absence of any attorney-client privilege, I would like to know, and we might at some point decide that we want to go forward and seek to compel that testimony, but I think we're far away from that right at the moment.

MR. BARAN: I agree. And I appreciate counsel's willingness to at least let us on both sides think out the issue.

MR. BLESSINGTON: Okay.

I was going to close up now and give you your witness fee, but I think I've left it back at the hotel. I will give that to Jan later.

I'm going to continue the deposition for a variety of reasons. We may want to talk to you again about the Eric Weiss situation or maybe about something else, but I'm going to continue it for today. And perhaps if we need to talk to you again or discuss matters, we can do it either by phone, or perhaps we can assemble something in writing that might resolve whatever further questions we might have.

I want to remind you that --

MR. BARAN: May I just say that's without waiving any right to object to your interpretation about continuing this deposition and recognizing that we certainly will pursue the attorney-client privilege issue. I did not want to let your position go unrebutted, at least not without some comment from us.

MR. BLESSINGTON: That's fine.

I would like to remind you that the proceedings are still confidential and will be for some time, I'm sure. I also wanted to point out that you do have the right to read and sign the deposition, and we encourage you to do that. Can you state for the record whether you intend to do that?

THE WITNESS: Yes, I will.

MR. BARAN: We do not waive signature, if that is your question.

MR. BLESSINGTON: Yes. I guess that will do it

0104088513

unless you have something else to say, Counsel.

MR. BARAN: May we have a moment among ourselves as to whether there's anything else at this time that we wish to place on the record?

MR. BLESSINGTON: Okay. Fair enough.

(A recess was taken.)

MR. BLESSINGTON: We can go back on.

Counsel, would you like to say something first?

MR. BARAN: Well, I believe you have some further questions, and then I will have just a couple of questions when you're through.

MR. BLESSINGTON: I'd like to introduce another exhibit, one of the items that was brought by Mr. Ferro this morning. And could you please mark that.

(Commission's Exhibit 7 was marked for identification and is attached hereto.)

BY MR. BLESSINGTON:

Q Mr. Ferro, this is a copy of a check written on your account on 7-12-87 to the Committee to Reelect Edward Kennedy in the amount of $2,000. Can you explain the circumstances surrounding the making of that contribution?

A I was asked by Norm Pattiz whether I would make a contribution to Edward Kennedy. And along with that contribution I was invited to a private dinner party at his home where several other industry people would be at, and

Ted Kennedy would be appearing also.

Q And if we could go back to Exhibit 2, also brought by you this morning, there's a $2,000 check on the account of Mari Hand also to Edward Kennedy, same date as yours. Did Norm Pattiz ask her to make this as well?

A No. I did.

Q Were you directed to do that by Norm Pattiz initially?

A I was asked whether my wife and I would like to attend, or my girlfriend at the time.

Q She shortly thereafter became your wife?

A She became my wife six days after that.

Q I see. Were you reimbursed for these?

A No.

Q You made these out of your own funds?

A Yes.

Q Did you discuss reimbursement with Norm Pattiz?

A No.

Q He didn't volunteer as he did the last time?

A No.

Q You knew who Edward Kennedy was?

A Sure.

Q And did Norm Pattiz state a reason why he wanted you to do this?

A He felt that as a senior executive of the

company that it would be good for me and my career and that it was something that he was offering to me.

Q And it was going to be at his home?

A Yes.

Q Norm Pattiz's home?

A Yes.

Q And who came to that function?

A I don't recall everybody that attended the function.

Q Was Ted Kennedy there?

A Yes.

Q About how many people attended?

A Probably 40 people.

Q Was there anyone else there from Westwood?

A Yes.

Q And who else?

A Bob Wilson, who was with "Radio & Records," and Norm Pattiz. And I believe there were other people there, but I don't recall.

Q You believe there were other people there from Westwood One?

A Yes.

Q Do you recall if Bill Battison was there?

A I don't recall.

Q Was Gary Yusko there?

2104088516

A I don't recall.

Q Did you ask Mari Hand to make this contribution?

A Yes.

Q Was she able to afford it?

A Yes.

Q To your knowledge was she reimbursed by them?

A No.

Q You didn't give her any money for it, did you?

A No.

Q Do you know if anybody at Westwood One or associated with Westwood One was reimbursed for any contributions made with respect to this function for Kennedy?

A No.

MR. BLESSINGTON: Okay. Thank you.

MR. BARAN: Are you through for the time being?

MR. BLESSINGTON: Yes.

MR. BARAN: I want to clarify or at least give Mr. Ferro an opportunity to add some testimony with respect to the circumstances under which he went to Eric Weiss in the spring of 1989 upon receipt of the Federal Election Commission's notification.

2104088517

EXAMINATION

BY MR. BARAN:

Q Is it your testimony, Mr. Ferro, that Mr. Weiss is someone that you knew personally? Did you have other friends at Westwood One?

A Yes.

Q Why did you not go with the FEC materials to one of your other friends at Westwood?

A Well, because Eric Weiss was vice-president of legal, and I was seeking legal advice.

MR. BARAN: That's all the questions I have.

12

FURTHER EXAMINATION

BY MR. BLESSINGTON:

Q Just following up on that point, when I had asked about this earlier, you indicated that Eric Weiss was the only person that you spoke with at Westwood One regarding the investigation; is that correct?

A Yes.

Q You never spoke to Norm Pattiz about it?

A No.

Q And was anyone else with you when you spoke to Mr. Weiss?

A I believe I did it on the telephone.

Q So there was no one else that listened to the

conversation?

A Right.

MR. BLESSINGTON: That's all I have.

MR. BARAN: Thank you very much.

We are concluded. I'd like to have a copy sent to me, and I will then forward it to my client for review and take care of the arrangements for signature and filing with Mr. Blessington, if that is satisfactory to you.

MR. BLESSINGTON: Fine.

THE REPORTER: Penalty of perjury or notary?

MR. BLESSINGTON: The local practice is generally penalty of perjury.

2104088519

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

I, the undersigned, say I have read the foregoing deposition and hereby declare under penalty of perjury the foregoing is true and correct.

Executed this _____ day of _____, 1990, at _____, California.

_____

THOMAS A. FERRO

) 1 0 4 0 8 8 5 2 0

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

The undersigned Certified Shorthand Reporter of the State of California does hereby certify:

That prior to being examined, the witness in the foregoing proceedings was duly sworn to testify the truth, the whole truth and nothing but the truth.

That said proceedings were taken before me at the time and place therein set forth, and were taken down by me in shorthand and thereafter transcribed into typewriting under my direction and supervision; and I hereby certify that the foregoing transcript of proceedings is a full, true and correct transcript of my shorthand notes so taken.

I further certify that I am neither counsel for nor related to any party to said action, nor in anywise interested in the outcome thereof.

In witness whereof, I have hereunto subscribed my name this 9th day of April, 1990.

Zorica Dragovich

ZORICA DRAGOVICH
CSR No. 6524

21040880521

THOM FERRO
3501 SCADLOCK LN. 204-5000
SHERMAN OAKS, CA 91403

867

19 87

PAY TO THE ORDER OF Joe Biden for President $ 1000.00

One Thousand & NO/100 DOLLARS

SEARS SAVINGS BANK
Reseda Office
18160 Sherman Way, Reseda, CA 91335

FOR Contribution

⑈322270291⑈ 00[illegible]0868 "0000100000"

AJF09

THOM FERRO
3501 SCADLOCK LN. 204-5000 · 783-5047
SHERMAN OAKS, CA 91403

868

6/26 19 87

PAY TO THE ORDER OF MARI[illegible] $ 1000.00

One [illegible] & NO/100 DOLLARS

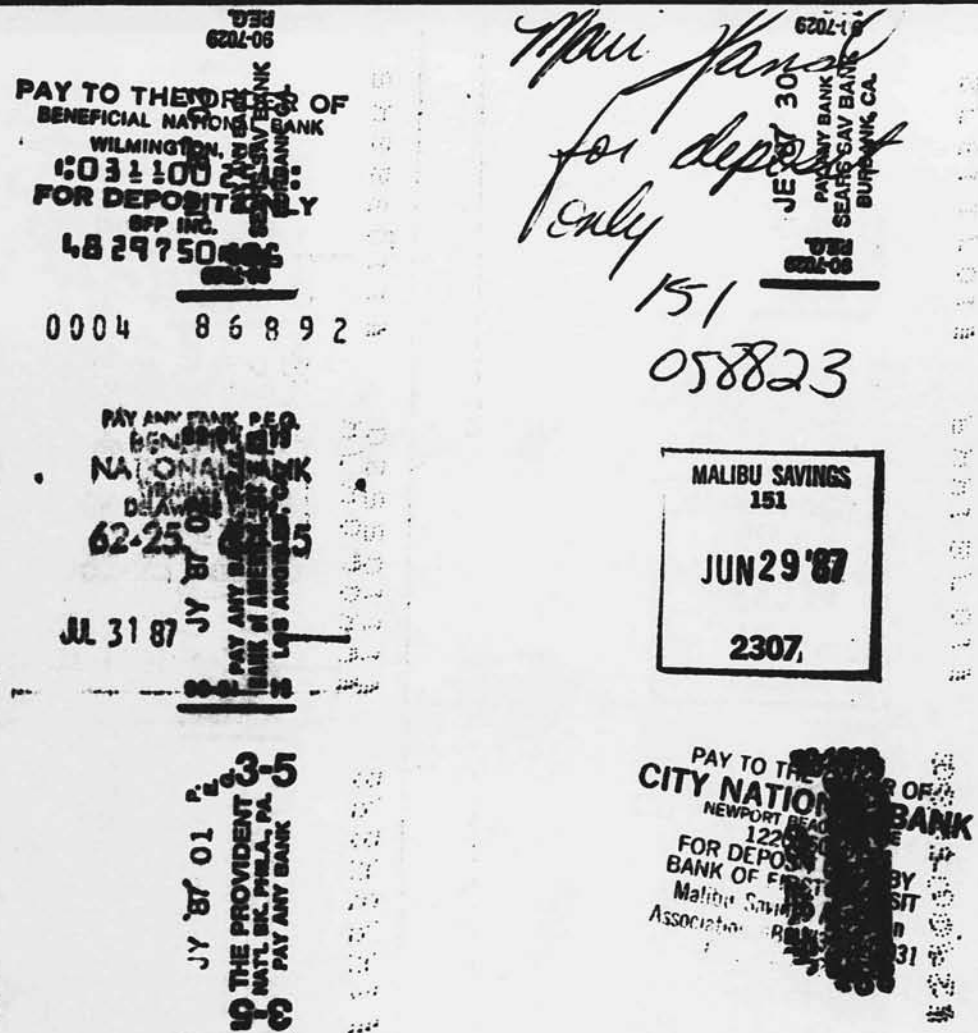
SEARS SAVINGS BANK
Reseda Office
18160 Sherman Way

FOR

⑈322270291⑈ [illegible]660164001" 0868 "0000100000"

⑆104088805222

Comm Exhibit 1
Date 3-9-90
ZORICA DRAGOVICH, N.P.


PAY TO THE ORDER OF
BENEFICIAL NATIONAL BANK
WILMINGTON,
FOR DEPOSIT ONLY
SFP INC.
0004 86892
PAY ANY BANK, P.D.
NATIONAL BANK
62-25
JUL 31 87
JY 01
THE PROVIDENT
NATL. BK. PHILA., PA.
PAY ANY BANK
Main Bank
for deposit
only
151
058823
JE 30
PAY ANY BANK
SEARS SAV BANK
BURBANK, CA.
MALIBU SAVINGS
151
JUN 29 '87
2307
PAY TO THE
CITY NATIONAL BANK
NEWPORT BEACH
FOR DEPOSIT ONLY
BANK OF FIRST
Malibu Savings
Association

1040885 23

Mari Hand
23448 Moon Shadows Dr.
Malibu, Ca 90265

196

7-12-87 19 90-8493/3222

PAY TO THE ORDER OF The Committee to Re elette Edward Kennedy $ 2000

Two Thousand & no/100 DOLLARS

MALIBU SAVINGS
AND LOAN ASSOCIATION
3900 CROSS CREEK ROAD
MALIBU, CALIFORNIA 90265

MEMO 1000 - Gen. Election

Mari Hand

⑈322284931⑈ 015105882309⑈ 0196 ⑈0000200000⑈

Mari Hand
23448 Moon Shadows Dr.
Malibu, Ca 90265

186

June 22, 19 87 90-8493/3222

PAY TO THE ORDER OF Joe Biden - for President $ 1000 00

One Thousand & no/100 DOLLARS

MALIBU SAVINGS
AND LOAN ASSOCIATION
3900 CROSS CREEK ROAD
MALIBU, CALIFORNIA 90265

MEMO Donation

Mari E. Hand

⑈322284931⑈ 015105882309⑈ 0186 ⑈0001000000⑈

NF09

PAY TO THE ORDER

110408835524

Comm Exhibit 2
Date 3-9-90
ZORICA DRAGOVICH, N.P.

2

BEFORE DEPOSITING CHECK

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
6/26/87		VENUE FEE PEC	4115.3510	

WESTWOOD ONE 5540 WASHINGTON BOULEVARD CULVER CITY CA 90232

ENTERED JUN 29 1987

WESTWOOD ONE
5540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-6500

Century City Office
CITY NATIONAL BANK
1800 Century Park East
Los Angeles, California 90067

1220 4130

DATE	AMOUNT
06/26/87	$2,000.00

PAY TWO THOUSAND and 00/100

TO THE ORDER OF

THOM FERRO

NOT NEGOTIABLE

⑆110408805250

0001

Comm Exhibit 3
Date 3-9-90
ZORICA DRAGOVICH, N.P.

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUNT
56666		04126	JOEL SALKOWITZ	87-25	384.62
56660		04125	JANIS HAHN	87-25	288.46
57763		04125	JANIS HAHN	87-28	288.46
57768		04126	JOEL SALKOWITZ	87-28	384.62
58067		04125	JANIS HAHN	87-29	288.46
58081		04036	TM COMMUNICATIONS, INC.	JULY/MUJIN	2606.25
57255		04126	JOEL SALKOWITZ	87-27	384.62
57249		04125	JANIS HAHN	87-27	288.46
57066		04126	JOEL SALKOWITZ	87-26	384.62
56344		04036	TM COMMUNICATIONS, INC.	JUNE	2606.25
58071		04126	JOEL SALKOWITZ	87-29	384.62
56774		04125	JANIS HAHN	87-26	288.46
4110-3902	ARTIST CONTRACTS			ACCT 4090-6801 TOTAL	8577.90
57745		02845	DIRE STRAITS OVERSEAS	DIRE STRAI	15000.00
4110-4902	ARTIST CONTRACTS/R E				
57227		04369	ARCOS MANAGEMENT SERVI	MUSICALE	5000.00
4110-5202	ARTIST CONTRACTS				
56568		02298	MONARCH ENTERTAINMENT	D.EDMUNDS	3000.00
4110-5502	ARTIST CONTRACTS				
56570		04344	PMC INC.	J.RODMAN	500.00
57804		03916	THE JUDDS	START TOUR	50000.00
57041		04341	Q B Q ENTERTAINMENT, I	VOID	-17500.00
57042		04362	RODNEY DANGERFIELD	PRI.PARTY	17500.00
56503	NYC PARTY	04341	Q B Q ENTERTAINMENT, I	R DNGRFLD	17500.00
4110-5511	ARTIST CONTRACTS/HEART			ACCT 4110-5502 TOTAL	68000.00
57830		04013	HEART	TOUR START	100000.00
4110-5514	ARTIST CONTRACTS				
56686	1ST PMT.ON OXY/	01095	CREATIVE ARTISTS AGENC	1ST PMTOXY	50000.00
4115-5205	VENUE FEES/I C				
57225		00963	THE BOTTOM LINE	THE TRUTH	1500.00
4115-5511	VENUE FEES/HEART				
57801		00596	MARK KRESS	HEART	3000.00
4115-5513	VENUE FEES/REO				
57800		00318	THOM FERRO	REO	2000.00
4120-1005	RECORDING & MIXING				
56508	CRENSHAW,FESTIV	00127	W.F. DAWES	PD/HOTEL	490.00

Comm. Exhibit 4
Date 3-9-90
ZORICA DRAGOVICH, CSR

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUN
56547	LARRY KING	02904	AME, INC.	259942	25.5
56546	IDB	02904	AME, INC.	259943	15.9
57091		03793	AMI TELEVISION	216	462.5
56871		03902	BROADCAST NEWS SERVICE	80681	400.5
56870	WASHINGTON DC	03902	BROADCAST NEWS SERVICE	80682	550.5
56877	DEMENTO	02904	AME, INC.	260656	15.9
56879	GRANT	02904	AME, INC.	260497	90.0
				ACCT 4120-5502 TOTAL	7638.0
4120-5504	RECORDING&MIXING/OTHER				
56711	AMNESTY INTERNA	00682	THE VILLAGE RECORDER	17009	95.8
56691	MUTUAL	04036	TM COMMUNICATIONS, INC.	JUNE	2606.3
58040		02634	RMR STUDIOS	5677	359.0
58041		02634	RMR STUDIOS	5672	359.0
57430		02634	RMR STUDIOS	5643	359.0
56411	RNRNF	02634	RMR STUDIOS	5609	359.0
56410	RNRF	02634	RMR STUDIOS	5614	304.0
56408		02634	RMR STUDIOS	5602	304.0
				ACCT 4120-5504 TOTAL	4746.1
4120-5505	RECRDNG&MIXING/OTHER-SPLS				
56565	AUDIO RECORDING	04343	MARRIOT CORPORATION	315937VAND	933.8
57269	PER DIEM/DRIVIN	02532	ROBERT DEMUTH	W/E 5/24	365.0
57893	LUTHER VANDROSS	03874	SUNSET SOUND	11645	1986.6
57892	HUNTER S & COLL	03874	SUNSET SOUND	11648	1969.8
57851		02962	ROSEANNE LONGWORTH	EARLE/KNIG	1002.5
57785		04349	AMERICAN FEDERATION OF	VOID	-2304.3
57834		04186	JIM CARROCCIO	EAELE/KNIG	700.0
57441		03144	HIT CITY WEST	M.CARVER	375.0
57224		04370	JACKSON BROWNE MANAGEM	AMNESTY SP	443.5
57213		02955	PAUL SCHWARTZ	W/E 6/5	97.5
57212		04186	JIM CARROCCIO	W/E 6/5	900.0
57211		02962	ROSEANNE LONGWORTH	W/E 6/5	1053.5
56328	L.VANDROSS	04186	JIM CARROCCIO		310.0
56338	PER DIEM 6/5-7/	02960	RON MORGAN	FESTIVAL	3760.0
56339		02962	ROSEANNE LONGWORTH	VANDROSS	438.7
57159		03919	ALECK PETERS	BOSTON	180.0
57161		04366	DARREN HILL	5/21&5/22	455.0
57165		03897	MARK VELASQUEZ	BOSTON	595.0
57184		02532	ROBERT DEMUTH	5/16	390.0
57185		02532	ROBERT DEMUTH	5/24	1050.0
57190		02981	ROSS HUMPHREY	4/22	240.0
57191		02981	ROSS HUMPHREY	5/16	360.0
57192		02981	ROSS HUMPHREY	5/24	840.0
56766	GLADY'S KNIGHT	04349	AMERICAN FEDERATION OF	G.KNIGHT &	3304.3
				ACCT 4120-5505 TOTAL	18333.9
4120-5511	RECRDNG&MIXIING/HEART				

>1040885527

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUNT
57802		02686	WILLIAM BATTISON	HEART	4000.00
4120-5512	RECRDNG&MIXIING/THE JUDDS				
57799		02216	GARY YUSKO	JUDDS	4000.00
57459		02904	AME, INC.	261279	119.71
			ACCT 4120-5512 TOTAL		4119.71
4120-5513	RECORDING&MIXING/REO SPEE				
57719	M&M MILKEY WAYS	02904	AME, INC.	262643	94.89
57459		02904	AME, INC.	261279	119.72
			ACCT 4120-5513 TOTAL		214.61
4120-6504	RECORDING & MIXING				
58042	HEART	02634	RMR STUDIOS	5676	324.00
57429		02634	RMR STUDIOS	5650	324.00
56412	TOM PETTY	02634	RMR STUDIOS	5608	244.00
56409	BON JOVI	02634	RMR STUDIOS	5603	324.00
			ACCT 4120-6504 TOTAL		1216.00
4140-3302	STATION TIME COSTS				
57377		00383	WNEW-FM 102.7	40098	3200.00
4140-3702	STATION TIME COST/SE				
57679		03311	KYOK-AM STEREO	3237	2500.00
58169		02834	KDIA RADIO	1188	2000.00
57117		02422	WRKS-FM	50305	7420.00
57121		01089	WGPR - 107.5 FM	16590	1200.00
56798		02834	KDIA RADIO	1984	2500.00
			ACCT 4140-3702 TOTAL		15620.00
4140-3802	STATION TIME COSTS				
57505		03558	WASH-FM RADIO	060587	2500.00
57381		03558	WASH-FM RADIO	6/5 INV	2500.00
57119		02996	KYUU FM 99.7	85812205	2075.00
			ACCT 4140-3802 TOTAL		7075.00
4140-4103	STATION TIME/TC				
57703		04380	WTHP 98.3 FM	041687	374.85
57701		04383	WQIM MAJIC 95 FM	042687	448.80
57700		04383	WQIM MAJIC 95 FM	042687	140.25
57699		04383	WQIM MAJIC 95 FM	30	589.05
56911		03003	KDLZ 107.5 FM * KHVN 9	3245	4384.00
56910		03106	WILD 1090 AM	1079	244.80
56909		03278	WGCI-FM.....	004702	1668.98
56908		03008	KKFX SEATTLE RADIO	6061	850.00
56907		03365	FM..... WEKS AM	95806	3570.00
56906		03009	WTMP - AM RADIO	8462	1311.25
56905		03290	WBLZ FM 103.5.....	87044085	389.00

0006

0408528

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1608/1220

NO. 4129

DATE	AMOUNT
06/26/87	$4,000.00

PAY TO THE ORDER OF FOUR THOUSAND and 00/100

GARY YUSKO

WESTWOOD ONE

Gary J. Yusko

"004129" :122016066: 019-178781" "0000400000"

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1608/1220

NO. 4130

DATE	AMOUNT
06/26/87	$2,000.00

#146
1614
JUL -9 1987

PAY TO THE ORDER OF TWO THOUSAND and 00/100

THOM FERRO

WESTWOOD ONE

Gary J. Yusko

"004130" :122016066: 019-178781" "0000200000"

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1608/1220

NO. 4131

DATE	AMOUNT
06/26/87	$3,000.00

PAY TO THE ORDER OF THREE THOUSAND and 00/100

MARK KRESS

WESTWOOD ONE

Gary J. Yusko

"004131" :122016066: 019-178781" "0000300000"

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1608/1220

NO. 4132

DATE	AMOUNT
06/26/87	$4,000.00

PAY TO THE ORDER OF FOUR THOUSAND and 00/100

WILLIAM BATTISON

WESTWOOD ONE

Gary J. Yusko

"004132" :122016066: 019-178781" "0000400000"

>1040880529

Exhibit 5
Date 3-9-90
ZORICA DRAGOVICH, N.P.

0007

For Deposit Only

[illegible]

[illegible]

[illegible]

1W

CHECK REQUEST FORM

DATE 6-26 REQUESTED BY _____

AMOUNT $ 2000.00 DATE NEEDED AM

PURPOSE venue fee R&O

PAYABLE TO Thom Ferro

SEND TO _____

RELATED SHOW _____

O.K.'D BY _____

Office Use: Date Paid _____ Check # _____ Code _____

>1040880531

WESTWOOD ONE

Los Angeles: 2049 Westwood Boulevard, Culver City, California 90230-4600 New York: 730 Third Avenue, New York, New York 10017-4600

0011

Comm Exhibit 6
Date 3-9-90
ZORICA DRAGOVICH, N.P.

TIMOTHY PENNY
2541 [illegible] SHADOWS DR. 818-459-6545
MA[illegible] CA 93065

101

7/12 87

12-7178/3222

COMMITTEE TO RE ELECT EDWARD KENNEDY 2000,00

Pay to the Order of

Two Thousand & NO/100 Dollars

CITICORP SAVINGS (818) 345-3626 18100 Sherman Way Reseda, CA 91335

$1,000 PRIMARY
$1,000 GENERAL ELECTION

Memo

⑆322271724⑆ 0146160163001" 0101 "0000200000"

⑈104088805320

Comm. Exhibit 7
Date 3-9-90
ZORICA DRAGOVICH, N.P.

7

AUG 87 28

90018-9806

FOR DEPOSIT ONLY
COMMITTEE TO RE-ELECT
SENATOR EDWARD M. KENNEDY '88

AUG 87

BOSTON, MA.

>1040888533

OGC 6951

ERRATA SHEET
Deposition of THOMAS A. FERRO

COMES NOW Thomas A. Ferro, Deponent, and states under oath that from the best of his recollection, the following errors or omissions occur in the stenographic transcription of his deposition taken March 9, 1990, in Los Angeles, California:

On Page 8, Line 14, insert a comma (,) after the word "University."

On Page 17, Line 22, delete the words "goes directly in" and insert the words "reports directly to" in their place.

Dated at Los Angeles, California, this 22 day of June, 1990.

Thomas A. Ferro, Deponent

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 JUL 16 PM 5:27

STATE OF CALIFORNIA)
LOS ANGELES COUNTY) ss.

On this 22 day of JUNE, 1990, before me, the undersigned, a Notary Public in and for the State of California, personally appeared the said Thomas A. Ferro and who did swear to the truth of the foregoing Errata Sheeet.

NOTARY PUBLIC

My commission expires: 11-19-90

OFFICIAL SEAL
JONI DIXON-REITZ
Notary Public-California
LOS ANGELES COUNTY
My Commission Expires
November 19, 1990

21040883534

TRANSCRIPT OF PROCEEDINGS

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

ORIGINAL

IN THE MATTER OF:	
MARK H. KRESS	M. U. R. 2893

DEPOSITION OF ERIC R. WEISS

Los Angeles, California

Friday, March 9, 1990

ACE-FEDERAL REPORTERS, INC.
Stenotype Reporters
444 North Capitol Street
Washington, D.C. 20001
(202) 347-3700
Nationwide Coverage
800-336-6646

2104088005335

THE UNITED STATES OF AMERICA

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:)
)
MARK H. KRESS) No. MUR 2893
)

DEPOSITION OF ERIC R. WEISS

Los Angeles, California

Friday, March 9, 1990

ZORICA DRAGOVICH, CSR No. 6524

2104088053 6

THE UNITED STATES OF AMERICA

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:)
)
MARK H. KRESS) No. MUR 2893
)

Deposition of ERIC R. WEISS, taken on behalf of the Federal Election Commission, at 312 North Spring Street, Eleventh Floor, Los Angeles, California, commencing at 1:40 P.M., on Friday, March 9, 1990, before ZORICA DRAGOVICH, Certified Shorthand Reporter No. 6524, pursuant to Subpoena.

2104088705537

APPEARANCES:

For the FEDERAL ELECTION COMMISSION:

DANIEL J. BLESSINGTON
ATTORNEY AT LAW
Office of the General Counsel
999 "E" Street, N.W.
Washington, D.C. 20463

For the Deponent ERIC R. WEISS:

WILEY, REIN & FIELDING
Attorneys at Law
BY: JAN W. BARAN
and
TREVOR POTTER
1776 "K" Street, N.W.
Washington, D.C. 20006

2104088705538

I_N_D_E_X

WITNESS	EXAMINATION	PAGE
ERIC R. WEISS	BY MR. BLESSINGTON	5
	BY MR. BARAN	44

EXHIBITS_FOR_IDENTIFICATION

COMMISSION'S		PAGE
1 -	Four checks (tissue copies) dated 6-26-87 from Westwood One to Mark Kress, Thom Ferro, Gary Yusko, William Battison	39
2 -	7-13-87 Accounts Payables Account Distribution Report, Westwood One Radio, Inc.	40
3 -	Four checks dated 6-26-87 from Westwood One to Gary Yusko, Thom Ferro, Mark Kress, William Battison (fronts and backs)	41
4 -	Four Check Request Forms dated 6-26	41

WITNESS_INSTRUCTED_NOT_TO_ANSWER

PAGE	LINE
14	6
15	15
15	23
16	8

2104088539

LOS ANGELES, CALIFORNIA; FRIDAY, MARCH 9, 1990

1:40 P.M.

ERIC R. WEISS,

produced as a witness by and on behalf of the Federal Election Commission, and having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. BLESSINGTON:

Q This deposition is being taken pursuant to an administrative subpoena issued in connection with a Federal Election Commission investigation conducted under Section 437g of Title 2 of the United States Code. The statute provides for the confidentiality of these proceedings and of the entire investigation until the matter is closed. The investigation is designated as Matter Under Review 2893.

My name is Daniel J. Blessington, and I'm representing the Commission here today.

Please state your full name.

A Eric Robert Weiss.

Q You have a right to be represented by counsel, and I note that two are present.

Could you identify yourselves for the record.

MR. BARAN: I'm Jan W. Baran.

2104088540

MR. POTTER: I'm Trevor Potter.

MR. BLESSINGTON: I'm going to give you a brief description of what we're going to be doing today.

I'm going to be asking you questions involving the charges made in the Complaint made by Mark Kress in May of 1989 about contributions made to the presidential campaign of Senator Joseph Biden in June of 1987.

You indicated in your Response that you were reimbursed for these contributions by Westwood One. I'll be asking you questions concerning your involvement in the matter as raised in the Complaint as well as the involvement of others. I'll be asking for background information on certain individuals and on Westwood One.

The court reporter will take down everything that's said in order to produce a written transcript. Please remember to give verbal answers to all questions rather than simply nodding or shaking your head.

If you don't understand a question, if you don't hear me completely, or if you need a break, let me know. If you want to qualify an answer, please feel free to do so.

If during the course of the deposition you realize that you may have given an inaccurate or incomplete answer to an earlier question, let me know, and I'll give you an opportunity to supplement or clarify the record.

2104088●541

Please treat this proceeding as if you were in a court of law with a judge and jury present, and remember that you are under oath.

Mr. Weiss, could you give me your home address, please?

A 245 Tranquillo Road, T-r-a-n-q-u-i-l-l-o, Pacific Palisades, California, 90272.

Q And what's your telephone number?

A (213) 459-3956.

Q Are you married?

A No.

Q You're currently employed by Westwood One?

A Yes.

Q And what's your position there?

A Vice-president of business and legal affairs.

Q Are you a lawyer, Mr. Weiss?

A Yes, I am.

Q And are you a member of the Bar?

A I'm a member of the New York and Washington, D.C. bars.

Q I see.

We discussed this just momentarily before we started, but I understand that you don't have any documents that are responsive to the subpoena today.

A No.

210408805542

Q Have you reviewed your records to see if you could come up with anything?

A Yes.

Q And what have you done in order to try to find records that are responsive?

A I have gone through all of my bank statements, which include canceled checks, and looked through any canceled checks that I may have had and was unable to find any checks related to this proceeding.

Q Your records don't go back that far?

A No. They're incomplete. So they don't -- during a move I think I either lost or misplaced a number of records, so I don't have complete either tax or any sort of financial records, unfortunately.

Q I understand.

When did you start with Westwood One?

A In May of 1986.

Q And how did you come to work for Westwood One?

A Westwood One acquired Mutual Broadcasting System, where I was employed.

Q And what did you do at Mutual Broadcasting System?

A At the time of the acquisition?

Q Yes.

A I was director of business affairs.

0104088543

Q And had you been there since you got out of law school?

A Yes.

Q And how long was that?

A I began at Mutual in September of 1984.

Q And when did you become director of business and legal affairs?

A For Westwood One?

Q Yes.

A Director of business and legal affairs?

Q Was that what you indicated that you were?

A Vice-president of business and legal affairs.

Q I see.

A Vice-president of business and legal affairs was September of 1987.

Q In June of 1987 did you supervise any employees?

A In June of '87? No, I did not.

Q And who did you report to?

A I reported to Bill Battison, president of Westwood One.

Q And what were your duties?

A My duties primarily were to negotiate and draft contracts primarily in the entertainment field for the various programming that Westwood One does for hosts of

210408805544

programs, for recording of contracts, and I would be the company's liaison with outside counsel in certain areas, most notably litigation.

Q So even though your position was not vice-president of legal affairs then, you did have some legal responsibilities?

A In some areas, yes.

Q And the areas would include, again, the contracts, the various contracts that Westwood One would enter into?

A Yes.

Q On the entertainment side?

A Yes.

Q And you would what? Attend meetings with outside counsel on litigation matters?

A Yes.

Q Would that be routine?

A Fairly routine, yes.

Q During this period of time, again 1987, did you attend meetings of senior management of Westwood One?

A I'm not sure -- are you referring to specific meetings?

Q Were there fairly regularly scheduled meetings of the top management people such as Norm Pattiz and William Battison?

0104088●5545

A No.

Q There were not?

A There were weekly meetings that were department head meetings every Monday. I would attend these meetings as a department head. But I wouldn't classify those as senior management meetings. They were department head meetings.

Q Who would you say constituted the senior management?

A At Westwood One?

Q Yes.

A I would say the senior management of Westwood One, Inc., would be the chairman of the board, the president, and the persons who were in charge of various divisions of the company, for instance, Westwood One Radio Networks and Mutual Broadcasting System and NBC Radio and "Radio & Records" magazine.

Q And how many people would that be generally, roughly?

A Roughly six to twelve people.

Q Who hired you at Westwood One?

A Well, I was hired at Mutual Broadcasting System, and I was acquired by Westwood One.

Q That was part of the deal?

A I'd like to think I was one of the assets

210408805546

involved, yes.

Q Now, you reported directly to William Battison?

A Correct.

Q Did you deal with Norm Pattiz at all?

A Yes.

Q In what way?

A Well, I would converse with him. I would work on projects that perhaps he was working on more closely than Bill Battison. By way of example, entertainment-related projects would be something that Norman Pattiz worked more closely on than Bill Battison.

Q And he would ask you about the various types of contractual provisions that applied and that type of thing?

A Yes.

Q Apart from any discussions you may have had with your attorney, have you discussed this investigation with anyone since receiving the Commission subpoena?

A Yes.

Q Can you tell me who?

A I discussed it with other employees at Westwood One.

Let me ask you a question. Did you say since receiving --

Q Since receiving the Commission subpoena.

A Oh, the subpoena. Oh, no.

> 1040880547

Q Prior to receiving the subpoena, did you discuss the investigation with anyone?

A Yes.

Q Who?

A After receiving the Complaint I discussed the Complaint with other employees who were named so that they were assured that I would be seeking counsel, outside counsel, to represent them in this matter.

Q So you discussed the Complaint with everyone that was still employed at Westwood One that was named?

A Not -- what do you mean by "discussed the Complaint"?

Q Well, you said that you had discussions subsequent to the notification that a Complaint had been filed with certain employees.

A Right.

Q I just wanted to know who they are and what you said.

A I think with the exception of Debra Seyler, the employees who were named in the Complaint that were based in Los Angeles. I had discussions to the effect of, "I'll be seeking outside counsel to represent you in this matter, and all further discussions can be had between you and that outside counsel."

Q Did you initiate these discussions?

0104088●5548

A For the most part, yes.

Q Did you talk to Norm Pattiz about it?

A Yes.

Q Did he initiate that discussion?

A I don't recall.

Q Do you recall what was said?

A I recall telling --

MR. BARAN: May I interpose here a query and possible objection as to the nature of any discussion between Mr. Pattiz and Mr. Weiss, particularly as to whether or not such discussion was pursuant to or covered by the potential attorney-client privilege, in which case if that is a fact, only Mr. Pattiz can waive that privilege and allow Mr. Weiss to testify as to that discussion.

So I simply ask that we establish for the record with respect to this particular discussion whether it was in the nature of Mr. Pattiz talking to Mr. Weiss for purposes of seeking legal counsel.

Would you like to ask that question, or may I pose the question?

MR. BLESSINGTON: Sure. Pose the question.

MR. BARAN: Did Mr. Pattiz contact you, Mr. Weiss, to seek legal counsel regarding this matter?

THE WITNESS: Yes.

MR. BARAN: I therefore am objecting for the time

0104088●5549

being, and the objection is to your earlier question as to what did Mr. Pattiz say, since it appears to me that that communication is privileged.

BY MR. BLESSINGTON:

Q Was anybody else present when he spoke to you?

A No.

MR. BLESSINGTON: Well, for the record, Counsel, we have asked the question, and we're going to have to make a decision on our end as to whether or not to seek to compel, and we can discuss the matter further.

MR. BARAN: Okay.

BY MR. BLESSINGTON:

Q Did you discuss the matter with Thom Ferro?

A Yes.

Q Can you tell me what you discussed?

MR. BARAN: I again object on the grounds that the discussion was privileged as a communication between this attorney and his client or potential client.

BY MR. BLESSINGTON:

Q Did you discuss the matter with William Battison?

A Yes.

Q And what did you discuss?

MR. BARAN: I object on the grounds that the discussion is subject to the attorney-client privilege.

2104088550

MR. BLESSINGTON: And you're also instructing the witness not to answer at this time; is that correct?

MR. BARAN: I would advise the witness not to answer at this time.

BY MR. BLESSINGTON:

Q Did you discuss the matter with Gary Yusko?

A Yes.

Q And what was that discussion?

MR. BARAN: I object on the same grounds, that the discussion is subject to the attorney-client privilege.

BY MR. BLESSINGTON:

Q Did you discuss the matter with Stephen Jaffe?

A No.

Q Did you at any time discuss the matter with Mark Kress?

A No.

Q Did you discuss the matter with Dean Marion?

A And "matter" is the -- what's the question again?

Q What I'm asking about is did you discuss the Complaint filed by Mark Kress involving the contributions by Westwood employees and relatives to Senator Biden's presidential campaign?

A May I have a moment to confer with my counsel?

MR. BLESSINGTON: Certainly.

2104088551

(The Witness and Mr. Baran confer.)

MR. BARAN: We're on the record.

MR. BLESSINGTON: Do you want to just read back the last exchange, please.

(Record read by the reporter.)

MR. BARAN: With Dean Marion?

MR. BLESSINGTON: With Dean Marion.

MR. BARAN: Perhaps we can have that question rephrased to be complete.

BY MR. BLESSINGTON:

Q Did you discuss with Dean Marion the Complaint filed by Mark Kress?

A Yes.

Q And what was that discussion?

A Well, I ran into Dean Marion at a health club. He approached me. We shook hands, and he stated that he wished that he wasn't involved in this whole messy thing, is the way he put it. He was apologetic. He wanted me and others at Westwood One to know that he really -- it was not his doing. He didn't want to be a part of it. He was forced into the situation by Mark Kress, and he said that, you know, Mark Kress had a personal vendetta or problem with Norm, and that was his problem, but that Mark forced him into the situation and said, you know, "You're either with me, or you're going to get in trouble."

0104088552

Q When was this discussion?

A Well, I couldn't say precisely when. I know that it was a time when I had a broken leg because I was in for physical therapy. So it had to be sometime between, I would say, April and July of '89.

Q Then this could have taken place prior to the filing of the proper Complaint with the Commission. Were you aware that a Complaint had been filed previously to the one that we notified you of in June?

A Yes.

Q So it could have been somewhere in the time when he filed one of the two Complaints?

A Correct.

Q What else did you discuss?

A I think we discussed the health club for a moment. I asked him where he was working. He told me, but I don't recall where it was. But most of the discussion revolved around him trying to express in a number of different ways that he didn't want to be part of it and that he didn't want any hard feelings.

Q Was he concerned about alienating people that he worked with?

A Possibly.

Q Did he indicate that?

A I don't recall.

0408553

Q Did you say anything to him about the Complaint?

A I don't recall.

Q Did he mention at this time that he had been called by Norm Pattiz?

A No.

Q He did not?

A No.

Q Were you aware that Norm Pattiz called Dean Marion subsequent to the filing of the initial Complaint?

A I don't recall.

Q How well did you know Dean Marion?

A Not well -- I would say I knew him as well as you know the average person you work with. I dealt with him occasionally at work. I never socialized with him outside of work.

Q Did you think of him as an honest person?

A I had no reason to believe that he was dishonest.

MR. BARAN: Like everyone else at Westwood.

BY MR. BLESSINGTON:

Q Were you aware that Norman Pattiz contacted Mark Kress subsequent to the filing of this initial Complaint?

A I don't recall being aware of that, no.

0104088●5554

Q Are you aware of it now?

A Am I aware of it now?

Q Yes.

A No.

MR. BLESSINGTON: Just to clarify for the record, Counsel, I wanted to make certain that with everyone but for Dean Marion, that you are instructing the witness not to answer; is that correct?

MR. BARAN: Well, with respect to conversations that you inquired about with individuals other than Dean Marion up to this point in the deposition, I have raised objections because of the attorney-client privilege. I did not interpose any objection with respect to the conversation with Dean Marion because it doesn't appear that the privilege would apply.

MR. BLESSINGTON: I understand that. What I'm trying to do to clarify the record is that -- you can object about many things, but I wanted to make certain that you've also instructed the witness not to answer so that I don't have to go through the exercise.

MR. BARAN: Sure, sure. That's acceptable to me.

BY MR. BLESSINGTON:

Q Mr. Weiss, you're not on the board of directors, are you?

A No.

210408555

Q Do you know who was on it in 1987?

A I probably couldn't name every member of the board of directors. I can name some.

Q Could you name the ones you know.

A In 1987?

Q Yes.

A Norman Pattiz, Bill Battison, Brian Heimerl, Joseph Smith. And that's all that I feel certain about.

Q To your knowledge, was the board made up of roughly five or six people?

A I think it's a six-person board.

MR. BARAN: Do you know for certain?

THE WITNESS: I don't know for certain, though.

BY MR. BLESSINGTON:

Q Does the name Lawrence Freeman ring a bell?

A Yes.

Q Was he another member of the board, do you think?

A He currently is a member of the board. I don't know at what time he became a member.

Q And how about Paul Krasnow?

A He, too, currently is a member, but I don't know at what time he became a member.

Q Did you ever attend any board meetings?

A I attended one telephonic board meeting.

0104088 0556

Q When was that?

A I don't recall. Roughly --

Q Just do the best you can.

A I would guess about a year ago.

Q Why did you happen to be involved with that one?

A Coincidence.

Q Could you explain?

A I was in New York. Bill Battison was in New York. There was a telephone board meeting. I'm not sure I remember the subject, but Bill invited me to sit in.

Q There was no particular reason other than that for you to attend?

A Not that I recall. He may have thought that it was on a subject that I had been working on and so I might be of some use, but I don't recall ever speaking at the meeting.

Q Was the board fairly active?

A I'm not sure what that means.

Q Did it meet regularly?

A I don't know.

Q What kinds of matters were brought to the board?

A I don't know.

Q Nothing that you ever worked on had to go to

2104088557

the board for approval?

A If it did, I was unaware of it or it was not taken by me to the board for approval.

Q Did Norm Pattiz, in discussing matters with you, ever indicate that any particular item would have to go to the board for approval?

A I can recall on one occasion, yes.

Q Do you recall what that occasion was?

A I believe it was the acquisition of a radio station in Los Angeles.

Q That was a fairly big matter for the company, was it not?

A Yes, it was.

Q In terms of the day-to-day running of the business, however, the board was not particularly active, to your knowledge?

MR. BARAN: I object. I don't believe that that accurately reflects his testimony. He's answered your earlier question that he doesn't know what active means and he's not familiar with what the board does.

BY MR. BLESSINGTON:

Q But you are only aware of the board's being involved in one decision of yours in the time that you've been at Westwood; is that correct?

A Well, I'm aware of a conversation where Norm

210408805558

Pattiz mentioned in passing that he would have to have a board of directors meeting to discuss the acquisition of that radio station.

Q And you don't recall any other times that Norm Pattiz indicated that he had to discuss something with the board of directors?

A At the present time I can't recall any specific instances of that.

Q Mr. Weiss, do you think that you could describe Norm Pattiz's management style?

A I'd say he was a leader, a hands-on manager, creative manager, charismatic leader. I think that describes it.

Q Did he involve himself in the details of what the company did?

A What details?

Q Was he aware of what major projects were going on among the various department heads?

A I would describe it as an active and aware present CEO.

Q Now, we mentioned William Battison before. How closely did you work for him?

A I reported to him. He was my direct supervisor.

Q Did you talk to him on a daily basis?

210408805559

A Not on a daily basis.

Q He's no longer your direct supervisor now; is that correct?

A No. He is.

Q He still is?

A Yes.

Q Does he deal with Norm Pattiz on a daily basis, would you say?

A Yes.

Q How about Gary Yusko? Do you work with him?

A Only on matters of mutual concern.

Q He also works for William Battison; correct?

A Correct.

Q Are you essentially at the same level in the structure?

A Yes.

Q Thomas Ferro; did you work with Thomas Ferro very often?

A Again on matters of mutual concern, negotiating a contract for something that -- for his division, we would work together, or something like that.

Q Stephen Jaffe, was he the former controller?

A Yes.

Q And who did he report to?

A Gary Yusko.

2104088560

Q And what can you tell me about Debra Seyler?

MR. BARAN: Mr. Blessington is learning the pronunciation of all these names, and he's quite proud of himself for having done that.

THE WITNESS: Well, she's a corporate vice-president, and she's based in New York. And presently I think her areas of responsibility are the Source Network, which is one of the radio networks, one of the NBC radio networks.

BY MR. BLESSINGTON:

Q Do you have occasion to work with her very often?

A Not very often.

Q Does she get out to Los Angeles very often?

A Not lately because she's been quite ill. Prior to that she would come out once every month or two.

Q And why would she come out there?

A I don't know.

Q You don't know?

A No.

Q But did she attend the same weekly meetings that you attended with a number of the other people?

A I don't recall.

Q Now, we spoke a little bit about Mark Kress before. What can you tell me about Mark Kress?

MR. BARAN: What do you want to know?

2104088561

THE WITNESS: He was the vice-president of music marketing for Westwood One.

BY MR. BLESSINGTON:

Q And what kind of a relationship did he have with Norm Pattiz, at least back in 1987?

A Working relationship.

Q Just a working relationship?

A In 1987?

Q Yes.

A That's all I was aware of in 1987.

Q To your knowledge, was it a good relationship?

A I really don't know what type of relationship it was.

Q What was Mr. Kress' reputation in the company?

A His reputation with respect to?

Q Well, did he have a reputation in the company as a member of the team?

A I think he had a reputation as an ineffective member of the team.

Q And what would make you say that?

A His performance and the fact that he headed up music marketing. And to my recollection there weren't very many music-marketing projects that the company was working on, and it was his job to bring in music-marketing campaigns.

2104088 0562

Q And was it a matter of discussion among people at Westwood?

A Yes. I think people at Westwood were aware of the fact that we weren't working on many music marketing campaigns.

Q Now, in response to the notification of Mark Kress' Complaint that was sent to you by the Commission, you indicated that you made a contribution to Senator Joseph Biden in June of '87. Can you explain the circumstances of that?

A In May or June of '87 Norm Pattiz popped his head in my office, said he was supporting Joe Biden's presidential campaign, and asked if I would contribute $1,000 to the campaign. I responded yes.

Q Was that it?

A That was it.

Q Did you ask why?

A There was no need to.

Q Why not?

A Well, he stated -- his rationale was that he was supporting Joseph Biden in the campaign and asked me would I do so.

Are you asking why he was supporting Joseph Biden?

Q Why don't you tell me what he said to you.

21040880563

A I think I already did tell you that; I mean, the last question that I answered.

MR. BLESSINGTON: Could you read that back.

(Record read by the reporter.)

BY MR. BLESSINGTON:

Q Were you and Norm Pattiz friends?

A That's a vague term to me, "friends."

Q Did you have a relationship outside of the business relationship?

A We occasionally socialized outside of the business relationship.

Q Would you consider him a close friend of yours?

A No.

Q He asked you to contribute $1,000 to a presidential candidate. He was the head of the company. Did you consider this to be an order?

A No.

MR. BARAN: Just so that I can confirm that I heard you correctly, did you say "in order" or "an order"?

MR. BLESSINGTON: "An order."

MR. BARAN: Thank you.

BY MR. BLESSINGTON:

Q Did Norm Pattiz ever order you to do anything?

A Order me to do anything?

Q Yes.

210408805564

A Not that I recall, no.

Q Did William Battison ever order you to do anything?

A Can I confer with my counsel?

MR. BLESSINGTON: Sure.

(The Witness and Mr. Baran confer.)

THE WITNESS: With respect to both Norm Pattiz and Bill Battison, I was having trouble with the word "order." I mean, they as my -- as people who I either report to or who are above me in the corporate hierarchy, they would at times say, "Let's get this deal done." "Let's move on this matter." You know, "I want you to do this and that." If that's what you mean by "order," the answer would be yes.

BY MR. BLESSINGTON:

Q That's what I did mean. And I didn't mean it had to be an impolite type of thing.

A Okay.

Q When --

MR. BARAN: Did you ever tell them to get something done?

THE WITNESS: Yeah, with a smile on my face.

BY MR. BLESSINGTON:

Q When Norm Pattiz asked you to contribute to the Biden campaign, did you consider it an order?

A No.

2104088565

Q You didn't consider it to be equivalent to "Let's get this deal done"?

A No.

Q What did you consider it?

A I considered it a request.

Q A request by someone in authority over you at the business?

A A request.

Q Did anybody ever request you to make a $1,000 contribution to anyone before?

A No.

Q Did you think there was anything unusual about this?

A No.

Q Was it the only time that it ever happened?

A Yes.

Q But you don't consider it unusual?

A No.

Q How long did the conversation take when he came into your office, when he popped in, as you said?

A I would estimate 30 to 60 seconds.

Q Did you think that this was a good deal of money to be coming out of your checking account?

A I thought it was a substantial charitable -- a substantial contribution.

2104088566

Q Some people would view it as charity.

Did Norm Pattiz indicate that you would be reimbursed for this?

A No.

Q He did not?

A No.

Q So when you agreed to make the contribution to Senator Biden, you did so with the knowledge or the thought that you would be paying for this yourself?

A Yes.

Q Do you know who Senator Biden was?

A Yes.

Q Did you consider yourself a supporter of his?

MR. BARAN: Are you trying to get into questions of political personal beliefs, Counsel? Is that the proper role of a government agency, to ask people how strongly they believe in a politician or support them?

MR. BLESSINGTON: I think in the context of the situation where contributions have been made in the names of others admittedly by a number of people involving corporate funds, that certainly the question that I just posed cannot be objected to too greatly.

MR. BARAN: The record will speak to history itself.

BY MR. BLESSINGTON:

Q Could you answer the question?

2104085567

A Could you repeat it?

MR. BLESSINGTON: Could you repeat the question.

(Record read by the reporter.)

THE WITNESS: No more a supporter of his than any other political candidate.

BY MR. BLESSINGTON:

Q Had you ever contributed to another political candidate?

A No.

Q Now, did you consider this to be part of your job, to make this contribution?

A No.

Q So Norm Pattiz popped his head in, asked you to do this, you had never made a contribution to another political candidate before, you readily agreed to do it, but you didn't consider it part of your job?

A No.

Q Did you consider it a personal favor?

A I would consider it more of a personal favor than part of my job, yes.

Q A personal favor to a supervisor?

A A personal favor to someone who I respected and who had -- or who was supporting this candidate. I didn't have any preferences and don't really follow politics much. Since I respect Mr. Pattiz and he was involved and he made

2104088●5568

this request, I granted the request. And I would consider it more of a personal favor to someone who I respected than anything else.

Q Did you ask how to go about this?

A Did I ask Norm Pattiz how to go about it?

Q Yes.

A No.

Q Did he indicate to you to check with someone else on how to go about it?

A I think he indicated that I just needed to make a check out to the Biden for President Campaign.

Q Did he give you the name of the committee?

MR. BARAN: If you recall.

THE WITNESS: I don't recall.

BY MR. BLESSINGTON:

Q And what did he tell you to do with the check after you made it out?

A I don't think he told me what to do with the check.

Q How did you make the contribution?

A I don't recall when. Sometime, I would estimate, within a few weeks of the request I called his assistant, and I believe I asked her.

Q Who was his assistant?

A I believe it was Susan Chapman.

21040885569

Q Was she the administrative assistant?
A Yes.
Q And did you deliver the check to her?
A I believe so.
Q After the initial contact that Norm Pattiz made about this, did he speak to you about this again?
A No.
Q Did anybody else speak to you about it?
A No.
Q So within a few weeks you remembered to do this without any prompting?
A Yes.
Q And you contacted, as you recall, Susan Chapman to ask her about it?
A Yes.
Q Did you have any discussion with her?
A Other than asking her where to send it?
Q Yes.
A No.
Q You didn't talk about reimbursement, for instance, with her?
A No.
Q You were reimbursed for this contribution, were you not?
A Yes.

2104088570

Q Can you explain that to me?

A A few, several months -- I don't recall precisely -- but I would guess several months after I made the contribution, I was in Bill Battison's office to discuss general business matters. And prior to the discussion I joked with him that I supported the wrong course in this race because it was after certain scandals had broke about Biden and his law school days and his speech-making and things like that, and so I was joking about it.

Q Had that been in the news at that time?

A I don't know if it was that day, but in general his demise was in the news.

Q So you raised the point?

A Yeah, I raised the point.

Q And what happened?

A Bill said, "Don't worry about it," and took out his checkbook and wrote a check for $1,000 made payable to me and gave it to me.

Q He just gave you a check, and you accepted it?

A Yeah.

Q You didn't discuss this at all?

A No. Other than what I just told you about joking, no.

Q What did you think this money came from?

A It was a personal check. I didn't think about

it, you know. I assumed the obvious.

Q Which was?

A Which is he wrote me a personal check, and he was giving me $1,000 of his personal -- from his personal account.

MR. BLESSINGTON: I think we'll take a break for a few minutes.

(A recess was taken.)

MR. BLESSINGTON: Can we go back on.

Could you just read back the last series. I don't know where I am. Find out where I am.

(Record read by the reporter.)

BY MR. BLESSINGTON:

Q So after William Battison gave you this thousand dollars, you didn't really think that much more of it?

A No.

Q Did you suspect that it might have been from Westwood One?

MR. BARAN: I object to asking the witness to provide a speculative answer.

THE WITNESS: I just didn't think any more about it.

BY MR. BLESSINGTON:

Q I'm going to try again. Did you think that this may have come from Westwood One?

210408805572

A No, I didn't think -- at the time I was given the check, I didn't think I would characterize it because I was grateful, and I didn't think about it.

Q Between the time that Norm Pattiz asked you to make the contribution and William Battison reimbursed you for the contribution, did you discuss the matter with William Battison?

A No.

Q So when you joked with him that day before the meeting, that was the only time that you discussed the contribution to Biden?

A Yes.

Q Did you become aware, after you had agreed to make the contribution, that others at Westwood One were also making contributions to the Biden campaign?

A No, I was not aware.

Q When did you become aware of it?

A When I saw the Complaint.

Q So not until 1989?

A Yes.

Q Did Norm Pattiz ever discuss with you his testimony before a Senate subcommittee chaired by Senator Inouye?

A No.

Q Were you aware that Norm Pattiz did testify?

21040880573

A Only from the Complaint. I don't know if he testified. No, I don't.

Q So during the time at which he testified, you were unaware that he was doing so?

A Correct.

Q When William Battison gave you the check for $1,000 on his personal account that reimbursed you for the contribution that you made, did you think there was anything wrong with that?

A No.

Q You are a lawyer.

A Yes.

Q Did it seem to you that it was possible that a law could be violated here?

A The question is did it seem to me that it was possible that a law could be violated?

Q I'll try again. You made a contribution in your name to the Biden presidential campaign. You were later reimbursed for that. Did you think there were any legal implications to that?

A No.

MR. BLESSINGTON: I'd like to introduce Commission Exhibit 1, if you can mark that, please.

(Commission's Exhibit 1 was marked for identification and is attached hereto.)

21040885574

BY MR. BLESSINGTON:

Q Take your time with that, and let me know when you're ready.

A I'm ready.

Q It's a four-page document that contains copies, it would appear to be tissue copies, of checks written on Westwood One. Page 1 is a $3,000 check to Mark Kress; page 2, a $2,000 check to Thom Ferro; page 3, a $4,000 check to Gary Yusko; and on page 4 a $4,000 check to William Battison. Have you seen any of these before?

A No.

MR. BLESSINGTON: I'm going to ask the reporter to mark this as Exhibit 2.

(Commission's Exhibit 2 was marked for identification and is attached hereto.)

BY MR. BLESSINGTON:

Q Take your time with that, and let me know when you're ready.

A I'm ready.

Q The document is three pages. It consists of several pages from the Accounts Payables Account Distribution Report of Westwood One dated 7-13-87. Have you ever seen this before?

A No.

Q Mr. Weiss, do you know what a venue fee is?

0104088●575

A I personally, no. No.

Q You never heard of a venue fee?

A I heard the term, but I don't think that I would be able to define it accurately.

Q Did you ever receive a venue fee?

A No.

MR. BLESSINGTON: I'm going to ask the reporter to mark this as Commission's Exhibit 3.

(Commission's Exhibit 3 was marked for identification and is attached hereto.)

BY MR. BLESSINGTON:

Q Let me know when you're ready.

A Ready.

Q It's a two-page document that has copies of the front and back of four checks corresponding to what we saw on Exhibit 1. Have you ever seen this before?

A No.

MR. BLESSINGTON: Moving along rather quickly, would you mark this as Exhibit 4.

(Commission's Exhibit 4 was marked for identification and is attached hereto.)

THE WITNESS: I'm ready.

BY MR. BLESSINGTON:

Q This is a four-page document. Each page has a copy of a filled-in check request form dated 6-26. Have you

0210408805776

seen any of these before?

A No.

Q I'd like to ask you a couple of questions about them, though. Where it says "Okayed By" down at the bottom, does that scrawl mean anything to you?

A No.

Q Do you know who might have signed that?

A No, I don't.

Q You couldn't make a reasonable conclusion as to who it might have been?

MR. BARAN: You're not asking him to speculate, are you, Counsel?

MR. BLESSINGTON: I'm asking him to make a reasonable conclusion based upon his observations at Westwood One over the years.

THE WITNESS: I don't recognize the scrawl.

BY MR. BLESSINGTON:

Q Are you familiar with the form itself? Let's say a blank form such as this.

A Yes, I am.

Q Did you ever fill one out?

A Yes, I have.

Q And on what occasions? I'm not asking for specific occasions, but on what occasions would you fill something like this out?

0104088577

A I only fill them out on occasions like having to pay for a subscription to "Billboard Magazine" or "Entertainment Law & Finance Reporter." Things like that is when I usually see them.

Q This would not be used, then, for expense reimbursement ordinarily?

A Expense reimbursement? Not to my knowledge.

Q Did you ever incur expenses for which you were reimbursed by Westwood?

A Yes.

Q And you filled out forms to be reimbursed?

A Yes.

Q But they were not these forms?

A No.

Q Thank you.

Well, I think I'm about ready to adjourn for the day. I don't know that we're going to need to speak to you again. We may. And so we'll just continue the deposition. If, in fact, we do need to get back to you on something, we may be able to handle it less formally than this. I would hope so.

MR. BARAN: Do you mind if I ask some questions?

MR. BLESSINGTON: No. Go ahead.

MR. BARAN: In light of your --

MR. BLESSINGTON: Our previous discussion?

2104088578

MR. BARAN: Well, previous discussion, but also in light of your questions to Mr. Weiss regarding whether he considered any of these transactions to have legal implications. I think it would be worthwhile to know whether, for example, Mr. Weiss has ever taken a course in election law as a lawyer.

7

EXAMINATION

BY MR. BARAN:

Q Have you ever studied election law?

A No, I haven't.

Q Are you aware of any discussions regarding whether the Biden contributions were legal at the time that they were made?

A No.

Q Did you yourself or did anyone else seek legal advice regarding the making of the Biden contributions?

A No.

MR. BARAN: Thank you. That's all.

MR. BLESSINGTON: And just for the record, we may have to revisit the attorney-client privilege question.

Under the Commission's regulations, you have a right to read and sign this. Will you be taking advantage of that?

MR. BARAN: Yes. We do not waive signature.

21040888579

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

3

I, the undersigned, say I have read the foregoing deposition and hereby declare under penalty of perjury the foregoing is true and correct.

Executed this _____ day of _____, 1990, at _____, California.

_____

ERIC R. WEISS

210408805830

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

The undersigned Certified Shorthand Reporter of the State of California does hereby certify:

That prior to being examined, the witness in the foregoing proceedings was duly sworn to testify the truth, the whole truth and nothing but the truth.

That said proceedings were taken before me at the time and place therein set forth, and were taken down by me in shorthand and thereafter transcribed into typewriting under my direction and supervision; and I hereby certify that the foregoing transcript of proceedings is a full, true and correct transcript of my shorthand notes so taken.

I further certify that I am neither counsel for nor related to any party to said action, nor in anywise interested in the outcome thereof.

In witness whereof, I have hereunto subscribed my name this 9th day of April, 1990.

Zorica Dragovich

ZORICA DRAGOVICH
CSR No. 6524

>1040880581

BEFORE DEPOSITING CHECK

THIS CHECK IS TENDER OF PAYMENT OF ITEMS

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
6/26/87		VENUE FEE MARK	1113.5511	[illegible]

WESTWOOD ONE

9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232 (213)

W

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-8000

...ERED JUN 26 1987

Century City Office
CITY NATIONAL BANK
1800 Century Park East
Los Angeles, California 90067

[illegible]/1220

No. 4131

DATE	AMOUNT
06/26/87	$5,000.00

PAY TO THE ORDER OF THREE THOUSAND and 00/100

MARK KRESS

[signature]

VOID NEGOTIABLE

[redacted]

0000

Comm Exhibit 1
Date 3-9-90
ZORICA DRAGOVICH, N.P.

BEFORE DEPOSITING CHECK

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
6/26/87		VENUE FEE PEC	4115.3510	

WESTWOOD ONE 9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232

ENTERED JUL 2 1987

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-8000

City Office
CITY NATIONAL BANK
1800 Century Park East
Los Angeles, California 90067

1220

4130

DATE	AMOUNT
06/26/87	$2,000.00

PAY TWO THOUSAND and 00/100
TO THE ORDER OF

THOM FERRO

NOT NEGOTIABLE

210408835

0001

PLEASE DETACH THIS STATEMENT
BEFORE DEPOSITING CHECK

THIS CHECK IS TENDERED IN PAYMENT OF ITEMS LISTED

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
6/26/87		RECORDING COSTS JUDGS	4130.5810	[illegible]

THIS CHECK IS TENDERED IN PAYMENT OF ITEMS LISTED

AMOUNT
[illegible]

WESTWOOD ONE

9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-8000

ENTERED JUN 2 6 1987

[illegible] CITY NATIONAL BANK
400 Century Park South
Los Angeles, California 90067

19-7028/1220

No. 4129

DATE	AMOUNT
06/26/87	[illegible]

PAY FOUR THOUSAND and 00/100

TO THE ORDER OF GARY BUSKO

[illegible]

[illegible]

No. 4132

AMOUNT
$4,000.00

[illegible]

[illegible]

[illegible]

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT -------- VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUNT
56666		04126	JOEL SALKOWITZ	87-25	384.62
56660		04125	JANIS HAHN	87-25	288.46
57763		04125	JANIS HAHN	87-28	288.46
57768		04126	JOEL SALKOWITZ	87-28	384.62
58067		04125	JANIS HAHN	87-29	288.46
58081		04036	TM COMMUNICATIONS, INC.	JULY/MUJIN	2606.35
57255		04126	JOEL SALKOWITZ	87-27	384.62
57249		04125	JANIS HAHN	87-27	288.46
57066		04126	JOEL SALKOWITZ	87-26	384.62
56344		04036	TM COMMUNICATIONS, INC.	JUNE	2606.35
58071		04126	JOEL SALKOWITZ	87-29	384.62
56774		04125	JANIS HAHN	87-26	288.46
				ACCT 4090-6801 TOTAL	8577.90
4110-3902	ARTIST CONTRACTS				
57745		02845	DIRE STRAITS OVERSEAS	DIRE STRAI	15000.00
4110-4902	ARTIST CONTRACTS/R E				
57227		04369	ARCOS MANAGEMENT SERVI	MUSICALE	5000.00
4110-5202	ARTIST CONTRACTS				
56568		02298	MONARCH ENTERTAINMENT	D.EDMUNDS	3000.00
4110-5502	ARTIST CONTRACTS				
56570		04344	PMC INC.	J.RODMAN	500.00
57804		03916	THE JUDDS	START TOUR	50000.00
57041		04341	Q B Q ENTERTAINMENT, I	VOID	-17500.00
57042		04362	RODNEY DANGERFIELD	PRI.PARTY	17500.00
56503	NYC PARTY	04341	Q B Q ENTERTAINMENT, I	R DNGRFLD	17500.00
				ACCT 4110-5502 TOTAL	68000.00
4110-5511	ARTIST CONTRACTS/HEART				
57830		04013	HEART	TOUR START	100000.00
110-5514	ARTIST CONTRACTS				
56686	1ST PMT.ON OXY/	01095	CREATIVE ARTISTS AGENC	1ST PMTOXY	50000.00
115-5205	VENUE FEES/I C				
57225		00963	THE BOTTOM LINE	THE TRUTH	1500.00
115-5511	VENUE FEES/HEART				
57801		00596	MARK KRESS	HEART	3000.00
115-5513	VENUE FEES/REO				
57800		00818	THOM FERRO	REO	2000.00
120-1005	RECORDING & MIXING				
56508	CRENSHAW,FESTIV	00127	W.F. DAWES	PD/HOTEL	490.00

Comm. Exhibit 2
Date 3-9-90
ZORICA DRAGOVICH, N.P.

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT -------- VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUN
56547	LARRY KING	02904	AME, INC.	259942	25.5
56546	IDB	02904	AME, INC.	259943	15.9
57091		03793	AMI TELEVISION	216	462.5
56871		03902	BROADCAST NEWS SERVICE	80681	400.5
56870	WASHINGTON DC	03902	BROADCAST NEWS SERVICE	80682	550.5
56877	DEMENTO	02904	AME, INC.	260656	15.9
56879	GRANT	02904	AME, INC.	260497	90.0
				ACCT 4120-5502 TOTAL	7638.0
4120-5504	RECORDING&MIXING/OTHER				
56711	AMNESTY INTERNA	00682	THE VILLAGE RECORDER	17009	95.8
56691	MUTUAL	04036	TM COMMUNICATIONS, INC.	JUNE	2606.3
58040		02634	RMR STUDIOS	5677	359.0
58041		02634	RMR STUDIOS	5672	359.0
57430		02634	RMR STUDIOS	5643	359.0
56411	RNRNF	02634	RMR STUDIOS	5609	359.0
56410	RNRF	02634	RMR STUDIOS	5614	304.0
56408		02634	RMR STUDIOS	5602	304.0
				ACCT 4120-5504 TOTAL	4746.1
4120-5505	RECRDNG&MIXING/OTHER-SPLS				
56565	AUDIO RECORDING	04343	MARRIOT CORPORATION	315937VAND	933.8
57269	PER DIEM/DRIVIN	02532	ROBERT DEMUTH	W/E 5/24	365.0
57893	LUTHER VANDROSS	03874	SUNSET SOUND	11645	1986.6
57892	HUNTER S & COLL	03874	SUNSET SOUND	11648	1969.8
57851		02962	ROSEANNE LONGWORTH	EARLE/KNIG	1002.5
57785		04349	AMERICAN FEDERATION OF	VOID	-2304.3
57834		04186	JIM CARROCCIO	EAELE/KNIG	700.0
57441		03144	HIT CITY WEST	M.CARVER	275.0
57224		04370	JACKSON BROWNE MANAGEM	AMNESTY SP	443.5
57213		02955	PAUL SCHWARTZ	W/E 6/5	97.5
57212		04186	JIM CARROCCIO	W/E 6/5	900.0
57211		02962	ROSEANNE LONGWORTH	W/E 6/5	1053.5
56328	L.VANDROSS	04186	JIM CARROCCIO		310.0
56338	PER DIEM 6/5-7/	02960	RON MORGAN	FESTIVAL	3760.0
56339		02962	ROSEANNE LONGWORTH	VANDROSS	438.7
57159		03919	ALECK PETERS	BOSTON	180.0
57161		04366	DARREN HILL	5/21&5/22	455.0
57165		03897	MARK VELASQUEZ	BOSTON	595.0
57184		02532	ROBERT DEMUTH	5/16	390.0
57185		02532	ROBERT DEMUTH	5/24	1050.0
57190		02981	ROSS HUMPHREY	4/22	840.0
57191		02981	ROSS HUMPHREY	5/16	360.0
57192		02981	ROSS HUMPHREY	5/24	840.0
56766	GLADY'S KNIGHT	04349	AMERICAN FEDERATION OF	G.KNIGHT &	2304.3
				ACCT 4120-5505 TOTAL	18333.9
4120-5511	RECRDNG&MIXIING/HEART				

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUNT
57802		02686	WILLIAM BATTISON	HEART	4000.00
4120-5512	RECRDNG&MIXIING/THE JUDDS				
57799		02216	GARY YUSKO	JUDDS	4000.00
57459		02904	AME, INC.	261279	119.71
			ACCT 4120-5512 TOTAL		4119.71
4120-5513	RECORDING&MIXING/REO SPEE				
57719	M&M MILKEY WAYS	02904	AME, INC.	262643	94.89
57459		02904	AME, INC.	261279	119.72
			ACCT 4120-5513 TOTAL		214.61
4120-6504	RECORDING & MIXING				
58042	HEART	02634	RMR STUDIOS	5676	324.00
57429		02634	RMR STUDIOS	5650	324.00
56412	TOM PETTY	02634	RMR STUDIOS	5608	344.00
56409	BON JOVI	02634	RMR STUDIOS	5603	324.00
			ACCT 4120-6504 TOTAL		1316.00
4140-3302	STATION TIME COSTS				
57377		00383	WNEW-FM 102.7	40098	3300.00
4140-3702	STATION TIME COST/SE				
57679		03311	KYOK-AM STEREO	3237	2500.00
58169		02834	KDIA RADIO	1188	2000.00
57117		02422	WRKS-FM	50305	7430.00
57121		01089	WGPR - 107.5 FM	16590	1200.00
56798		02834	KDIA RADIO	1084	2500.00
			ACCT 4140-3702 TOTAL		15630.00
4140-3802	STATION TIME COSTS				
57505		03558	WASH-FM RADIO	060587	2500.00
57381		03558	WASH FM RADIO	6/5 INV	2500.00
57119		02996	KYUU FM 99.7	85812205	2075.00
			ACCT 4140-3802 TOTAL		7075.00
4140-4103	STATION TIME/TC				
57703		04380	WTHP 98.3 FM	041687	374.85
57701		04383	WQIM MAJIC 95 FM	042687	448.80
57700		04383	WQIM MAJIC 95 FM	042687	140.35
57699		04383	WQIM MAJIC 95 FM	30	589.05
56911		03003	KDLZ 107.5 FM * KHVN 9	3245	4384.00
56910		03106	WILD 1090 AM	1079	244.80
56909		03278	WGCI-FM.....	004702	1668.98
56908		03008	KKFX SEATTLE RADIO	6061	850.00
56907		03365	FM..... WEKS AM	95806	3570.00
56906		03009	WTMP - AM RADIO	8462	1311.35
56905		03290	WBLZ FM 103.5.....	87044085	389.00

0006

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1680 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 4129

DATE	AMOUNT
06/26/87	$4,000.00

PAY TO THE ORDER OF FOUR THOUSAND and 00/100

GARY YUSKO

WESTWOOD ONE

Betty J. Yusko

"004129" :122016066: 019-178781" "0000400000"

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

1-16/1220

Century City Office
CITY NATIONAL BANK
1680 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 4130

DATE	AMOUNT
06/26/87	$2,000.00

#146
1614
JUL -9 1987

PAY TO THE ORDER OF TWO THOUSAND and 00/100

THOM FERRO

WESTWOOD ONE

Betty J. Yusko

"004130" :122016066: 019-178781" "0000200000"

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1680 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 4131

DATE	AMOUNT
06/26/87	$3,000.00

PAY TO THE ORDER OF THREE THOUSAND and 00/100

MARK KRESS

WESTWOOD ONE

Betty J. Yusko

"004131" :122016066: 019-178781" "0000300000"

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1680 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 4132

DATE	AMOUNT
06/26/87	$4,000.00

PAY TO THE ORDER OF FOUR THOUSAND and 00/100

WILLIAM BATTISON

WESTWOOD ONE

Betty J. Yusko

"004132" :122016066: 019-178781" "0000400000"

> 1 1 0 4 0 8 8 0 5 8 7

Coam Exhibit 3
Date 3-9-90
ZORICA DRAGOVICH, N.P.

0007

3-W

For Deposit Only

[illegible]

046 1881 4h

[illegible]

[illegible]

[illegible]

CHECK REQUEST FORM

DATE 6-26 REQUESTED BY _____

AMOUNT $ 4000.00 DATE NEEDED AM

PURPOSE Recording Judds

PAYABLE TO GJ Yusko

SEND TO _____

RELATED SHOW _____

O.K.'D BY _____

Office Use: Date Paid _____ Check # _____ Code _____

WESTWOOD ONE

Los Angeles: [illegible] New York: [illegible]

0009

Comm. Exhibit 4
Date 3-9-90
ZORICA DRAGOVICH, N.P.

>1040888 5839

IV

CHECK REQUEST FORM

DATE 6-26 REQUESTED BY _____

AMOUNT $ 4000.00 DATE NEEDED AM

PURPOSE Venue fee Rent

PAYABLE TO Battison

SEND TO _____

RELATED SHOW _____

O.K.'D BY _____

Office Use: Date Paid _____ Check # _____ Code _____

2102408805900

WESTWOOD ONE

Los Angeles: [illegible] New York: [illegible]

0010

1W

CHECK REQUEST FORM

DATE 6-26 REQUESTED BY

AMOUNT $ 2000.00 DATE NEEDED AM

PURPOSE Venue fee R&O

PAYABLE TO Thom Ferro

SEND TO

RELATED SHOW

O.K.'D BY

Office Use: Date Paid Check # Code

2104088059 1

WESTWOOD ONE

0011

MV

CHECK REQUEST FORM

DATE 6-26-87 REQUESTED BY _____

AMOUNT $ 3000.00 DATE NEEDED _____

PURPOSE Venue fees for Heart per MKeon request
(split payments)

PAYABLE TO Main Ideas

SEND TO _____

RELATED SHOW _____

O.K.'D BY _____

Office Use: Date Paid _____ Check # _____ Code _____

>1040888 5 9 2

WESTWOOD ONE

Los Angeles: 5700 Wilshire Boulevard Suite City, California [illegible] New York: 730 Third Avenue New York, New York [illegible]

0012

OGC 6952

ERRATA SHEET
Deposition of ERIC R. WEISS

COMES NOW Eric R. Weiss, Deponent, and states under oath that from the best of his recollection, the following errors or omissions occur in the stenographic transcription of his deposition taken March 9, 1990, in Los Angeles, California:

On Page 10, Line 1, delete the word "of."

On Page 36, Line 6, delete the word "course" and insert the word "horse" in its place.

Dated at Los Angeles, California, this 22 day of June, 1990.

Eric R. Weiss

Eric R. Weiss, Deponent

RECEIVED
FEDERAL ELECTION COMMISSION
90 JUL 16 PM 5:26

STATE OF CALIFORNIA)
Los Angeles COUNTY) ss.

On this 22 day of June, 1990, before me, the undersigned, a Notary Public in and for the State of California, personally appeared the said Eric R. Weiss and who did swear to the truth of the foregoing Errata Sheeet.

Joni Dixon-Reitz

NOTARY PUBLIC

My commission expires: 11-19-90

OFFICIAL SEAL
JONI DIXON-REITZ
Notary Public-California
LOS ANGELES COUNTY
My Commission Expires
November 19, 1990

>10408835933

TRANSCRIPT OF PROCEEDINGS

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

IN THE MATTER OF:	:	
	:	M. U. R. 2893
MARK H. KRESS	:	

ORIGINAL

DEPOSITION OF STEPHEN M. JAFFE

Los Angeles, California

Monday, March 12, 1990

ACE-FEDERAL REPORTERS, INC.
Stenotype Reporters
444 North Capitol Street
Washington, D.C. 20001
(202) 347-3700
Nationwide Coverage
800-336-6646

2104088●594

THE UNITED STATES OF AMERICA

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:)

)

MARK H. KRESS) No. MUR 2893

_

_____)

DEPOSITION OF STEPHEN M. JAFFE

Los Angeles, California

Monday, March 12, 1990

ZORICA DRAGOVICH, CSR No. 6524

21040885595

THE UNITED STATES OF AMERICA

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:)
)
MARK H. KRESS) No. MUR 2893
)

Deposition of STEPHEN M. JAFFE, taken on behalf of the Federal Election Commission, at 312 North Spring Street, Eleventh Floor, Los Angeles, California, commencing at 10:05 A.M., on Monday, March 12, 1990, before ZORICA DRAGOVICH, Certified Shorthand Reporter No. 6524, pursuant to Subpoena.

2104088596

APPEARANCES:

For the FEDERAL ELECTION COMMISSION:

DANIEL J. BLESSINGTON

and

FRANIA MONARSKI

Attorneys at Law

Office of the General Counsel

999 "E" Street, N.W.

Washington, D.C. 20463

For the Deponent STEPHEN M. JAFFE:

WILEY, REIN & FIELDING

Attorneys at Law

BY: JAN W. BARAN

and

TREVOR POTTER

1776 "K" Street, N.W.

Washington, D.C. 20006

2104088●597

I_N_D_E_X

WITNESS	EXAMINATION	PAGE
STEPHEN M. JAFFE	BY MS. MONARSKI	5

EXHIBITS_FOR_IDENTIFICATION

COMMISSION'S		PAGE
1	6-26 Check Request Form payable to G.J. Yusko	39
2	Check (tissue copy) from Westwood One to Yusko	40
3	6-26 Check Request Form payable to Battison	42
4	Check (tissue copy) from Westwood One to William Battison	43
5	6-26 Check Request Form payable to Thom Ferro	44
6	Check (tissue copy) from Westwood One to Thom Ferro	45
7	6-26-87 Check Request Form payable to Mark Kress	45
8	Check (tissue copy) from Westwood One to Mark Kress	47
9	7-13-87 Accounts Payables Account Distribution Report, Westwood One Radio, Inc.	48
10	August 14, 1989 Memo to The Audit Committee of Westwood One, Inc., from Rogers & Wells	54
11	Resident Alien cards for Stephen Marc Jaffe and Andrea Simone Gabriel (front and back)	55

WITNESS_INSTRUCTED_NOT_TO_ANSWER

PAGE	LINE
32	7

LOS ANGELES, CALIFORNIA; MONDAY, MARCH 12, 1990

10:05 A.M.

STEPHEN M. JAFFE,

produced as a witness by and on behalf of the Federal Election Commission, and having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MS. MONARSKI:

Q Good morning.

A Good morning.

Q This deposition is being taken pursuant to an administrative subpoena which was issued in connection with a Federal Election Commission investigation conducted under Section 437g of Title 2 of the U.S. Code. This section provides that the confidentiality of this investigation must be maintained until the Commission closes its file in this matter. This investigation is designated as Matter Under Review 2893.

My name is Frania Monarski, and I'm here representing the Commission today with Daniel Blessington.

Please state your full name.

A Stephen Marc Jaffe.

Q Are you being represented by counsel today?

2104088●5998

A Yes.

Q And what is his name?

A Jan Baran and Trevor Potter.

Q Have you ever had your deposition taken before, Mr. Jaffe?

A No.

Q I'll just explain a little bit to you about what is going to happen this morning.

I'm going to ask you a series of questions with regard to a Complaint that was filed by Mark Kress. The Complaint alleges that several employees of Westwood One, including you, made contributions to Senator Biden's presidential campaign in June of 1987. I'm going to ask you questions with regard to that contribution and your involvement with Westwood One.

2104088●5999

The court reporter will be taking down answers to my questions, and I just want to remind you that she can only take down verbal responses. So please don't nod or shake your head in response to a question because she won't be able to get it down. If you don't hear a question or if you don't understand, please let me know, and I'll repeat or rephrase it.

If during the course of the deposition you realize that you've given an incomplete or an inaccurate answer, please let me know, and you can go back, and you can correct it.

2104088600

If you need to take a break for any reason, please let me know, and we can stop and go off the record and take a break.

Please treat this proceeding as if you were in a court of law with a judge and a jury, and remember that you're under oath.

Under the Commission regulations you have a right to review and sign your deposition. We encourage you to do that. Do you think that you'll be reviewing and signing it?

MR. BARAN: Yes. We will not be waiving signature on this deposition.

MS. MONARSKI: Okay.

Q Have you understood all the instructions today?

A Yes.

Q Would you like me to clarify anything for you?

A No. I understand it.

Q Okay. What did you do to prepare for today's deposition, Mr. Jaffe?

A Met with my lawyers.

Q Okay. Did you discuss the deposition with anybody else?

A No.

Q Did you review any documents?

21040880601

A Just my checks that I sent in.

Q Did you bring any documents with you today?

A Yes.

Q Thank you.

MR. BARAN: Let the record reflect that counsel for Mr. Jaffe has handed a document to Ms. Monarski.

BY MS. MONARSKI:

Q Could you please state your home address.

A 5054 Haskell Avenue, Encino, Los Angeles.

Q And your home telephone number, please?

A Area code (818) 907-8076.

Q And are you presently employed, Mr. Jaffe?

A Yes.

Q Where are you employed?

A GMS Auto Glass.

Q And do you have a work telephone number?

A Yes. Area code (213) 265-3752.

Q Are you married, Mr. Jaffe?

A Yes.

Q What's your wife's name?

A Andrea.

Q Is she currently employed?

A No.

Q I'd like to go over your educational background. Did you attend college?

2104088606 02

A Yes.
Q And what was your major?
A Accounting.
Q And where did you attend college?
A South Africa.
Q Did you graduate?
A Yes.
Q Have you attended any graduate schools?
A No.
Q Have you done any postgraduate work in accounting?
A No.
Q Any training courses?
A Continuing education courses through a previous employer.
Q And were those in accounting?
A Various subjects.
Q When did you first come to California?
A 1983.
Q And where were you first employed here?
A Small accounting firm in the San Fernando Valley.
Q And what were your responsibilities there?
A I was an auditor.
Q And how long were you employed there?

2104088 6603

A Approximately three months.
Q And where did you move on to?
A Price Waterhouse.
Q And what was your position at Price Waterhouse?
A Auditor.
Q And how long were you there?
A Just less than three years.
Q So what year would that be?
A Ended up in '86.
Q And what were your responsibilities as an auditor there?
A Did audits, compilations, reviews of various clients of Price Waterhouse.
Q And where were you next employed after Price Waterhouse?
A Westwood One.
Q And when did you begin to work there?
A May or June of '86.
Q And you testified earlier that you're no longer employed there; is that correct?
A Correct.
Q When did you leave?
A June of 1988.
Q Could you give me a brief description of what Westwood One does?

2104088604

A National producer and distributor of radio programs.

Q And about how many employees does Westwood One employ?

MR. BARAN: If you know.

BY MS. MONARSKI:

Q At the time that you were there.

A I'm not exactly sure.

Q Okay.

A A couple hundred, I would say.

Q And what was the structure of Westwood One? Was it divided into divisions?

A It was divided into various subsidiaries.

Q Can you tell me what those subsidiaries were?

A Mutual Broadcasting System. There was a "Radio & Records" division, the Westwood One Radio Network, and the holding company was Westwood One, Inc. And there was an NBC Network.

Q What was your first position at Westwood One?

A Controller.

Q That was your first position at Westwood One?

A Yes.

Q And what was your salary as controller at Westwood One when you initially started in May of 1986?

A per year.

2104084|36005

Q And how did you come to work at Westwood One?
A I was hired by VP of financing.
Q And who was that?
A Gary Yusko.
Q Had you worked on their account at Price Waterhouse?
A Yes.
Q What were your responsibilities as controller of Westwood One?
A Involved in the daily operations of Westwood One and did special projects.
Q What would those daily activities include?
A Insurancing peril property; recorded, dealt with, and basically keeping the books of record.
Q And what types of financial records would you maintain?
A General ledgers. That was the primary book of record.
Q What was the primary information of the book of record?
A All the transactions of the company.
Q And that would include what?
A Revenue, expenses, payroll
Q Did you prepare financial statements for the company?

2104088606

A Yes.

Q What types of statements?

A Interim quarterly financial statements and year-end financial statements in conjunction with VP of finance.

Q In conjunction with Mr. Yusko?

A Correct.

Q And for whom did you prepare these reports?

A Mr. Yusko.

Q What were they? For the president of the company or for the public?

A Ultimately for the stockholders of the company.

Q Did you have a responsibility for the budget at Westwood One?

A Not responsible for it but worked on budgets.

Q And what would you do in connection with the budget?

A Prepare budgets, et cetera.

Q And how would you prepare the budgets?

A Based on historical information and submit it to Mr. Yusko.

Q For each division at Westwood One would you prepare a separate budget?

A I did only for Westwood One Radio and Westwood One, Inc.

2104088607

Q And who would be responsible for the other divisions?

A Mutual Broadcasting Systems was done by the controller of Mutual, and "Radio & Records" was done by the bookkeeper of "Radio & Records."

Q So just let me clarify this for a minute. When you say that you were controller of Westwood One, what part of Westwood One?

A Westwood One, Inc., which is the holding company, and Westwood One Radio, which was the network subsidiary company.

Q Did you endorse Westwood One checks?

MR. BARAN: Do you understand the question?

THE WITNESS: No. Can you --

BY MS. MONARSKI:

Q Did you have a responsibility for issuing checks for accounts payable?

A Very infrequently.

Q Did you approve any kind of payments for accounts payable?

A Yes.

Q Can you describe that for me, please?

A Normal expense vouchers that were submitted by various departments to accounts payable.

Q Were you responsible for approving

2104088608

reimbursements for expenses incurred by Westwood One employees?

A Yes.

Q And what types of expenses generally would you reimburse?

A Expenditures incurred by various employees of the various departments on behalf of the company.

Q What type of expenses would they generally incur?

A Travel, hotels, meals, auto, and miscellaneous expenses.

Q And would employees submit receipts of these expenses to you?

A The majority of the time.

Q Would they fill out some kind of request form?

A Yes.

Q How did the procedure work? Could you explain the procedure to me?

A Yeah. You could either submit an expense report with all the expenditures detailed on the report, and you would be reimbursed in accordance with those expenditures.

You could get advances prior to traveling for which, you know, the accountability of that would be controlled upon the resubmission of expense reports, and you

2104088609

would make advances to various individuals or various other bodies for expenditures that are going to be laid out by the individuals or entities that we cut the checks to.

Q Were employees required to receive the approval of their supervisors for these reimbursements?

A The system was such that they should have received approval.

Q Prior to making the expenses or after?

A Both.

Q Could you explain that a little bit for me?

A Yes. Various people would go out on a trip and incur expenses for which approval would only be received subsequent to their return.

Q And what was the procedure for receiving a reimbursement?

A Submit an expense report to the accounting department.

Q Through their supervisor?

A Most of the time through their supervisor. It was possible at times to do it if the supervisor wasn't available or -- there were odd circumstances where it was possible not to get the approval of the supervisor. It would be processed by the accounts payable department, and a check would be cut and reimbursed.

Q And would you review all requests that came in

2104088610

for reimbursement for expenses?

A Not every single check.

MR. BARAN: You mean every request?

THE WITNESS: What I want to --

MR. BARAN: Can we go off the record?

MS. MONARSKI: Sure.

(Discussion held off the record.)

MR. BARAN: Back on the record.

THE WITNESS: Every check that was cut by either the radio company or the network company did not have to go through me. In other words, I wasn't responsible for every check. If there were special circumstances checks or something like that, it would not come through me. In other words, approval and the cutting of the checks was not solely my responsibility.

BY MS. MONARSKI:

Q Who else shared that responsibility?

A Gary Yusko, Bill Battison, Norm Pattiz.

Q Did you have any supervisory responsibilities?

A Can you clarify that?

Q Did you supervise any other employees within the accounting department?

A Supervised three employees and indirectly a fourth employee.

Q And whom did you report to?

2104088611

A Gary Yusko.

Q And what was his title?

A Vice-president of financial operations.

Q What were his responsibilities at Westwood One?

A Responsible for the financial affairs of Westwood One, Inc., and all the related subsidiary companies.

Q And you testified a few minutes ago that Mr. Yusko, Mr. Battison, and Mr. Pattiz also had responsibilities for issuing some checks. If they did that, did you have any knowledge after they did that? Did they inform you that checks had been issued?

A Not verbally.

Q In writing?

A There would be a record of the check.

Q And would you --

A That would be reflected in the books.

Q And so would you see that record of the check?

A Yes.

MS. MONARSKI: Would you mind if we take a five-minute break?

MR. BARAN: Fine.

MS. MONARSKI: Thanks.

(A recess was taken.)

MS. MONARSKI: Ready to go back on the record.

Q Mr. Jaffe, could you please describe your relationship with Norm Pattiz.

A Employee of Westwood One of which he was the chairman of the board.

Q Did you have daily contact with him?

A I saw him most days.

Q Did you have any personal relationship with him?

A No.

Q What were his general responsibilities at Westwood One?

A Chief executive officer of Westwood One, Inc.

Q Can you be more specific than that, if you know?

A Responsible for the company.

Q Could you describe his management style to me?

A Very bright, smart, creative, good relationships with people in the industry, and reasonable relationships with his employees.

Q What do you mean by "reasonable relationships"?

A Spent time with employees most days, you know, meet and greet, talk about things. Not someone who would be stuck in his office all day.

Q Could you please describe your relationship with William Battison for me.

2104088613

A I dealt with Mr. Battison more frequently and was involved more in meetings, possibly, with Mr. Battison than, say, with Norm Pattiz.

Q What was Mr. Battison's position at Westwood One?

A President and chief financial officer.

Q And what kind of meetings would you attend with him?

A Meetings that were related to the financial affairs of the company.

Q And who else would attend those meetings?

A Gary Yusko.

Q Just the three of you?

A Possibly Mr. Pattiz at times or an outside party.

Q And how often were those meetings conducted?

A Infrequently, depending on the timing of the year as to what is going on.

Q Once a week? Once a month? Twice a month?

A Some weeks it may be, you know, once or twice. Some weeks maybe not at all. Maybe a couple of weeks would go by just depending on where he was, what was going on, if it was the end of a quarter or where we were in terms of the ...

Q Could you tell me your relationship with Gary

2104088614

Yusko?

A Gary Yusko? I had a working relationship with him on a daily basis, dealt with him constantly throughout the day.

Q And he was vice-president of financial affairs; is that correct?

A Correct.

Q And what were his general responsibilities?

A Responsible for the financial affairs of the consolidated group.

Q Did you know a Thomas Ferro?

A Yes.

Q And what was his position at Westwood One?

A Head of station relations and artist relations.

Q And did you have contact with him?

A Infrequently.

Q Did you know Debra Seyler?

A Yes.

Q And what was her position at Westwood One?

A Vice-president.

Q Vice-president of what, if you know?

A I think that's it.

Q Just vice-president. What were her responsibilities?

A I don't know.

2104088615

Q Did you have much contact with her?
A No.
Q Do you know Eric Weiss?
A Yes.
Q And what was his position at Westwood One?
A Vice-president of legal business affairs.
Q Do you know what his responsibilities were?
A He was involved in contract negotiations and related business matters.
Q Did you have daily contact with him?
A Not daily.
Q What kind of contact did you have with him?
A See him, you know, occasionally; you know, maybe speak to him once a week or twice a week or just depending on what was going on. Maybe not at all that week.
Q About financial matters you would discuss with him?
A No.
Q What types of matters would you discuss with him?
A What is going on in the company, what contracts he's working on. And the rest was more on a personal level.
Q Did you know Mark Kress?
A Yes, yes.
Q And what was his position at Westwood One?

A Vice-president music marketing, I think.
Q And do you know what his responsibilities were?
A Responsible for generating relationships with groups that were going out on tour. He would tie in advertisers to sponsor tours.
Q And what type of contact did you have with him at Westwood One?
A Very infrequent meetings or discussions with him about what was going on.
Q Do you know why he left Westwood One?
A No.
Q Do you know Dean Marion?
A Yes.
Q What was his position at Westwood One?
A He was in charge of promotions and possibly advertising.
Q And what was your contact with him?
A Same as Mr. Kress or Mr. Ferro.
Q Occasional contact?
A Yes.
Q You earlier testified that you attended meetings with Mr. Battison and Mr. Yusko to discuss financial matters. Did you ever attend any senior staff meetings?
A No.

2104088617

Q The whole two years that you were at the company that you can recall?

A Correct.

Q Did you ever have any contact with the board of directors?

A I may have sent them some documents to be signed or something like that.

Q Do you know who was on the board of directors?

MR. BARAN: If you know.

THE WITNESS: Yes.

BY MS. MONARSKI:

Q Could you tell me who was on the board of directors?

A In 1986 I know Mr. Pattiz was on the board and Mr. Battison and Mr. Heimerl. And I know there was one other person, but I don't know exactly who that was.

Q And did that change in 1987?

A I can't remember.

Q Any change in 1988, if you know, while you were there?

A I really don't remember.

Q Did the board make all the major decisions for Westwood One?

A Senior management and through the board, I would imagine.

2104088618

Q I'm sorry. Could you repeat that?
A Senior management and the board.
Q And who would be the senior management?
A Mr. Pattiz, Battison, and related department heads.
Q Mr. Jaffe, did you contribute to Senator Biden's presidential campaign?
A Yes.
Q When did you contribute?
A May or June of 1987.
Q Why did you decide to contribute to Senator Biden's campaign?
A Mr. Pattiz asked me to.
Q And when did he ask you to?
A May or June of 1987.
Q Where did this discussion take place?
A In my office.
Q Did he come to your office?
A As far as I can remember.
Q Was anyone else present at this discussion?
A No.
Q What did Mr. Pattiz say to you?
A He asked me whether I and my wife would make a contribution to Mr. Biden's presidential campaign.
Q How did you make that contribution?

210408806119

A Wrote a check.

Q And what did you do with the check?

A I can't remember.

Q Did you send it to Biden's presidential campaign?

MR. BARAN: The witness has testified that he doesn't remember what he did with the check. I will allow him to once more testify whether he remembers or not the specific details.

THE WITNESS: I don't specifically remember if I mailed it or what.

BY MS. MONARSKI:

Q You don't remember if you gave the check to Mr. Pattiz personally?

A I don't remember.

Q And what was the amount of the check?

A $1,000.

Q And did your wife also contribute?

A Yes.

Q On how many other occasions did you discuss this contribution with Mr. Pattiz?

A No other occasion.

Q So he just came down to your office in May or June and asked you to make the contribution?

A Correct.

2104088620

Q Do you recall if you made that contribution right during that initial discussion? Did you write out the check at that point?

A No.

Q Do you recall when you made the contribution after this first meeting took place?

A I think it was a few days later.

Q Did Mr. Pattiz explain to you why he wanted you to contribute to Senator Biden's campaign?

A No.

Q Did you ask him?

A No.

Q Did Mr. Pattiz ever discuss with you that he was interested in testifying before a Senate subcommittee on communications?

A No.

Q Do you know whether Mr. Pattiz did testify?

A I've heard subsequently that he was at some testimony or whatever it's called.

Q Had Pattis ever made any similar requests of you to contribute to --

A No.

MR. BARAN: Let her finish her question.

THE WITNESS: Sorry.

///

21040886621

BY MS. MONARSKI:

Q -- to support any other federal candidates?

A No.

Q To support any candidates for State office?

A No.

Q To support any charities?

A No.

Q So would you say this was an unusual request?

A Yes.

Q But you didn't question him about it?

A Correct.

Q Why didn't you question him about it?

A He was not the sort of man that you questioned when a favor was being asked.

Q Even if it was a $1,000 contribution?

A Correct.

Q Did Mr. Pattiz tell you that he had asked other officers and employees to contribute to Senator Biden's campaign?

A I don't remember.

Q Did you discuss Pattiz's request with anyone else?

A Yes.

Q Who did you discuss it with?

A Gary Yusko.

2104088622

Q And what did you say to Mr. Yusko?

A I asked him whether Mr. Pattiz asked him to make a similar contribution.

Q And how did Mr. Yusko respond?

A He said yes.

Q And do you know whether Mr. Yusko did make that contribution?

A Yes.

Q Yes, you know whether he did or, yes, he did?

A Yes, he did make a contribution.

Q Did you discuss Mr. Pattiz's request with any other employees?

A No.

Q Was anything else said between you and Mr. Yusko when you discussed it?

A Yes.

Q Could you tell me what else you discussed?

A I asked him whether his wife was making a contribution. And the subject came up as to we would be reimbursed for it.

Q Is that the first time that you heard about the reimbursement plan?

A Mr. Pattiz indirectly made a statement to that effect.

Q And what was that statement?

2104088623

A The specifics I don't remember.

Q What do you mean by "indirectly made a statement"?

A He intimated that the contribution would be made good in some way.

Q Were you asking Mr. Yusko whether you should make the contribution?

MR. BARAN: If you remember. Do you understand the question?

THE WITNESS: Repeat the question. Clarify it, please.

MS. MONARSKI: Could you read back the question, please.

(Record read by the reporter.)

THE WITNESS: I asked him whether he was making a contribution.

BY MS. MONARSKI:

Q And if he were making that contribution would that have influenced your decision?

A Yes.

Q In what way?

A I would have had the comfort level knowing that my boss was comfortable with making the contribution.

Q Did you discuss the legality of this contribution with Mr. Yusko?

2104088624

A No.

Q Did you discuss the legality of the contribution with Mr. Pattiz?

A No.

Q Did you discuss Mr. Pattiz's request for a contribution with your wife?

A Yes.

Q What did you say?

MR. BARAN: Let me interpose here a concern about a privilege with respect to communications between husband and wife. I think it should be apparent both in terms of Mr. Jaffe's Response last year to the Complaint and his testimony this morning that he is cooperating, I would say extensively, in providing you information in answers to your questions. I just raise the question, before advising my client, of the need to get into the subject matter of discussions between a husband and wife. Is it important to your deposition today, and if so, why?

MS. MONARSKI: Are you instructing your client not to answer?

MR. BARAN: I'm asking for some clarification regarding the relevance of this line of questioning, which will then help me in advising my client.

MR. BLESSINGTON: Let's go off the record for a minute.

21040886625

(Discussion held off the record.)

MS. MONARSKI: Let's go back on the record.

MR. BARAN: You can ask about any other individual, whether they expressed concern, except under privileged communication.

BY MS. MONARSKI:

Q Mr. Jaffe, did your wife have any concerns about making this contribution?

MR. BARAN: I'm going to object on the grounds that the question requires the witness to potentially divulge the subject matter of privileged communications between spouses.

MS. MONARSKI: Okay. We'll move on. Are you instructing your client not to answer?

MR. BARAN: Yes, I'm advising my client that he not answer this question which requires divulging some privileged communications.

BY MS. MONARSKI:

Q Are you going to answer the question?

A No.

Q Before we went off the record, Mr. Jaffe, you said that you discussed the making of this contribution with Mr. Yusko. You also said that when he told you that he was making the contribution it helped your comfort level. Can you explain what you meant by that? Were you uncomfortable with making this contribution?

21040886626

A No, I was not.

Q What did you mean by that statement, then?

A I was not uncomfortable making a contribution knowing that he was making a contribution.

Q Would you have been uncomfortable if he were not making the contribution?

A Yes.

Q Why?

A I would have thought it would be a little strange for Mr. Pattiz just to ask me to make a contribution.

Q Why would that have been strange?

A My relationship with Mr. Pattiz was not on a personal level, and, you know, it would be a real strange request for him to just ask me.

Q Did Mr. Pattiz explain to you the reimbursement plan?

A No.

Q Did Mr. Yusko discuss the reimbursement plan with you?

A No.

Q As controller of Westwood One, did you have any questions concerning this reimbursement plan?

A No.

Q Did you, in fact, receive a reimbursement for

2104088627

your contribution to Senator Biden?

A That's what I remember.

Q Did you receive a reimbursement for your wife's contribution?

A Yes.

Q Who gave you that reimbursement?

A I don't remember.

Q Do you recall whether it was cash or a check?

A I'm sure it was a check.

Q Would it refresh your recollection if I told you that Mr. Yusko, in an affidavit, has stated that he gave you a $2,000 check from his personal account?

MR. BARAN: Does that refresh your recollection? Would you like the question repeated?

THE WITNESS: Yeah. Could you repeat the question?

MS. MONARSKI: Could you please repeat the question.

(Record read by the reporter.)

THE WITNESS: If he says he gave me a $2,000 reimbursement, I accept and believe it. I know I was reimbursed. The exact source I cannot remember.

BY MS. MONARSKI:

Q Do you recall whether there was any notation on the check?

A No.

Q Do you know whether any other Westwood

employees received reimbursements for their contributions?

A Yes.

Q Who received reimbursements?

A From what I've heard, everyone that made the contributions.

Q When did you hear this?

MR. BARAN: Would you like to confer with counsel?

THE WITNESS: Yeah.

MS. MONARSKI: Sure.

(The Witness and Mr. Baran and Mr. Potter exited the room and returned.)

THE WITNESS: So what's the question? Can you repeat it?

MS. MONARSKI: Back on the record, please.

Would you please repeat the prior two questions.

(Record read by the reporter.)

THE WITNESS: Subsequent to this whole issue being made public.

BY MS. MONARSKI:

Q You did not hear about the reimbursements at the time they were made?

A Not specifically.

Q What do you mean by "not specifically"?

A I did not know at the time who was involved in

2104088629

making these contributions and to what extent people had made contributions.

Q And it was not until after the Complaint was filed that you knew about who made contributions and who received reimbursements?

A Correct.

Q Did you attend any meetings where this reimbursement plan was discussed?

A No.

Q Did you have any discussions with William Battison concerning Pattiz's plan to reimburse you?

A No.

MR. BARAN: I haven't interposed an objection for lack of foundation, but I think that because of your persistent use of the term "reimbursement plan" I would just like to interject a note here that I don't think there's been any testimony of any plan entered into the record up to this point.

MS. MONARSKI: I'll rephrase the question.

Q Did you have any discussions with William Battison concerning Pattiz's reimbursement to you?

A No.

Q Prior to June of 1987, Mr. Jaffe, when you contributed to Senator Biden's campaign, had you ever contributed to any other federal candidates?

A No.

Q To a national or to a state party committee?

A No.

Q To any political-action committee?

MR. BARAN: Do you understand the question?

THE WITNESS: No.

BY MS. MONARSKI:

Q No, you don't understand the question?

A I don't understand it.

Q Have you ever made any other types of political contributions?

A No.

Q Have you ever worked on a political campaign?

A No.

Q Are you a United States citizen?

A No.

Q Where are you a citizen of?

A South Africa.

Q And what is your status here in the United States?

A Resident.

MS. MONARSKI: I'd like to go off the record, take a two-minute break, and then we'll finish up. We'll just step outside.

(A recess was taken.)

2104088631

MS. MONARSKI: Ready to go back on the record.

Q Are you a permanent resident?

A Yes.

Q After this matter became public, Mr. Jaffe, did you discuss it with anyone?

A Yes.

Q Who did you discuss this matter with?

A My lawyers and Gary Yusko.

Q And when did that discussion take place?

A Various times since it went -- became public knowledge.

Q On how many occasions, approximately?

A I don't remember. Don't remember.

Q Five times? Ten times?

A I really don't remember. It was a good few times.

Q And what was said at those discussions?

MR. BARAN: I'm just going to confirm that those discussions referred to discussions that Mr. Jaffe had with Mr. Yusko and not his counsel.

MS. MONARSKI: Correct. Correct. I'm sorry about that.

Q What was said at the discussions that you had after this matter became public with Mr. Yusko?

A I would -- we would -- I would ask him if he's

2104088●6332

heard anything about what is going on and what it's about and things of that matter.

Q Did Mr. Pattiz contact you at all?

A No.

Q Did you meet with Mr. Yusko personally, or were these discussions held over the telephone?

A Both.

Q Did you ask him anything else besides what he had heard about what was going on?

A Not that I can remember.

Q Mr. Jaffe, I'm going to show you a series of documents that I would like you to look at and review.

I'm going to ask the court reporter to please mark this as Exhibit 1.

Please take your time to review it.

(Commission's Exhibit 1 was marked for identification and is attached hereto.)

MR. BARAN: Ready.

BY MS. MONARSKI:

Q Could you please describe this document.

MR. BARAN: I object on the grounds that the document speaks for itself and that there's not been a foundation laid yet as to whether Mr. Jaffe recognizes this document.

BY MS. MONARSKI:

Q Have you seen this document before, Mr. Jaffe?

21040886633

A Not that I can remember this specific one.

Q Have you seen some other documents similar to this before?

A Check request forms, yes.

Q This is a check request form dated June 26, the amount of $4,000, to G.J. Yusko; "Purpose, Recording Judds."

You do not recall seeing this document before today?

A I do not remember seeing the specific one.

Q During the normal course of business, would you be responsible to approve this type of request?

A No.

Q Who would be responsible for approving it? Do you know?

A Department heads and people -- department heads.

Q At the bottom of the document it says "Okayed By," and there's a signature. Do you recognize that signature?

A It looks like Mr. -- I'm not actually sure, actually.

MS. MONARSKI: I'd like the court reporter to mark this as Exhibit 2, please.

(Commission's Exhibit 2 was marked for identification and is attached hereto.)

21040880634

BY MS. MONARSKI:

Q Have you seen this document before, Mr. Jaffe?

A I don't remember specifically.

Q Can you describe it for me?

MR. BARAN: Object on the grounds that the document speaks for itself.

BY MS. MONARSKI:

Q The document is a check made payable to Gary Yusko in the amount of $4,000 with a notation "Recording Costs Judds." Would you be responsible for issuing this check to Mr. Yusko?

MR. BARAN: I object on the grounds that you're asking my client to provide you with a speculative answer with respect to a document he's testified he doesn't recall ever seeing before.

(Mr. Blessington and Ms. Monarski confer.)

BY MS. MONARSKI:

Q Is this the type of document that would in the normal course of business be approved by you?

A No.

Q Who would approve this document?

A A department's senior management would approve checks.

Q From the face of this check could you tell me what department would have issued the check?

2104088●6635

A Not on the face of this document.

Q From your knowledge of Westwood One, would you know who issued this check?

A I would say it came out of the accounting department.

Q And you were the controller of the accounting department; is that correct?

A Correct.

Q But you do not recall seeing this document?

A Correct.

MS. MONARSKI: Please mark this as Exhibit 3.

(Commission's Exhibit 3 was marked for identification and is attached hereto.)

BY MS. MONARSKI:

Q This is a second check request form also dated June 26 in the amount of $4,000 payable to Battison for "Venue Fee, Heart." Have you seen this document before, Mr. Jaffe?

A Not this specific one.

Q During the normal course of business, would you have generally seen this type of document before?

MR. BARAN: For clarification of your question as to whether he would have seen check request forms in the normal course of his business? Is that the question?

///

210408806336

BY MS. MONARSKI:

Q My question is check request forms for venue fees.

A I have seen in the past venue fee check requests.

Q What are venue fees?

A Expenses that are going to be incurred at venues and recording artists.

Q Would Mr. Battison generally receive reimbursement -- would he generally incur venue fee expenses?

MR. BARAN: Do you know?

THE WITNESS: I don't know.

BY MS. MONARSKI:

Q Again this document at the bottom is "Okayed By," and there's a signature. Do you recognize this signature, Mr. Jaffe?

A Not that specific one.

MS. MONARSKI: Please mark this Exhibit 4.

(Commission's Exhibit 4 was marked for identification and is attached hereto.)

BY MS. MONARSKI:

Q This is a copy of a check dated June 26, 1987, in the amount of $4,000 to Mr. William Battison. There's a notation above, "Recording," and it's difficult to read, but

2104086637

it says "Heart." Have you seen this document before, Mr. Jaffe?

A Not this specific check that I remember.

Q Did you endorse this check? Did you sign this check?

A Not that I can remember.

MS. MONARSKI: Please mark this as Exhibit 5.

(Commission's Exhibit 5 was marked for identification and is attached hereto.)

BY MS. MONARSKI:

Q Again this is a check request form dated June 26 in the amount of $2,000 to Thom Ferro. Have you seen this document before?

A Not that I can remember this specific one.

Q The notation for the purpose of this request form is "Venue Fee REO." Do you know whether Mr. Ferro would generally incur venue fee expenses?

A Possibly.

Q Do you recall during the course of your time as controller issuing him a check for venue fees on other occasions?

A It's possible that we may have issued.

MR. BARAN: Anything is possible. That's what makes America great.

MS. MONARSKI: Please mark this as Exhibit 6.

21040886638

(Commission's Exhibit 6 was marked for identification and is attached hereto.)

BY MS. MONARSKI:

Q Please review the document.

This document is a check dated June 26, 1987, in the amount of $2,000 issued to Thom Ferro with a notation "Venue Fee REO." Have you seen this document before, Mr. Jaffe?

A I don't remember seeing the specific check.

Q Do you recall whether you were responsible for issuing this check?

A I don't remember that I was responsible for it.

MS. MONARSKI: Please mark this as Exhibit 7.

Q Please review the document, Mr. Jaffe.

(Commission's Exhibit 7 was marked for identification and is attached hereto.)

BY MS. MONARSKI:

Q This is a check request form dated June 26, 1987, in the amount of $3,000 payable to Mark Kress with a notation for "Purpose, Venue fees for Heart per M. Kress request," and then in parentheses "spiff payments." Have you seen this document before?

A I don't remember seeing this specific one.

Q What are spiff payments, Mr. Jaffe?

MR. BARAN: If you know.

2104088639

THE WITNESS: I would classify them as miscellaneous payments to record artists.

BY MS. MONARSKI:

Q Would Mark Kress in his capacity at Westwood One generally incur spiff payments?

A Possibly.

Q Do you recall on other occasions where Mr. Kress did?

A I don't remember specifically.

Q Would $3,000 generally be an amount that you would incur for spiff payments?

A I don't remember the range of dollars.

Q On the bottom of this document -- your attorney has passed it on --

MR. BARAN: This document which he's testified he's never seen before; is that correct?

MS. MONARSKI: Yes.

Q There's a line that says "Okayed By," and there's a signature. Do you recognize the signature?

A No.

MS. MONARSKI: You want to go off the record?

MR. BARAN: Do you want to confer with counsel?

THE WITNESS: Yeah.

(The Witness and Mr. Baran and Mr. Potter exited the room and returned.)

2104088640

MR. BLESSINGTON: Read that back again.

(Record read by the reporter.)

MS. MONARSKI: Let the record reflect that Mr. Jaffe has conferred with his attorney on this question.

Q Mr. Jaffe, do you recognize the signature?

A No.

MS. MONARSKI: Please mark this as 8.

Q Please review the document, Mr. Jaffe.

(Commission's Exhibit 8 was marked for identification and is attached hereto.)

BY MS. MONARSKI:

Q This is a check issued to Mark Kress, dated June 26, 1987, in the amount of $3,000 with a notation of "Venue Fee Heart." Mr. Jaffe, have you seen this document?

A I do not remember specifically seeing this document.

Q In the notation section there's a code number with a circle around it. What generally would that code refer to?

A Generally -- general ledger account.

Q I didn't hear you. I'm sorry.

A An account in the general ledger.

Q Would you have been responsible for issuing this check to Mr. Kress?

MR. BARAN: I'm going to object on the grounds that

2104088 6641

you posed a question that requires a speculative answer with respect to a document that the client has testified that he's not seen before.

BY MS. MONARSKI:

Q Please answer the question, if you know whether you were responsible for issuing this check.

MR. BARAN: That's a different question.

THE WITNESS: I do not remember issuing this check.

MS. MONARSKI: Please mark this Exhibit 9.

Q I'm showing you a three-page document, Mr. Jaffe. Please review it.

(Commission's Exhibit 9 was marked for identification and is attached hereto.)

THE WITNESS: Okay.

BY MS. MONARSKI:

Q This document is the Accounts Payables Account Distribution Report for Westwood One Radio, Inc., for the period ending June 30, 1987. Have you seen this document before, Mr. Jaffe?

A Yes.

Q Did you prepare this document?

A No.

Q Who would have prepared it?

A It would have come out of the computerized accounting systems.

2104088642

Q And when did you see this document before?
A Sometime after June 1987.
Q Would you review this document in the normal course of your business?
A Yes.
Q And for what purpose would you review the document?
A To ensure that the disbursements are in the right accounts.
Q Who was responsible for putting this type of information into your accounting -- computer accounting?
A People in the accounts payable department.
Q Did you supervise these people?
A Yes.
Q Near the bottom of the page is a notation "Venue Fees/Heart" and under "Vendor I.D.," 00596, Mark Kress, Heart, for $3,000. Do you see that notation?
A Yes.
Q Could you explain to me what the numbers to the left of that are under "G/L Account Voucher"? What would those numbers reflect?
A The 4115-5511 would be a general ledger account.
Q And what's the Vendor I.D. number?
A That would be, I think, the person to whom the

21040886643

payment is being made.

Q So each employee at Westwood One would have a number assigned to them when they received checks?

A I think you need a number for every check that's cut.

Q Can I just clarify that? Is that a separate number for every check that's cut, or is the number assigned to the person?

A The number is assigned to the person.

Q Would you have been responsible for reviewing this information?

A Yes.

Q Underneath the notation that we just looked at there is a second notation, also noting "Venue Fees/REO," to Thom Ferro for a check in the amount of $2,000. Would you have reviewed the background material to this in the --

MR. BARAN: Let me interject that in your questions I think I've given you a great deal of latitude while using -- I don't know if it's called the subjunctive tense of the verb in regards to "would you have done this" or "would you have done that." Those types of questions require or call for a speculative answer.

If you're questioning did he do something, I will, of course, not interpose an objection and allow him to testify. But I do think that the types of questions up to

210408806444

this point have called for speculative answers which are general, do not confirm whether in fact Mr. Jaffe has an explicit recollection of having done a specific thing, and I'm afraid that the record might be confusing in that regard if the questioning and answering would continue in that hypothetical tense.

MR. BLESSINGTON: I think you're referring to the conditional.

MR. BARAN: Conditional. Thank you very much.

MR. BLESSINGTON: And I don't think that in certainly all cases it is something to be avoided, but I do think that perhaps in this instance we can get to the same point by avoiding it.

BY MS. MONARSKI:

Q I'd just like to go over the procedure for how this document was prepared once again. Okay?

How was this document prepared?

A This report is generated by the computer at Westwood One. The report was printed out by the computer based on all the transactions that we had put into the computer, and this is the document that tells you where the expenses have been allocated.

Q And what were your responsibilities with regard to the information that was input into the computer?

A Repeat the question, please.

2104088645

MS. MONARSKI: Would you repeat the question.

(Record read by the reporter.)

THE WITNESS: I would review this report.

BY MS. MONARSKI:

Q But you did not have responsibility for reviewing the input material?

A Can you rephrase that?

Q Did you have responsibility for reviewing the documents which created this list?

A No. I just reviewed the report and did not go back to the supporting documentation that supported the checks.

Q And who was responsible for reviewing the supporting documentation?

A If there was a discomfort upon review, I would have a look at it. And if I was comfortable or knew that Gary knew about the transactions, I would not do anything more about it.

Q Okay. And what do you mean by discomfort?

A If I was not sure what the disbursement was for, I could go back and have a look and see what supporting documentations were attached to the check.

Q Okay. How often, generally, would you do that?

A Very, very infrequently.

Q And why was that?

2104088646

A Most of the transactions were of a recurring nature, and the transactions were either recognized or the reasonableness of it satisfied me. And if I was not uncomfortable, I would leave it as it is because I knew that it was being reviewed by Gary Yusko as well.

Q And did Mr. Yusko review this document before you?

A No.

Q After you had already approved the document?

A Most of the time. It's possible that he reviewed it before me. It's possible that I may not have been there.

Q And this document says for the period ending 6-30-87. Generally how long a period would this document cover?

A One month.

Q With regard to the payments to Mr. Kress and Mr. Ferro, do you recall any questions?

A No.

Q On the next page at the very bottom there's a notation "Recording & Mixing/Heart," and on the following page it says to William Battison, Heart, in the amount of $4,000. Do you recall any question with regard to this notation?

A I do not recall.

2104088●6647

Q And underneath that there's a notation "Recording & Mixing/The Judds," Gary Yusko, $4,000. Do you recall any question arising out of this notation?

A I do not recall a question like that.

MS. MONARSKI: I'd like the court reporter to mark this as Exhibit 10.

Q Please review the document.

(Commission's Exhibit 10 was marked for identification and is attached hereto.)

BY MS. MONARSKI:

Q This exhibit is a document, a memorandum about a "Limited Scope Review" to The Audit Committee of Westwood One from Rogers & Wells. Have you seen this document before, Mr. Jaffe?

A No.

Q Did you help prepare this document?

A No.

Q Okay. Thank you.

I'd like to take a five-minute break, please.

(A recess was taken.)

MS. MONARSKI: Let's go back on the record, please.

Mr. Jaffe, I have no further questions at this time.

Would you like to ask any questions, Mr. Baran?

MR. BARAN: I don't have any questions. But if I

may, I would like to introduce a document into the record which Mr. Jaffe has brought with him that I would ask the reporter to label Exhibit 11, which is a copy of the immigration cards for both Mr. and Mrs. Jaffe.

And I would simply direct the Federal Election Commission's attention to the date that appears on those documents, which is March 2, 1983. I thought that might be helpful to you.

MR. BLESSINGTON: Thank you.

MS. MONARSKI: Thank you.

(Commission's Exhibit 11 was marked for identification and is attached hereto.)

MR. BARAN: There not being any further questions by the FEC, I wonder if I could confer with my client to see if we do have anything to add to the record at this time.

MS. MONARSKI: And if you would like to clarify any of your testimony, that's fine.

MR. BLESSINGTON: Let's go off the record.

(A recess was taken.)

MS. MONARSKI: Let's go back on the record, please.

MR. BARAN: I just have one question to ask Mr. Jaffe in part because of the potential for confusion that could be created by the use of the conditional tenses I mentioned earlier.

Mr. Jaffe, with respect to Exhibit No. 9, do

2104088●6649

you today have a specific recollection of reviewing Exhibit 9 in 1987?

THE WITNESS: No.

MR. BARAN: Thank you.

MS. MONARSKI: Would you, during the normal course of business as controller of Westwood One, have generally reviewed documents like this, Exhibit 9?

THE WITNESS: Yes.

MS. MONARSKI: Okay. Thank you. I have no further questions at this time.

I'm prepared to adjourn the deposition. I'd like to present you with a witness fee check, Mr. Jaffe.

MR. BARAN: Don't spend it all in one place, Steve.

MS. MONARSKI: Thank you very much for your cooperation.

THE WITNESS: Thank you.

2104088650

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

I, the undersigned, say I have read the foregoing deposition and hereby declare under penalty of perjury the foregoing is true and correct.

Executed this _____ day of _____, 1990, at _____, California.

_____

STEPHEN M. JAFFE

210408806511

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

The undersigned Certified Shorthand Reporter of the State of California does hereby certify:

That prior to being examined, the witness in the foregoing proceedings was duly sworn to testify the truth, the whole truth and nothing but the truth.

That said proceedings were taken before me at the time and place therein set forth, and were taken down by me in shorthand and thereafter transcribed into typewriting under my direction and supervision; and I hereby certify that the foregoing transcript of proceedings is a full, true and correct transcript of my shorthand notes so taken.

I further certify that I am neither counsel for nor related to any party to said action, nor in anywise interested in the outcome thereof.

In witness whereof, I have hereunto subscribed my name this 9th day of April, 1990.

Zorica Dragovich

ZORICA DRAGOVICH
CSR No. 6524

21040880652

CHECK REQUEST FORM

DATE 6-26 REQUESTED BY

AMOUNT $ 4000.00 DATE NEEDED AM

PURPOSE Recording Judds

PAYABLE TO GJ Yusko

SEND TO

RELATED SHOW

O.K.'D BY

Office Use: Date Paid Check # Code

WESTWOOD ONE

Los Angeles: [illegible] New York: [illegible]

0009

Comm Exhibit 1
Date 3-12-90
ZORICA DRAGOVICH, N.P.

1-Jeffe

PLEASE DETACH THIS STATEMENT
BEFORE DEPOSITING CHECK

THIS CHECK IS TENDERED IN PAYMENT OF ITEMS LISTED

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
6/26/87		RECORDING COSTS JUDGS	4130.5512	[illegible]

WESTWOOD ONE 1640 WASHINGTON BOULEVARD CULVER CITY, CA 90232

WESTWOOD ONE
1640 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

ENTERED JUN 2 6 1987

[illegible] 4129

DATE	AMOUNT
06/26/87	$ 4,000.00

PAY FOUR THOUSAND and 00/100
TO THE ORDER OF GARY BUSKO

[illegible]

[illegible]

2104088 0654

0002

2-Jfle

Comm. Exhibit 2
Date 3-12-90
ZORICA DRAGOVICH, N.P.

WW

CHECK REQUEST FORM

DATE 6-26 REQUESTED BY AM

AMOUNT $ 4000.00 DATE NEEDED

PURPOSE Time fee Rent

PAYABLE TO Battison

SEND TO

RELATED SHOW

O.K.'D BY

Office Use: Date Paid _____ Check # _____ Code _____

2104088 0655

WESTWOOD ONE

Los Angeles: 5700 Wilshire Boulevard Culver City, California 90036 (213) 857-6000 New York: 750 Third Avenue New York, New York 10017 (212) 916-0600

3-Joffe

0010

Comm Exhibit 3
Date 3-12-90
ZORICA DRAGOVICH, N.P.

PLEASE DETACH THIS STATEMENT BEFORE DEPOSITING CHECK

THIS CHECK IS TENDERED IN PAYMENT OF ITEMS LISTED

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
5/26/87		RECORDING [illegible]	4121.5511	[illegible]

WESTWOOD ONE 9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 280-6000

Century City Office
CITY NATIONAL BANK
1888 Century Park East
Los Angeles, California 90067

1671608/1220

NO. 4132

DATE	AMOUNT
06/26/87	$4,000.00

PAY FOUR THOUSAND and 00/100
TO THE ORDER OF
WILLIAM BATTISON

ENTERED JUN 2 8 1987

WESTWOOD ONE

NOT NEGOTIABLE

⑈1671608⑈ ⑆122040888⑆ 6556

0003

4 Joffe

Comm Exhibit 4
Date 3-12-90
ZORICA DRAGOVICH, N.P.

1W

CHECK REQUEST FORM

DATE 6-26 REQUESTED BY

AMOUNT $ 2000.00 DATE NEEDED ASAP

PURPOSE Venue fee R&O

PAYABLE TO Thom Ferro

SEND TO

RELATED SHOW

O.K.'D BY

Office Use: Date Paid Check # Code

2102408886657

5 Jose

WESTWOOD ONE

Los Angeles: 2049 Westwood Boulevard Culver City, California 90230-4690 New York: 200 Third Avenue New York, New York 10017-2000

0011

Comm. Exhibit 5
Date 3-12-90

BEFORE DEPOSITING CHECK

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
6/26/87		VENUE FEE FEE	4115.3510	

WESTWOOD ONE 9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232

ENTERED JUL 2 1987

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-8000

County Clerk Office
CITY NATIONAL BANK
1800 Century Park East
Los Angeles, California 90067

4130

DATE	AMOUNT
06/26/87	$2,000.00

PAY TWO THOUSAND and 00/100

TO THE ORDER OF

THOM FERRO

NOT NEGOTIABLE

⑈021040888⑈ 06558

0001

6 July

Comm. Exhibit 6
Date 3-12-90
ZORICA DRAGOVICH, N.P.

IW

CHECK REQUEST FORM

DATE 6-26-87 REQUESTED BY _____

AMOUNT $ 3000.00 DATE NEEDED _____

PURPOSE venue fees for Heat per MKress request
(split payments)

PAYABLE TO Mark Kress

SEND TO _____

RELATED SHOW _____

O.K.'D BY _____

Office Use: Date Paid _____ Check # _____ Code _____

2104088 0659

Comm. Exhibit 7
Date 3-12-90
ZORICA DRAGOVICH, N.P.

WESTWOOD ONE

Los Angeles: 5700 Wilshire Boulevard Culver City, California 90036 (213)954-4000 New York: 200 Park Avenue New York, New York 10017 (212)880-4000

0012

BEFORE DEPOSITING CHECK

THIS CHECK IS IN FULL PAYMENT OF ITEMS LISTED

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
6/26/87		VENUE FEE [illegible]	4115.5511	[illegible]

WESTWOOD ONE

9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232 (213)

W

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-4000

[illegible]ERED JUN 2[illegible]

County Clerk Office
CITY NATIONAL BANK
1800 Century Park East
Los Angeles, California 90067

19-1630/1220

No. 4131

DATE	AMOUNT
06/26/87	$5,000.00

PAY THREE THOUSAND and 00/100
TO THE ORDER OF

MARK KRESS

[illegible]
[illegible]
NOT NEGOTIABLE

21040888 6660

0000

8-Folder

Comm. Exhibit 8
Date 3-12-90
ZORICA DRAGOVICH, N.P.

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT -------- VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUNT
56666		04126	JOEL SALKOWITZ	87-25	384.62
56660		04125	JANIS HAHN	87-25	288.46
57763		04125	JANIS HAHN	87-28	288.46
57768		04126	JOEL SALKOWITZ	87-28	384.62
58067		04125	JANIS HAHN	87-29	288.46
58081		04036	TM COMMUNICATIONS, INC.	JULY/MUJIN	2606.35
57255		04126	JOEL SALKOWITZ	87-27	384.62
57249		04125	JANIS HAHN	87-27	288.46
57066		04126	JOEL SALKOWITZ	87-26	384.62
56344		04036	TM COMMUNICATIONS, INC.	JUNE	2606.35
58071		04126	JOEL SALKOWITZ	87-29	384.62
56774		04125	JANIS HAHN	87-26	288.46
				ACCT 4090-6801 TOTAL	8577.90
4110-3902	ARTIST CONTRACTS				
57745		02845	DIRE STRAITS OVERSEAS	DIRE STRAI	15000.00
4110-4902	ARTIST CONTRACTS/R E				
57227		04369	ARCOS MANAGEMENT SERVI	MUSICALE	5000.00
4110-5202	ARTIST CONTRACTS				
56568		02298	MONARCH ENTERTAINMENT	D.EDMUNDS	3000.00
4110-5502	ARTIST CONTRACTS				
56570		04344	PMC INC.	J.RODMAN	500.00
57804		03916	THE JUDDS	START TOUR	50000.00
57041		04341	Q B Q ENTERTAINMENT, I	VOID	-17500.00
57042		04362	RODNEY DANGERFIELD	PRI.PARTY	17500.00
56503	NYC PARTY	04341	Q B Q ENTERTAINMENT, I	R DNGRFLD	17500.00
				ACCT 4110-5502 TOTAL	68000.00
4110-5511	ARTIST CONTRACTS/HEART				
57830		04013	HEART	TOUR START	100000.00
4110-5514	ARTIST CONTRACTS				
56686	1ST PMT.ON OXY/	01095	CREATIVE ARTISTS AGENC	1ST PMTOXY	50000.00
4115-5205	VENUE FEES/I C				
57225		00963	THE BOTTOM LINE	THE TRUTH	1500.00
4115-5511	VENUE FEES/HEART				
57801		00596	MARK KRESS	HEART	3000.00
4115-5513	VENUE FEES/REO				
57800		00318	THOM FERRO	REO	2000.00
4120-1005	RECORDING & MIXING				
56508	CRENSHAW,FESTIV	00127	W.F. DAWES	PD/HOTEL	490.00

Comm Exhibit 9
Date 3-12-90
ZORICA DRAGOVICH, N.P.

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUN
56547	LARRY KING	02904	AME, INC.	259942	35.5
56546	IDB	02904	AME, INC.	259943	15.9
57091		03793	AMI TELEVISION	216	463.5
56871		03902	BROADCAST NEWS SERVICE	80681	400.5
56870	WASHINGTON DC	03902	BROADCAST NEWS SERVICE	80682	550.5
56877	DEMENTO	02904	AME, INC.	260656	15.9
56879	GRANT	02904	AME, INC.	260497	90.0
				ACCT 4120-5502 TOTAL	7638.0
4120-5504	RECORDING&MIXING/OTHER				
56711	AMNESTY INTERNA	00682	THE VILLAGE RECORDER	17009	95.8
56691	MUTUAL	04036	TM COMMUNICATIONS, INC.	JUNE	3606.3
58040		02634	RMR STUDIOS	5677	359.0
58041		02634	RMR STUDIOS	5672	359.0
57430		02634	RMR STUDIOS	5643	359.0
56411	RNRNF	02634	RMR STUDIOS	5609	359.0
56410	RNRF	02634	RMR STUDIOS	5614	304.0
56408		02634	RMR STUDIOS	5602	304.0
				ACCT 4120-5504 TOTAL	4746.1
4120-5505	RECRDNG&MIXING/OTHER-SPLS				
56565	AUDIO RECORDING	04343	MARRIOT CORPORATION	315937VAND	922.8
57269	PER DIEM/DRIVIN	02532	ROBERT DEMUTH	W/E 5/24	365.0
57893	LUTHER VANDROSS	03874	SUNSET SOUND	11645	1986.6
57892	HUNTER S & COLL	03874	SUNSET SOUND	11648	1969.8
57851		02962	ROSEANNE LONGWORTH	EARLE/KNIG	1002.5
57785		04349	AMERICAN FEDERATION OF	VOID	-2304.3
57834		04186	JIM CARROCCIO	EAELE/KNIG	700.0
57441		03144	HIT CITY WEST	M.CARVER	375.0
57224		04370	JACKSON BROWNE MANAGEM	AMNESTY SP	443.5
57213		02955	PAUL SCHWARTZ	W/E 6/5	97.5
57212		04186	JIM CARROCCIO	W/E 6/5	900.0
57211		02962	ROSEANNE LONGWORTH	W/E 6/5	1053.5
56328	L.VANDROSS	04186	JIM CARROCCIO		310.0
56338	PER DIEM 6/5-7/	02960	RON MORGAN	FESTIVAL	3760.0
56339		02962	ROSEANNE LONGWORTH	VANDROSS	438.7
57159		03919	ALECK PETERS	BOSTON	180.0
57161		04366	DARREN HILL	5/21&5/22	455.0
57165		03897	MARK VELASQUEZ	BOSTON	595.0
57184		02532	ROBERT DEMUTH	5/16	390.0
57185		02532	ROBERT DEMUTH	5/24	1050.0
57190		02981	ROSS HUMPHREY	4/22	840.0
57191		02981	ROSS HUMPHREY	5/16	360.0
57192		02981	ROSS HUMPHREY	5/24	840.0
56766	GLADY'S KNIGHT	04349	AMERICAN FEDERATION OF	G.KNIGHT &	2304.3
				ACCT 4120-5505 TOTAL	18333.9
4120-5511	RECRDNG&MIXIING/HEART				

2104088 6662

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUNT
57802		02686	WILLIAM BATTISON	HEART	4000.00
4120-5512	RECRDNG&MIXIING/THE JUDDS				
57799		02216	GARY YUSKO	JUDDS	4000.00
57459		02904	AME, INC.	261279	119.71
			ACCT 4120-5512 TOTAL		4119.71
4120-5513	RECORDING&MIXING/REO SPEE				
57719	M&M MILKEY WAYS	02904	AME, INC.	262643	94.89
57459		02904	AME, INC.	261279	119.72
			ACCT 4120-5513 TOTAL		214.61
4120-6504	RECORDING & MIXING				
58042	HEART	02634	RMR STUDIOS	5676	324.00
57429		02634	RMR STUDIOS	5650	324.00
56412	TOM PETTY	02634	RMR STUDIOS	5608	244.00
56409	BON JOVI	02634	RMR STUDIOS	5603	324.00
			ACCT 4120-6504 TOTAL		1216.00
4140-3302	STATION TIME COSTS				
57377		00383	WNEW-FM 102.7	40098	3200.00
4140-3702	STATION TIME COST/SE				
57679		03311	KYOK-AM STEREO	3237	2500.00
58169		02834	KDIA RADIO	1188	2000.00
57117		02422	WRKS-FM	50305	7430.00
57121		01089	WGPR - 107.5 FM	16590	1200.00
56798		02834	KDIA RADIO	1784	2500.00
			ACCT 4140-3702 TOTAL		15630.00
4140-3802	STATION TIME COSTS				
57505		03558	WASH-FM RADIO	060587	2500.00
57381		03558	WASH-FM RADIO	6/5 INV	2500.00
57119		02996	KYUU FM 99.7	85812205	2075.00
			ACCT 4140-3802 TOTAL		7075.00
4140-4103	STATION TIME/TC				
57703		04380	WTHP 98.3 FM	041687	374.85
57701		04383	WQIM MAJIC 95 FM	042687	448.80
57700		04383	WQIM MAJIC 95 FM	042687	140.35
57699		04383	WQIM MAJIC 95 FM	30	589.05
56911		03003	KDLZ 107.5 FM * KHVN 9	3245	4384.00
56910		03106	WILD 1090 AM	1079	244.80
56909		03278	WGCI-FM.....	004702	1668.98
56908		03008	KKFX SEATTLE RADIO	6061	850.00
56907		03365	FM..... WEKS AM	95806	3570.00
56906		03009	WTMP - AM RADIO	8462	1311.25
56905		03290	WBLZ FM 103.5.....	87044085	389.00

0006

2104088 06633

TO: The Audit Committee of
Westwood One, Inc.

August 14, 1989

FROM: Rogers & Wells
Gerald E. Boltz
John W. Cotton
Julie Tatsugi
Counsel to Westwood One, Inc.

RE: Limited Scope Review

I. Introduction

On May 26, 1989, the Audit Committee of Westwood One, Inc. (the "Company") requested a limited scope review of corporate expense disbursements to be performed by Rogers & Wells, counsel to the Company. The review was prompted by the attempted filing on or about April 21, 1989 of an unverified Complaint with the Federal Election Commission ("FEC") by Mark Kress, a former employee of the Company. The unverified Complaint alleged that on or about June 17, 1987, Norman J. Pattiz, Chairman of the Board of Directors and Chief Executive Officer of the Company, requested that eight Company employees and their friends and spouses contribute $1,000 each to the Biden presidential campaign. After political contributions had been made by the eight employees and five nonemployee relatives, Kress alleges that all thirteen were subsequently

2104088 0664

10-Tiffe

Comm. Exhibit 10
Date 3-12-90
ZORICA DRAGOVICH, N.P.

reimbursed by the Company with incorrect entries posted to the Company's accounting records showing that the reimbursement of the political contributions were business expenses.

On May 9, 1989, the Audit Committee authorized Rogers & Wells to conduct an investigation with respect to the allegations made by Kress. Through interviews with the employees named in the unverified Kress Complaint, it was determined that William J. Battison ("Battison"), President and Chief Financial Officer, and Gary J. Yusko ("Yusko"), Vice President, Financial Operations, had in fact mischaracterized reimbursements totaling $13,000 on the Company's accounting records as "venue fees" in order to avoid setting a precedent for future political campaign contributions to be made by the Company. Neither the Audit Committee nor a majority of the Board of Directors had any notice of the reimbursements or misrepresentations on the Company accounting records prior to the filing of the unverified Kress Complaint.

None of the employees who participated in the campaign contributions claim to have had any knowledge of any other reimbursements by the Company for political contributions by employees, nor of any other instances in which the Company's records regarding any disbursements were misrepresented or falsified in any manner.

2104088 0665

As a precautionary measure, on May 26, 1989, the Company's Audit Committee authorized a limited review to be conducted by Rogers & Wells. The Company's expense reimbursement accounting entries were tested for irregularities in the Company's internal controls.

II. Scope of the Audit - Sampling Criteria

Pursuant to the Audit Committee's request for a limited scope review, Rogers & Wells obtained computer-generated general ledger and journal entries for the Company's cash disbursements during the period January 1, 1987 through November 30, 1988. A total of 103 transactions were selected for review with approximately forty items selected in 1988 and sixty items selected in 1987. The total dollar amount of the 103 items was $422,044.48.

The sample selection criteria focused on disbursements made to the employees named on the Kress Complaint of even dollar amounts exceeding $1,000. Also, greater scrutiny was placed on disbursements to employees for venue fees, promotional expenses, and multiple, less than $1,000 disbursements made on the same day to the same payee. These types of expenses were similar to the disbursements cited in the Kress Complaint. The Company's external auditor, Price

2104088666

0027

Waterhouse, annually reviews all disbursements of $20,000 or more. Nevertheless, Rogers & Wells sampled a few items exceeding $20,000 in their review when such expenses were incurred as venue fees.

The 103 items selected for review were highlighted by Rogers & Wells with felt-tip pen on the ledgers and journals provided by the Company ("original listing"). Copies of the original listing were retained by Rogers & Wells for control purposes. Yusko received the original listing of audit items on June 12 and gathered the necessary support documentation for the audit to commence. Sample of pages from the original listing are attached as Exhibit A.

III. The Review Process

On June 20, 1989, John W. Cotton, partner and Laura F. Lee, summer associate/1/ of Rogers & Wells performed the first phase of the audit by examining corporate records, copies of cheques, the endorsements on the back of the cheques, receipts and expense reimbursement request forms for evidence of irregularities in the Company's accounting entries.

/1/ Ms. Lee was employed prior to law school by an multinational bank as an internal auditor.

2104088066 67

Outstanding audit items that lacked sufficient source documents or supporting documentation were assigned an exception number. Mr. Cotton assigned exception numbers 1-33 and Ms. Lee assigned exception numbers 51-79. Yusko was able to clear a few of the exceptions on the same day.

On June 23, 1989, Rogers & Wells produced a report which listed 53 outstanding exception items categorized into 4 types of disbursements; disbursements to employees, venue fees payments, third party payees, and promotion expenses. Refer to Exhibit B (Exception Report Number 1) attached to this report.

Yusko researched these outstanding disbursement exceptions and presented further documentation to Mr. Cotton on June 27, 1989, reducing the total number of exceptions to 15. In eliminating the other outstanding items, all of the payments which were made as venue fees to third party payees were cleared. (See Category B on Exception Report Number 1, Exhibit B.) All of these clearances were supported by the backside of the cheques which reflected proper third party deposits. While there were no physical receipts provided for any of these, it is apparent they were not cashed by any Company employees or officers.

2104088668

All third party payee disbursements (See Category C on Exception Report Number 1, Exhibit B) appear to be proper based on the third party endorsements on the backside of the cheques.

Promotion/Sweepstakes expenses (See Category D on Exception Report Number 1, Exhibit B) appear to be properly deposited in the accounts of the third party payees, without countersignature by any Company officers or employees. However, Item Nos. 61, 62, 69 and 76 were for the receipt of American Express cheques allegedly to be used for cash payments of prizes given in conjunction with promotions contained within Company programs. These amounts total approximately $3,600. Due to the insignificant amount, as well as the representations of Yusko that these cheques were legitimately used for various promotional sweepstakes events, no further examination was performed for these disbursements.

Of the 15 outstanding audit items, all were disbursements that had been made to employees for business expenses. Six items involved location fees and "spiff payment" disbursements to Richard Kimball ("Kimball"), two items involved reimbursements for tour expenses to other employees, five items involved sales commissions calculations, and two items involved wages paid to R. Morgan, a contract driver for

2104088●6669

the Company. Thirteen of the fifteen exceptions were disbursements made in 1987. (Yusko indicated that the Company recordkeeping procedures had become more stringent in 1988 than they had been in 1987.) (See Exhibit C - Exception Report Number 2.) On July 18, Mr. Cotton and Ms. Lee met with Yusko, Kimball, and Battison and eliminated 11 more exceptions. These are discussed passim below.

IV. Audit Findings

The findings of the limited scope review are summarized as follows:

1. Location recording expense reimbursement made to Kimball were not always supported by receipts or request forms. Six disbursements of this type totaling $7,300 were deposited by Kimball into his personal bank account for location recording expenses. It could not be determined from the corporate records if these reimbursements were for actual expenses incurred since no receipts were remitted by Kimball. (See Exhibit D, attached) However, in interviews with Yusko and Kimball, it was indicated that location expenses often are not conducive to obtaining receipts because of the rush of activity and lack of financial sophistication on the part of payees at the concert sites.

2104088670

Kimball was interviewed on July 18 regarding his recollection of the six disbursements. He indicated that all six exception items were concert-related "spiff" expenses, which are unrelated to contractual venue fees and union fees. "Spiff payments," as described by Kimball, represent disbursements paid as facilitation fees to workers at a particular concert site so that they may complete special tasks above and beyond their normal duties. For example, if the recording process at a particular concert site required a microphone or holding cables to be placed in a difficult or extremely dangerous place, a "spiff" of perhaps twenty dollars to a worker might provide enough motivation for the task to be done.

Kimball explained that "spiffs" are an industry custom in the touring business, and that it would be virtually impossible to record on location without them. Despite the fact that union workers are paid an hourly wage by contract, work breaks and other delays which union workers are permitted to waive can often be avoided with a "spiff". Often, time is of the essence in setting up and dismantling recording equipment so as not to disrupt or impede the live performance schedule. "Spiffs" were also necessary for hauling particularly heavy or long cable wiring onstage.

2104088671

In reviewing Kimball's location recording expense forms for spiff fees, he appeared to request amounts of three hundred dollars per city for each concert, with greater amounts requested only for larger metropolitan locations having a stronger union influence. Kimball indicated that he used his past site experience in requesting spiff fee advances. Despite the lack of receipts to support his claims, these amounts seem consistent with the types of needs one would encounter on arranging for a concert recording, and the uniformity of the requested amounts provide even further support for consistency. For example, twenty dollars paid to fifteen people to set-up and dismantle equipment for one concert recording seems to be a reasonable number of spiff-related expenses. Kimball claims that none of the spiff payments were given to Company employees, but instead were paid to third party workers. Therefore, we find no evidence of mismanagement of spiff funds.

Furthermore, the Company had implemented stricter internal controls in 1988 so that Kimball documented most of his spiff payments on a "Location Recording Expense Form". (See Exhibit E, attached). Because of the informal, hectic demands of recording on location, the Company's present policy of advancing spiff funds to Kimball and later obtaining a record of how these funds were used seems justified. Kimball

2104088672

apparently is the only employee who received "spiff" advances during the period reviewed.

We would recommend that employees receiving "spiff" advances should be required to document how many union workers received specific amounts as a "spiff." Kimball noted that he planned to have an envelope stamped with a grid to track his spiff expenses as he incurred them on-site.

2. Per diem disbursements to employees for business trips were sometimes made in advance of departure. According to Yusko, Company policy dictates that so long as the actual number of days out-of-town correspond to the number of days of per diem expenses advanced, no over- or under-compensation for per diem expenses is necessary. It could not be determined from our sample whether employees were reimbursing the corporation for per diem advances that exceeded the actual per diem earned. We accordingly pass no judgment on the Company's per diem procedure since we found no evidence of abuse. The Company does require a statement and approving signature by a supervisor before a per diem advance is made, which provides some level of assurance that per diem advances are properly monitored.

2104088●673

3. American Express Travelers Cheques used for promotional purposes or sweepstakes cannot presently be audited to determine if Company funds were actually disbursed to third party payees as prizes. Yusko indicated that travelers cheques were sometimes given to employees to award to members of the public in conjunction with promotions within the Company programs. The use of Company cheques that would identify the third party payees were not part of the promotional package given to the winner. Yusko reports that he believes travelers cheques are handed directly to third party payees, typically as part of a vacation package award, to be cashed by the winner. We recommend that traveler cheque disbursements exceeding $1,000 include a report from the Company employee identifying the name and social security number of the recipient.

4. Sales commissions and wage calculations appear to be properly documented in the Company records. The Company employs Account Executives who are assigned to specific tour sponsors. For example, if Oxy-10 paid a certain amount to the company to sponsor a Starship tour, the Account Executive who arranged for the sponsorship would receive a sales commission. These account executives reported to the company's Director of National Sales.

2104088●6674

In examining the sales commission contracts maintained by Battison, it was verified that Messrs. Rudnick, and Schonfeld were under contract at a gross fixed commission of $5,000 per sponsorship until December 1987, and thereafter contracted at a sliding scale commission rate of 5% of the gross amount paid by a sponsor.

Mr. Kress generally received a negotiated commission for his work in arranging sponsorship and tours. This commission could range from 10% to 22.8% of adjusted net revenue on a particular tour. Copies of relevant documents showing Kress' commission payout calculations are attached as Exhibit F.

Among the sales commission items selected for review, calculations of amounts disbursed to Account Executives were properly documented and verified without exception. (See Exhibit B for specific transactions.)

V. Recommendations

The recommendation of Rogers & Wells to the Audit Committee at this time would be that no further audit of the Company disbursements is necessary for 1987 and 1988. This recommendation is based on the fact that only a fractional

2104088●675

portion of the sampled items raised the potential for the diversion of corporate funds for an employee's personal use. The audit sample was comprised of those types of disbursements that would most likely reflect this type of problem and neither falsification nor other misconduct in the Company's expense disbursements was evidenced for any of the items audited.

Attached are partial schedules of the original listing and all exception reports generated at the various phases of the audit, including remarks on the status of specific support and source documentation that were necessary to complete the review. The audit was greatly facilitated by the cooperation and efficiency of Yusko in researching and obtaining disbursement documentation.

2104088●6776

[redacted]
STEPHEN JAFFE
818 907-8076
5064 HASKELL AVE.
ENCINO, CA 91436

1053

6/19 1987

Pay to the order of Joseph Biden for President $ 1000 00

— One thousand & 00 — Dollars

GW. GREAT WESTERN SAVINGS
A Federal Savings and Loan Association
15812 VENTURA BLVD.
ENCINO, CA 91436

For

⑆322270039⑆ 1053 ⑈435 800550 2⑈ ⑆0000100000⑈

ANDREA JAFFE
STEPHEN JAFFE
818 907-8076
5064 HASKELL AVE.
ENCINO, CA 91436

6/18/1987 1192

PAY TO THE ORDER OF Joseph Biden for President $ 1000-00

One thousand dollars + 00/100 DOLLARS

GW. GREAT WESTERN SAVINGS
15812 VENTURA BOULEVARD
ENCINO, CA 91436

MEMO A Jaffe

⑆322270039⑆ 1192 ⑈435 800550 2⑈ ⑆0000100000⑈

DF09

21040883677

PAY TO THE ORDER OF
BENEFICIAL NATIONAL BANK
WILMINGTON, DE.
:031100254:
FOR DEPOSIT ONLY
BFP INC.
LB 29750 FOE
0004 8 8 7 9
JY 31 87
62-25
THE PROVIDENT
NATL BK. PHILA., PA.
PAY ANY BANK
3-5
JY 10 AM
PAY TO THE ORDER OF
BENEFICIAL NATIONAL BANK
WILMINGTON, DE.
:031100254:
FOR DEPOSIT ONLY
BFP INC.
LB 29750 FOE
0004 8 8 8 0
JY 31 87
62-25
THE PROVIDENT
NATL BK. PHILA., PA.
PAY ANY BANK
3-5
JY 10 AM
2104088367 8

C 6952

ERRATA SHEET
Deposition of STEPHEN M. JAFFE

COMES NOW Stephen M. Jaffe, Deponent, and states under oath that from the best of his recollection, the following errors or omissions occur in the stenographic transcription of his deposition taken March 12, 1990, in Los Angeles, California:

On Page 13, Line 13, delete the word "insurancing" and insert the word "insuring" in its place.

On Page 28, Line 20, delete the word "Pattis" and insert the word "Pattiz" in its place.

On Page 30, Line 19, insert the word "whether" before the word "we."

On Page 47, Line 2, delete the word "record" and insert the word "recording" in its place.

90 JUL 16 PM 5:27

RECEIVED
FEDERAL ELECTION COMMISSION

Dated at Los Angeles, California, this 7 day of July, 1990.

Stephen M. Jaffe, Deponent

STATE OF CALIFORNIA)
Los Angeles COUNTY) ss.

On this 7th day of July, 1990, before me, the undersigned, a Notary Public in and for the State of California, personally appeared the said Stephen M. Jaffe and who did swear to the truth of the foregoing Errata Sheeet.

NOTARY PUBLIC

My commission expires: June 21,1991

OFFICIAL SEAL
IRMA V CAMPOS
Notary Public-California
LOS ANGELES COUNTY
My Comm Exp June 21 1991

21040883679

TRANSCRIPT OF PROCEEDINGS

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

ORIGINAL

IN THE MATTER OF:	
MARK H. KRESS	M. U. R. 2893

DEPOSITION OF GARY J. YUSKO

Los Angeles, California

Monday, March 12, 1990

ACE-FEDERAL REPORTERS, INC.
Stenotype Reporters
444 North Capitol Street
Washington, D.C. 20001
(202) 347-3700
Nationwide Coverage
800-336-6646

2104088706800

THE UNITED STATES OF AMERICA

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:)
)
MARK H. KRESS) No. MUR 2893
)

DEPOSITION OF GARY J. YUSKO

Los Angeles, California

Monday, March 12, 1990

ZORICA DRAGOVICH, CSR No. 6524

9104088681

THE UNITED STATES OF AMERICA

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:)
)
MARK H. KRESS) No. MUR 2893
_____)

Deposition of GARY J. YUSKO, taken on behalf of the Federal Election Commission, at 312 North Spring Street, Eleventh Floor, Los Angeles, California, commencing at 2:15 P.M., on Monday, March 12, 1990, before ZORICA DRAGOVICH, Certified Shorthand Reporter No. 6524, pursuant to Subpoena.

9104088 6882

APPEARANCES:

2

For the FEDERAL ELECTION COMMISSION:

DANIEL J. BLESSINGTON

and

FRANIA MONARSKI

Attorneys at Law

Office of the General Counsel

999 "E" Street, N.W.

Washington, D.C. 20463

For the Deponent GARY J. YUSKO:

WILEY, REIN & FIELDING

Attorneys at Law

BY: JAN W. BARAN

and

TREVOR POTTER

1776 "K" Street, N.W.

Washington, D.C. 20006

9104088006883

I_N_D_E_X

WITNESS	EXAMINATION	PAGE
GARY J. YUSKO	BY MR. BLESSINGTON	5

EXHIBITS_FOR_IDENTIFICATION

COMMISSION'S		PAGE
1 -	Four checks (tissue copies) dated 6-26-87 from Westwood One to Mark Kress, Thom Ferro, Gary Yusko, William Battison	55
2 -	Four Check Request Forms dated 6-26	67
3 -	7-13-87 Accounts Payables Account Distribution Report, Westwood One, Inc.	78
4 -	Four checks dated 6-26-87 from Westwood One to Gary Yusko, Thom Ferro, Mark Kress, William Battison	82

WITNESS_INSTRUCTED_NOT_TO_ANSWER

PAGE	LINE
54	21
70	16

9104088006884

LOS ANGELES, CALIFORNIA; MONDAY, MARCH 12, 1990

2:15 P.M.

GARY J. YUSKO,

produced as a witness by and on behalf of the Federal Election Commission, and having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. BLESSINGTON:

Q Good afternoon.

This deposition is being taken pursuant to an administrative subpoena issued in connection with a Federal Election Commission investigation conducted under Section 437g of Title 2 of the United States Code. The statute provides for the confidentiality of these proceedings and of the entire investigation until the matter is closed. We've designated the investigation as Matter Under Review 2893.

My name is Daniel J. Blessington, and I'm representing the Commission today along with Frania Monarski.

Please state your full name.

A Gary John Yusko.

Q Mr. Yusko, you have a right to be represented by counsel today. Can you identify your counsel, please.

9104088●6885

A Yes. Jan Baran and Trevor Potter.

Q Have you ever had your deposition taken before?

A No, I haven't.

Q I'm going to give you a brief explanation.

I'll be asking questions involving the charges made in the Complaint filed by Mark Kress in May of 1989. The Complaint charged that a number of individuals, including yourself and your wife, made contributions to the presidential campaign of Senator Joseph Biden in May or June of 1987. I'll be asking you questions concerning your involvement in the matters raised in the Complaint as well as the involvement of others.

The court reporter will take down everything that's said in order to produce a written transcript. Please remember to give verbal answers to all questions rather than simply nodding or shaking your head. And even though you can anticipate my question, give me an opportunity to finish before you answer. Otherwise it will be a very confused transcript.

MR. BARAN: I agree with that.

MR. BLESSINGTON: Thank you. You've been helping us out.

Q If you don't understand a question, if you don't hear me completely, or if you need a break, please let me know. If you want to qualify an answer, please feel free

2104088686

to do that. So if during the course of the deposition you realize that you gave an incomplete or inaccurate answer to a previous question, let me know, and I'll give you an opportunity to correct or amplify the record.

Please treat this proceeding as if you were in a court of law with a judge and jury present, and remember that you're under oath.

What's your home address?

A 16711 Parthenia Street, Unit No. 12, Sepulveda, California.

Q And your telephone number?

A Area code (818) 894-4413.

Q Are you married?

A Yes, I am.

Q And what's the name of your spouse?

A Luz Socorro.

Q What is your current occupation?

A I am vice-president of financial operations, Westwood One, Inc.

Q And what is the place of your employment?

A 8966 Washington Boulevard, Culver City, California.

Q Where have you worked previous to Westwood?

A I worked eight years at Price Waterhouse, and prior to that I was in college working in a grocery store.

9104088687

Q And do you have a college degree?
A Yes, I do.
Q What school did you go to?
A Cleveland State University.
Q Did you graduate?
A Yes.
Q And what was your major?
A Bachelor's of business administration.
Q Did you go to graduate school?
A No, I did not.
Q Do you have any documents with you today that are responsive to the Commission subpoena?
A Yes, I do.
MR. BARAN: Two copies of the same document.
MR. BLESSINGTON: Okay. Thank you.
MR. BARAN: I'd like the record to reflect that I have handed to Mr. Blessington a folder containing documents responsive to the Commission subpoena.
MR. BLESSINGTON: Thank you.
Q You're currently vice-president of financial operations of Westwood One, Incorporated?
A Yes.
Q And when did you start with Westwood?
A The end of May, 1985.
Q And prior to that you were with Price

9104088688

Waterhouse?

A Yes.

Q Can you tell me the difference between Westwood One, Incorporated, and Westwood One Radio Network?

A Westwood One Radio Network is a subsidiary of Westwood One, Incorporated. It's the operating company.

Q You work for both of them now?

A Yes.

Q Effectively both?

A Yes.

Q How did you come to work for Westwood One?

A I was approached by the existing chief financial officer of Westwood One in 1985. Westwood was one of my clients when I was with Price Waterhouse, and they were in need of a corporate controller.

Q And who was the person you spoke to?

A Arthur Levine.

Q And Arthur Levine is no longer with the company?

A No, he is not.

Q And when you were controller, what did your duties entail?

A They were involved with preparing the company's quarterly financial filings with the Securities and Exchange Commission as well as filings with other regulatory agencies

9104088806889

and reviewing disbursements prior to those being made. Basically anything to do with the day-to-day operations, financial operations, of the company.

Q Did you review disbursements to employees of Westwood?

A Yes.

Q What kinds of disbursements?

A Anything and everything that was related to the company's business.

Q That would include travel reimbursements?

A Yes.

Q And reimbursements of business expenses other than travel?

A Yes.

Q Did you review everything?

A Yes.

Q Did you do that on a sample basis of some sort?

A No. I reviewed them every time a check was prepared.

Q Now, how long were you controller?

A Through, I believe, April 1986.

Q And during that period of time until April 1986 was Arthur Levine your supervisor?

A Yes, he was.

Q And what happened in April of '86?

9104088690

A Mr. Levine announced his intent to leave the company. I was promoted to vice-president of financial operations, and William Battison was promoted to chief financial officer.

Q And what was William Battison prior to chief financial officer?

A An executive vice-president with the company.

Q Executive vice-president of --

A Westwood One, Inc.

Q That was the extent of his title?

A Yes.

Q And what were your responsibilities in your new position?

A They were very similar to the previous position with a different title.

Q You did essentially the same thing?

A Yes.

Q Was anyone else named controller during that period?

A At that specific time I don't believe so. It was a month or so later that we promoted -- hired Stephen Jaffe and made him controller.

Q And after you hired Stephen Jaffe, did he pretty much take over the responsibilities that you had previously?

2104088691

A Yes. He handled most of the day-to-day operations.

Q Did you still review disbursements to people?

A Yes.

Q Did you still review all the disbursements?

A Yes. I was one of the check signers.

Q And who were the other check signers?

A William Battison, Norm Pattiz, and Brian Heimerl.

Q And what was Heimerl's position?

A Vice-president of production.

Q And Norm Pattiz, of course, was the CEO of the company?

A Yes, he was.

Q Now, you're currently vice-president of financial operations?

A Yes, I am.

Q And to whom do you report?

A To William Battison.

Q And what is Mr. Battison's position?

A President and chief financial officer.

Q What was his position in June of 1987?

A President and chief financial officer.

Q What is your salary, Mr. Yusko?

A

9104088369 2

Q And what was your salary in 1987?
A I don't recall.
Q Was it over
A Yes, it was.
Q In June of 1987 how many employees did you supervise?
A I don't recall the exact number.
Q Do you have an estimate?
A 20, 25.
Q And that would include Stephen Jaffe?
A Yes.
Q And Stephen Jaffe, of course, supervised people as well; correct?
A Correct.
Q And you're including those people that he supervised as under your supervision?
A Right.
Q During this time, June of '87, May or June of 1987, did you have occasion to meet with Stephen Jaffe and William Battison frequently?
A Yes.
Q How frequently?
A Daily.
Q What would you discuss?
A Whatever problems were items that needed to be

9104088369 3

discussed regarding the company's operations.

Q Were these essentially financial problems?

A Yes.

Q Can you give me some examples?

A Meeting cash-flow requirements, large payments that would be coming up, you know, making sure that we had enough cash to pay those. I believe in 1987 we were also doing a public offering, so there were some -- there was also some work on that as well as the fiscal quarter.

Q Did you ever discuss reimbursements to employees?

A Can you be more specific, please?

Q Well, I should say disbursements to employees. Did you ever discuss disbursements to employees?

A For what period?

Q Well, I would say -- let's say January to May of 1987.

A I'm sure at some stage we did. What the specific comments were, I wouldn't --

Q What I'm trying to get at is did you have any questions with respect to any disbursements that were made to individuals?

MR. BARAN: If I may ask for purposes of clarification, you're asking whether Mr. Yusko had a discussion regarding disbursements in May or June of 1987

9104088●6694

with anybody or --

BY MR. BLESSINGTON:

Q I'm saying generally prior to the events that we're really about here today involving the reimbursements that are noted in your affidavit, among other places, did you discuss questions relating to any disbursements made to employees by Westwood One?

A Yes, I'm sure we probably did.

Q Did you ever discuss them with respect to their propriety?

A Yes.

Q And could you give me any examples of the types of questions you might have had with respect to disbursements?

A Whether or not an employee who listed an expense on his expense report had an appropriate business purpose for that or whether or not it was considered a waste of company assets.

Q And what type of characteristic with respect to a disbursement would raise a question?

A I don't know if there's any one thing in particular. It would be more from the review of the document itself, whether or not it looked as if something wasn't done in accordance with company procedures.

Q What types of documents would you review?

2104088●6695

A The expense reports as well as the supporting documentation behind the expense report.

Q The expense report for a particular individual?

A Yes.

Q Would questions be brought to your attention by the controller?

A Yes.

Q Is that generally how you would end up questioning something?

A That would be one of the ways.

Q What would another way be?

A When I was reviewing the document myself for signature, whether or not something came to my attention that, you know, posed a question to me that I wanted resolved before signing the check.

Q Was there ordinarily a dollar amount that you would look to that would cause a question?

A Not really, no.

Q Well, you've indicated that you spoke to Mr. Battison and Mr. Jaffe on a daily basis during this period of time. Did you talk to Norm Pattiz very often?

A When you say "very often," what time frame do you mean?

Q I'm talking about January through June, July now of 1987.

9104088696

A Within the term "often" would you be more specific.

Q I asked you earlier if you met with Mr. Battison and Mr. Jaffe frequently. You said yes, every day. Did you meet with Norm Pattiz every day?

A No.

Q Generally did you meet with him every week?

A Yes.

Q What type of contact did you have with him?

A It would be passing in the hall or, you know, involving our weekly manager meeting.

Q The weekly manager meeting, what was that?

A It was a meeting held every Monday afternoon that discussed events going on in the company and what every department was doing, and so there was a general awareness of what the company was doing at the time and trying to get as much cooperation as possible from the related departments.

Q And would you make presentations at these meetings?

A It would be an informal type of presentation. Or if something came to mind that you wanted everyone to be aware of, you would make a statement at the meeting, yes.

Q Did William Battison attend these meetings?

A Yes.

2104088●6697

Q Norm Pattiz was also at these meetings?
A Yes.
Q Did Mark Kress?
A When he was in town, yes.
Q He was frequently out of town?
A He did a lot of traveling.
Q Who conducted the meetings?
A What time? 1987?
Q Yes.
A I believe it was Norm Pattiz.
Q Did Thom Ferro ever conduct meetings?
A I believe he took responsibility for conducting the meetings in 1988, 1989.
Q Was Eric Weiss at these meetings?
A Yes, he was.
Q Did Stephen Jaffe attend these meetings?
A No, he did not.
Q He wasn't high enough up in the staff?
A Correct.
Q Dean Marion?
A Yes, he did.
Q Can you describe what these meetings were like in a general sense? I'm not asking you to describe a specific meeting.
A Well, from the aspect that, you know, you

2104088698

mentioned whether or not Dean Marion was present, he was responsible for getting ads placed for various company programs, and what ads we wanted placed were discussed at that meeting, and he would follow through based upon that.

Mr. Kress, he would discuss various groups he was trying to go to and get agreements with for music marketing contracts as well as which advertisers he was trying to get to match with the various groups that were out there.

The artist recording department would go through and talk about which artist they were trying to get to record as well as which groups they had signed contracts with.

Q Did Norm Pattiz basically just go around the table asking each person what he had to report on?

A Yes. It was very informal. It was a round-table type discussion.

Q Was there ever any tension at these meetings that you were aware of?

A When you say tension, based upon whether or not somebody performed well, there could be tension from that individual's perspective.

Q Why would there be tension?

A You did not like to be criticized in front of your peers as -- excuse my language -- screwing up.

9104088699

Q Who would direct these criticisms?

A It would vary. Principally Norm.

Q Was Norm pretty tough on people at these meetings?

A For the most part I would say no.

Q But sometimes he was?

A He was demanding.

Q And when you say demanding, what do you mean?

A I mean that he expected individuals to perform their responsibilities in the way that they were supposed to. If, for example, they were to try to go through and sign up a particular artist to an agreement and for whatever reason they were not making any progress or they hadn't given it as high attention as they should have, he reprioritized their schedule for them, if it was needed.

Q Did he order them to do things at the meetings?

A I would say yes, in certain circumstances.

Q You indicated that you didn't meet with Norm Pattiz very often except at those meetings?

A Correct.

Q You would see him in the hallway from time to time. Did you ever socialize with Norm Pattiz?

A No.

Q Did you ever socialize with William Battison?

A No.

9104088700

Q Are you familiar with how the board of directors operates at Westwood One?

A I have some knowledge, yes.

Q Do you have some knowledge of how it operated in 1987?

A I know who the participants were and had a feeling for when they had -- when there was going to be a meeting.

Q Why did you have a feeling for when there was going to be a meeting?

A Depending upon the circumstance, I was involved with preparing certain documents for the board.

Q Did the board have frequent meetings?

A I think it varied as the need arose.

Q Did you ever attend any?

A Yes, I have.

Q How often in 1987 did you attend board meetings?

A I couldn't recall.

Q Was it less than five times?

A Most certainly.

Q How many people were on the board?

A In 1987?

Q Yes.

A Five, I believe.

2104088701

Q Do you remember who the five were?

A Norman Pattiz, William Battison, Brian Heimerl, Joe Smith, and I believe Larry Freeman came aboard in February of 1987.

Q And that was it?

A Yes.

Q Now, this was the board of directors of Westwood One, Incorporated?

A Yes.

Q Did Westwood One Radio Network have a separate board?

A Yes, it did.

Q And who was on that board?

A Norman Pattiz, William Battison, and Brian Heimerl, I believe.

Q And this was in 1987?

A I believe so, yes.

Q There were no outside members of the board for Westwood One Radio then?

A Not as far as the subsidiary was concerned, no.

Q Did you ever attend meetings of the board of Westwood One Radio?

A No, I did not. Those meetings were very rare.

Q How rare?

A At best, annually.

9104088702

Q Well, did the three members of that board stay in contact with each other during the workday, generally?

A My guess would be yes from the standpoint that all three worked in the same proximity.

MR. BARAN: Do you know?

THE WITNESS: It's just my guess.

MR. BLESSINGTON: Thank you, Counsel.

Q What kind of decisions did the board make? I'm talking about the board at Westwood One, Incorporated.

A It's a very broad question. Can you be a little bit more specific, please?

Q Do you know of any decisions that the board of directors made in 1987?

A They approved the acquisition of the NBC radio Networks as well as "Radio and Records," which is a trade publication.

Q It's a magazine?

A Yes. They were involved with any public offering that the company would go through and do, to ratify those, as well as grant its specific officers the right to enter into contracts that they approved.

Q Fairly big contracts?

A Yes, they were usually substantial contracts.

Q Did the board of directors ever make decisions regarding disbursements to employees of Westwood?

2104088703

A No, they did not.

Q Do you know if Norm Pattiz had a great deal of influence on the board?

A Personally I would not know that.

Q How would you describe Norm Pattiz's management style?

A I would say he pretty much would go through and give you the ball and let you run with it to the extent that you produced results. However, if he felt that you were not getting results, he would provide you some more guidance.

Q To what extent did he get involved in your area of responsibility?

A It was fairly limited.

Q He didn't review disbursements very often?

A He occasionally would go through and sign checks.

Q Ordinarily, though, the checks would be signed by you?

A Myself and/or one of the other check signers.

Q Did two people have to sign?

A Yes, except for Norm Pattiz.

MR. BARAN: Would this be an appropriate time for a two-minute break?

MR. BLESSINGTON: Sure.

(A recess was taken.)

2104088704

MR. BLESSINGTON: Back on.

Q When you would review the documentation prior to signing the check, did you ever find the documentation not in order?

A Yes.

Q And did you ever refuse to sign the check until the documentation satisfied you?

A Yes, I did.

Q Could you give me an example of that?

A There's not one particular that I recall.

Q Maybe if we focused a little bit more. Did you ever disallow a check or not sign a check that would be made out to an individual employee of Westwood One?

A I can't recall.

Q You can't recall if that ever happened?

A It's possible, but I, you know, can't say for sure whether it did or didn't happen.

Q Do you recall ever not signing a check because you weren't satisfied?

A Yes.

Q And if it wasn't an individual, it would have to be a vendor?

A Yes.

Q Is that where you recall it would typically come up?

2104088705

A Typically that's where it happens.

Q Could you tell me the different types of disbursements that you would review that were made to Westwood employees?

A Could you be a little bit more specific?

Q Did you have categories?

A The most obvious would be an expense report.

Q And what would be included on an expense report?

A A request for reimbursement of meals, entertainment, travel, hotel bills.

Q What other types of reports were filled out by employees to receive checks?

A There was a statement or request form that an individual was responsible for if an individual wanted a disbursement made to somebody.

Q To a vendor?

A Yes.

Q I'm just going to ask you a few questions now about some people that we mentioned earlier. Thomas Ferro, did you work with him?

A Yes.

Q How often did you come into contact with him?

A I don't recall the frequency.

Q Was it unusual for you to see him on a business

2104088706

matter?

A No, it was not.

Q Could you have seen him or did you see him perhaps four or five times a month?

A Yes.

Q More than that?

A Yes.

Q Ten times?

A Probably.

Q And what types of things would you talk about with Mr. Ferro?

A I don't recall the specific subjects.

Q In general the types of items that you would discuss with him?

A It would be something to do with the operations of the Westwood One Radio Networks.

Q Involving the financial end of it?

A Yes.

Q Whether the company could afford to do a certain thing, that type?

A Yes.

Q Did you socialize with Thom Ferro at all?

A No.

Q Do you know him to be an honest person?

A Yes.

9104088707

Q Did you work with Eric Weiss?
A Yes, I do.
Q Can you give me an idea of the frequency of your contact with him?
A It would be as needed, you know, as a matter would come up.
Q And what types of matters did you discuss with Mr. Weiss?
A Contracts that he was preparing.
Q And again he would be discussing the financial aspects of these matters with you?
A Correct.
Q If the company could afford it at a particular period?
A Yes. Or whether the terms were appropriate.
Q So he would take care of the legal terms, and you would take care of the financial terms?
A Correct.
Q Did you have much contact with Mark Kress?
A When you say much --
Q Well, what frequency of contact did you have with Mark Kress?
A Usually when he wanted a check or at one of the Monday meetings.
Q Did he want checks very often?

9104088708

A Whenever he turned in an expense report.

Q How often were expense reports turned in?

A In his case, quite infrequently.

Q Did you have to remind him from time to time?

A Several occasions.

Q We also mentioned Dean Marion earlier. Did you work with him very often?

A When you say "very often," who are you comparing that to?

Q Well, good point. How often would you meet with him on a monthly basis?

A Basically the Monday manager meetings.

Q Your contact was fairly limited with Dean Marion?

A Yes.

Q Did you socialize with him?

A No, I did not.

Q Do you know him to be an honest person?

A I couldn't make that statement. I would assume so.

Q So as far as you know, Thomas Ferro and Dean Marion are equally honest?

A Yes.

Q Can you tell me anything about the relationship between Mark Kress and Norm Pattiz?

9104088709

A For my personal knowledge of the relationship I would just have to say from his position as vice-president of music marketing and Norm's position as chairman, Mr. Kress on several occasions would go through and make it aware to individuals that he was a good friend of Norm's.

Q That's what I was getting at. What were your observations about their relationship?

A I believe Mr. Kress thought he was -- wielded more power than what he truly did. He tried to use the friendship.

Q In what way?

A An example would be if he wanted a check prepared immediately, he would, say, go tell Norm if he didn't do it.

Q He would use his relationship with Norm to get things done?

A He would try to.

Q It sounds like you didn't fall for it.

A No, I did not.

Q Did you make a contribution to the presidential campaign of Senator Joseph Biden in May or June of 1987?

A Yes, I did.

Q Did your wife also make a contribution?

A Yes, she did.

Q Did you request her to do so?

9104088710

A Yes, I did.

Q Can you describe the circumstances surrounding your making and your wife's making of the contributions?

A I was requested by Mr. Pattiz if I would be willing to make a contribution, and I responded affirmatively.

Q Can you give any more details than that?

A That's about all that happened.

Q Did he stop by your office?

A Yes.

Q Were the two of you alone?

A Yes, we were.

Q And you recall what he said to you?

A My best recollection would be he asked if me and my wife would be willing to make a contribution to the Biden campaign.

Q Did he indicate any reason for this?

A I didn't ask.

Q Did he indicate any?

A No.

Q And you didn't ask?

A No.

Q Why didn't you ask?

A Just the circumstances, I guess.

Q What do you mean "just the circumstances"?

9104088711

A I didn't feel it was warranted at the time to go and ask further questions.

Q Did Mr. Pattiz discuss reimbursement at this point?

A Yes, he did.

Q So is that why you didn't feel that you needed to ask any more questions about it?

A I can't say if that was the only thing. I feel personally that whether or not he volunteered reimbursement or not, I probably still would have done it.

Q Why?

A Because I think there was very few times that Norm Pattiz asked anybody to do anything, and I wanted to assist.

Q So you're pretty loyal to Norm Pattiz?

A Yes.

Q Even though you weren't friends, there was a loyalty, a professional loyalty?

A Yes.

Q What did he say about the reimbursement at that point?

A I don't recall his exact words. Just that we would be reimbursed.

Q Did he indicate how you would be reimbursed?

A No.

9104088712

Q Did he indicate the source of the funds?

A No, he did not.

Q What was your understanding of how you would be reimbursed at that point?

A At that point there was no specific understanding. It was just we would be reimbursed.

Q Had you ever made a contribution to a political candidate before?

A Are you talking federal candidates or any candidate?

Q Any candidate.

A Yes.

Q How many times?

A Very infrequently. Usually in very small sums.

Q That's what I was going to ask. This thousand-dollar contribution was a considerable contribution in --

A Yes.

Q Didn't that trouble you at all?

A No.

Q Why not?

A With my current salary I could afford a $1,000 contribution.

Q Did you consider at all not making this contribution?

A I can't say that I did.

9104088●7113

Q Can you say that you didn't?
A No. I was going to make it from the beginning.
Q Your reason for readily acceding to make this contribution, was it a business reason?
A I really can't say.
Q Well, you didn't have a personal relationship with Norm Pattiz.
A No.
Q Norm Pattiz was the head of the company.
A Yes.
Q Did you think it was important for your continued happiness at Westwood One to make this contribution?
A I wouldn't say that, no.
Q What would you say?
A It was just that he requested the contribution be made, and I agreed.
Q Did Norm Pattiz often ask you to do things?
A No.
Q Did he ever prior to this ask you to undertake any particular course of action?
A When you say "any particular course of action" --
Q Anything at all. You testified that William Battison was your immediate supervisor.

9104088●7114

A Uh-huh.

Q Nonetheless, did Norm Pattiz ever ask you to do something in the course of your business relationship?

A Yes.

Q How often?

A As the need arose.

Q In 1987 how often did the need arise?

A I couldn't say.

Q Could you estimate?

A No.

Q Did Norm Pattiz often stop by your office?

A In 1987?

Q Yes.

A Yes.

Q And when he stopped by your office, would he just discuss things with you in general?

A It was usually from the standpoint of what the stock price was at the time.

Q And you would have that information?

A Yes.

Q Do you recall any requests that Norm Pattiz made of you in 1987 in addition to the request to make the contributions to the Biden campaign?

A Could you expand on that? Are you talking something similar in nature?

9104088●715

Q I'm talking in a broad sense.

MR. BARAN: Other than the requests for the stock quotes that he's testified to?

MR. BLESSINGTON: Yes.

THE WITNESS: I'm sure there were several analyses that he requested from time to time.

BY MR. BLESSINGTON:

Q I'm asking if he ever asked you to do something as opposed to ask you for information.

A Yes, from the standpoint of preparing an analyses if he needed one done.

Q Did he always couch that in the form of a request?

A Yes.

Q And you considered it part of your job, didn't you?

A Yes.

Q Would you say that Norm Pattiz was generally a polite person?

A Yes.

Q And when he wanted you to do something he would ask you to do it?

A Yes.

Q After you agreed to make these contributions, what did you do?

9104088●7116

A I discussed it with my wife, and we wrote two checks.

Q When did you do that?

A Shortly after the discussion with my wife. I don't recall the exact time frame.

Q Was it within a few days of --

A Yes.

MR. BARAN: Let him finish.

BY MR. BLESSINGTON:

Q Was it within a few days of Norm Pattiz's approaching you?

A Yes. Sorry.

Q We all know where I'm going with that.

MR. BARAN: I don't know where you're going with it. I would like to hear the end of the question, even if Mr. Yusko knows where you're going.

BY MR. BLESSINGTON:

Q So it was within a few days of Norm Pattiz asking you that you prepared the checks?

A Yes.

Q What did you do then?

A I delivered the checks to him in his office.

Q Is that what he had asked you to do?

A Not specifically. He asked that the checks go to him.

9104088717

Q So you personally handed these checks to Norm Pattiz?

A Yes, I did.

Q And what did he say?

A "Thank you."

Q We already established he was a polite person.

MR. BARAN: They're all good people.

BY MR. BLESSINGTON:

Q Did you discuss Mr. Pattiz's request with anyone else at Westwood after he asked you to make the contribution?

A When you say that, is it at my initiative or --

Q I don't care whose initiative. Did you discuss it with anyone?

A Yes.

Q Who did you discuss it with?

A Steve Jaffe.

Q Did he initiate it?

A Yes.

Q What did he say?

A He asked if I was requested.

Q And what did you say?

A Yes.

Q And that was the extent of it?

A Pretty much, yes.

9104088718

Q Did you talk about reimbursement with Mr. Jaffe?

A I don't recall specifically. I believe he mentioned that he was being reimbursed also.

Q Were you aware of anybody else who was asked to make contributions at that point?

A At what point?

Q At the point that you spoke to Mr. Jaffe.

A No, I was not.

Q Did you become aware subsequently that there were other people who had been approached?

A Yes.

Q How did you become aware of it?

A When Mr. Kress requested reimbursement for the contributions.

Q And when was that?

A Later that month, I believe.

Q Up to that point, how many people do you know of were making contributions to the Biden campaign pursuant to a request from Norm Pattiz?

A My wife and myself and Mr. Jaffe and his wife.

Q You hadn't discussed this with William Battison at this point?

A No, I have not.

Q Did you suspect that others were involved?

A Yes.
Q Why?
A I figured if he asked me, he asked the people at higher levels than me.
Q And why did you think that?
MR. BARAN: I object on the basis that it calls for a double speculative answer.
BY MR. BLESSINGTON:
Q Why did you think that?
MR. BARAN: If you know.
THE WITNESS: I don't know specifically. It was just a feeling I had.
BY MR. BLESSINGTON:
Q Did you know at this time that corporations could not make direct contributions to candidates?
A No, I did not.
Q Did it occur to you at the time that if Norm Pattiz wanted contributions to be made to Biden, why didn't he just have the corporation make the contribution?
A I didn't ask him his reasons.
Q Did you think about that at all?
A No, I did not.
Q Subsequent to the contribution that you made to the Biden campaign and the contribution that your wife made to the Biden campaign, have you or your wife made

9104088●7720

contributions to any other federal campaign?

A No, we have not.

Q Now, you indicated that Norm Pattiz volunteered that you would be reimbursed when he asked you. Did he volunteer why he wanted contributions made to Biden?

A No, he did not.

Q And you've testified, I believe, that you didn't ask.

A Correct.

Q Do you know of a Senator Daniel Inouye?

A Yes.

Q Are you aware of any testimony that Norm Pattiz gave to a subcommittee chaired by Senator Inouye?

A Not specifically, no.

Q At the time that you were asked to make the contribution, were you aware that Norm Pattiz wanted to testify before a subcommittee of the Senate?

A No, I was not.

Q Did you ever become aware that Mr. Pattiz testified before a subcommittee of the Senate?

A I believe so.

Q Well, do you recall?

A I believe he made some presentation in front of -- I don't know if it was a subcommittee of the Senate or the FEC or something.

9104088721

Q You knew that he did some testifying in Washington?

A Yes.

Q Did you know it at the time that he made the testimony?

A I'm sorry?

Q Well, what I'm trying to get at is --

A He took a flight to Washington, and that's one of the things that he was going to do.

Q So you're talking about the time that he went?

A Yes.

Q And so that would have been sometime in the summer of 1987?

A I don't recall.

Q He never discussed this testimony with you?

A No, he didn't.

Q Did anybody that you recall discuss this testimony with you?

A No.

MR. BLESSINGTON: Let's just take a short break.

MR. BARAN: Sure.

(A recess was taken.)

MR. BLESSINGTON: We can go back on the record.

Q Mr. Yusko, apart from any discussions you may have had with your counsel, have you discussed this

9104088 7722

investigation with anyone since receiving the subpoena?

A You said any discussion?

Q Yes.

A Yes.

Q With whom did you discuss it?

A Eric Weiss, and a very brief discussion with Bill Battison and Norm Pattiz, the fact that subpoenas were given.

Q Do you recall what you and Battison said to one another?

A Just from the standpoint that we had a subpoena and that we apparently violated the law.

MR. BARAN: Just for purposes of clarification, you are asking questions about the subpoena that was issued January of this year; is that correct?

MR. BLESSINGTON: I believe it's January.

MR. BARAN: The subpoena is dated January 31, 1989.

MR. BLESSINGTON: That's correct. I couldn't remember if it made it into February or not.

Q That's what I'm asking you about now, yes.

A I've also had conversations with Steve Jaffe to put him in touch with Jan.

Q Had Steve contacted you?

A Yes.

Q After he received his?

9104088●7223

A Yes.

Q And is that when you told him to get in touch with counsel?

A Yes.

Q You also said you talked to Norm Pattiz about the subpoena.

A Yes.

Q Can you tell me a little bit about that discussion?

A Just basically that the subpoena came.

Q You said to him, "The subpoena came"?

A Yes.

Q And what did he say to you?

A "I haven't gotten one yet."

Q And that was the extent of the discussion?

A Pretty much.

Q When do you first recall becoming concerned about the contributions that you made?

A When the press went through and picked up a draft Complaint that Mr. Kress supposedly filed with the Commission stating that the contributions were illegal.

Q That was in roughly April or May of '89?

A I don't recall the exact date, but sometime in that time period.

Q Did you discuss it with anybody at that time?

9104088●724

A The officers of the company that were affected had a meeting.

Q Who was at the meeting?

A Eric Weiss, a meeting with each of the individuals separately, I believe, as well as, you know, just the fact that at one of the manager's meetings it was discussed that a Complaint was being filed or the press was picking up about the supposed Complaint.

Q This is the weekly manager's meetings that we talked about earlier?

A Yes.

Q Do you recall when that was?

A No, I don't.

Q Did Norm Pattiz say something at that point?

A He probably did. I don't recall.

Q What do you recall about the meeting?

A The statement that was made that a draft -- a Complaint was sent to one of the publications that particularly didn't care about the company and that they were writing individual paragraphs in their publication on a weekly basis about it.

Q You mean a publication that was somewhat hostile to Westwood One?

A Yes.

Q That was at least the perception of the people

9104088●725

at the meeting?

A Yes.

Q But you can't recall if Norm Pattiz mentioned it?

A I'm sure that he's the one that brought up the fact that the trade publication was going through and carrying the story.

Q Did he give any instructions as to what to do with it?

A Not that I recall.

Q Did he give any guidance at all?

A I don't recall.

Q Did he express any irritation that this draft Complaint had fallen into the hands of this publication?

A Yes.

Q Did he say anything about Mark Kress at that point?

A I don't recall any specific words about Kress.

Q You don't recall any specific words, or you don't recall any conversation about Kress?

A Any conversation about Kress.

Q Did Dean Marion's name come up?

A Yes.

Q Can you describe how it came up?

A He was supposedly a co-person that filed the

9104088●7226

Complaint, whatever the term for that would be.

Q That's okay. Name your term. I suppose it could be co-complainant.

A Co-complainant.

MR. BLESSINGTON: That's acceptable to counsel here?

MR. BARAN: You may testify as you wish.

BY MR. BLESSINGTON:

Q Did anyone say anything else about Dean Marion?

A Not that I recall.

Q Did anyone at that meeting suggest that either Marion or Kress be contacted?

A No.

Q Did anyone discuss what your responses should be if you were asked about these contributions?

A At the time of the initial meeting?

Q Yes.

A The company's statement, I guess, was formulated, if you'd call it a formulation, that it was an unsigned draft Complaint that the company could not respond to.

Q That's what was discussed at the meeting?

A Yes.

Q Were any of you given any type of instructions individually as to what to say if you were asked?

A None. Just that we were not to discuss the

9104088727

matter at all.

Q You weren't to discuss it with anyone?

A Correct.

Q This manager's meeting which you at least discussed, how long was the discussion?

A Less than five minutes.

Q And was this the first discussion that you had with anyone after you found out about the filing of this Complaint?

A I don't recall if that was the first or whether or not there was a comment passing in the hall.

Q You're not sure if you first heard about it at that meeting or whether somebody spoke to you earlier?

A Correct.

Q Did you speak about it with William Battison?

A Are you referring to before or after that meeting?

Q Around that time, since we don't know.

MR. BARAN: That pretty much covers it, before or after.

THE WITNESS: Yes.

BY MR. BLESSINGTON:

Q Were just you and Bill Battison present?

A I don't recall.

Q What did you discuss?

9104088●7728

A I don't recall.
Q What was the nature of your discussion?
A I don't have a specific recollection of what was said at the meeting.
Q Do you have a general recollection of what was said at the meeting?
A It was probably very similar to the comments at the manager's meeting where, as a general point, we shouldn't be discussing it with anybody.
Q But you were discussing it with each other at that point?
A Correct.
Q Did you express, for instance, that you were nervous about it?
A Very much so. Neither one of us, especially myself as a professional, felt very responsible in my position as having gone through and signed the checks that went through and made this reimbursement that we now found out to be illegal.
Q When did you find out that they were illegal?
A I guess the ultimate time was when the subpoena was issued.
Q But you're suggesting this is prior to the subpoena and you thought at least that you had a problem?
A Yes.

9104088●729

Q Were you concerned as a finance professional?
A Yes, I was.
Q Even beyond the specific legalities of it?
A Yes.
Q Is that what you discussed with Bill Battison?
A That could have been part of it. I know both Bill and myself didn't feel very proud of participating in it, and I personally felt very stupid for not knowing that it was illegal.
Q As to what it is, we'll get into some of the specifics in a moment.
Subsequent to your manager's meeting, did you have any other meetings concerning this?
A No specific meetings that I can recall.
Q Any specific discussions?
A Just that the formal Complaint had eventually been filed.
Q Did Norm Pattiz ever ask you to lie about your involvement in this?
A No, he did not.
Q What kind of instructions did Norm Pattiz give -- did he give you any instructions with respect to this?
A None whatsoever.
Q Is the only discussion you had with Norm Pattiz

9104088●7730

the discussion that took place during that Monday meeting that you're talking about?

A That and maybe, you know, passing in the hall that we should -- I would guess it would be more from the standpoint of just we made a mistake, and we need to go through and live up to it.

Q Did he ever apologize to you for getting you involved?

A I wouldn't say that there was an apology because I don't believe at the time he knew, nor would I believe that he would intentionally get me or any of the other officers in something illegal that he knew was illegal at the time.

Q It still doesn't mean that he couldn't apologize for it.

A I don't think anybody feels very good about it.

Q Did you apologize to him?

A I would say no.

Q Did anybody make any comments about Mark Kress after the filing of this Complaint?

A Nothing that hadn't already been said.

Q Could you tell me some of the things that were said?

A He just wasn't -- I think if you go back to some of your other questions, you were referring to honesty

9104088●731

and integrity of individuals, and he wasn't perceived within the company to be very honest and have a lot of integrity.

Q Of the people that we talked about today, is he the only one that you think had a reputation, or less than a sterling reputation, for honesty?

A Yes.

Q How about Norm Pattiz?

A I think he had a very strong reputation for being honest.

Q In the company?

A Yes.

Q Did someone suggest to you that you should retain counsel?

A Yes.

Q Who was that?

A Eric Weiss, I believe, as well as the company's counsel.

Q How did you happen to choose Mr. Baran?

A Mr. Weiss made the decision, I believe. A very good one.

MR. BARAN: I would only point out on the record that Mr. Yusko made the decision.

THE WITNESS: Yes, I agreed with Mr. Weiss' decision.

BY MR. BLESSINGTON:

Q What were the circumstances of Mr. Weiss

9104088●732

arranging for counsel?

A I don't recall.

Q Did he have a discussion with a group of people?

A I don't know specifically.

Q Well, how did you find out about it?

A He told me that he was instructed to obtain counsel for the officers that were involved.

MR. BARAN: I haven't said anything up to this point, but I am going to, at this point, first of all, object on the basis that I think it's irrelevant. And, secondly, I think that it's getting close to asking the witness about the substance of conversations that may, in fact, be covered by the attorney-client privilege.

I would request at this time, before having to specifically object to any particular question, that we move on to another area of questioning.

MR. BLESSINGTON: For the record, I'm still trying to find out, Counsel, what was discussed in this period when people were aware that a problem arose.

MR. BARAN: I don't have any quarrel with that as long as it doesn't involve discussions with attorneys, prospective attorneys, and those that Mr. Yusko was talking to with the understanding that he was pursuing legal advice and guidance. And therefore I think that his discussions

9104088●7333

with Mr. Weiss, not to mention discussions with counsel which is present, would not be proper areas for questioning.

MR. BLESSINGTON: Certainly I would agree with you that questioning him about any conversations he had with the people that are present is certainly not proper. But with respect to Mr. Weiss, I'm not so certain to what extent he was acting as Mr. Yusko's counsel. And if I do feel the need to go forward and it's something you feel the need to instruct the witness, then that's something that we can disagree about later.

MR. BARAN: Understood.

BY MR. BLESSINGTON:

Q Who else did you talk to after finding out that Mark Kress had filed a Complaint?

A Rogers & Wells, company's counsel.

Q They interviewed you about your involvement?

A Yes.

Q They were not acting as your attorneys at the time, I don't believe, were they?

A They were acting as the company's attorneys.

Q What did you tell them?

MR. BARAN: I object on the grounds that the question calls for a response that is protected by the attorney-client privilege. I would like to make it clear for the record that the privilege does not necessarily and only

9104088734

cover conversations between an individual and counsel who, in fact, becomes his counsel, but also that between an individual and counsel under circumstances where the individual believes he or she is obtaining or discussing legal matters that may lead to prospective representation.

MR. BLESSINGTON: So are you instructing your witness not to answer?

MR. BARAN: I am advising my client not to answer your question.

MR. BLESSINGTON: Again, just for the record, the Commission will have to make a decision whether or not to seek to compel this testimony and this line of questioning.

MR. BARAN: I hope that that will not be necessary, since I know it will be unsuccessful.

MR. BLESSINGTON: I think that we're talking about a very gray area here.

I'm going to ask the court reporter to mark this as Exhibit 1.

Q I'm going to give you a copy to take a look at. Let me know when you're ready.

(Commission's Exhibit 1 was marked for identification and is attached hereto.)

THE WITNESS: Ready.

BY MR. BLESSINGTON:

Q As you can see, Mr. Yusko, this is a four-page

9104088735

document, and it consists of copies, tissue copies, of checks along with a statement at the top of each page. Taking a look at the first page, do you recognize that particular document?

A Yes, I do.

Q You've seen it before?

A Yes.

Q Can you explain how you came to see it before?

A I produced the copies for Rogers & Wells for the company's compliance with the subpoena.

Q Was that the first time that you saw it?

A I also signed each one of these.

Q It's pretty hard to read, but --

A Right over the "Not Negotiable."

Q Can we move on to the second page.

A Yes.

Q That's a check written to Thom Ferro, and you've seen this before?

A Yes, I have.

Q Under the same circumstances?

A Yes.

Q Both times?

A Yes.

Q And this third one is made out to Gary Yusko, so I assume that you've seen this before?

9104088●7336

A Yes.
Q At least two times?
A At least two.
Q And what about the last page, the one to William Battison?
A The same as the previous three.
Q Now, on pages 1 and 2, the description of the disbursement is "Venue Fee." One is "Venue Fee Heart" and the second page is "Venue Fee --" I think that is --
A ROE.
Q "REO."
What's a venue fee?
A A venue fee is an expense that the company incurs at a location for being able to record a group there.
Q What kind of expense?
A Rental of the hall, for example.
Q Are these typically made out to employees of the company?
A No, they're not.
Q They're usually made out to the vendor?
A Yes.
Q Why were these made out to employees of the company?
A It was a result of several conversations to record the reimbursement of these contributions in a way

9104088737

that would not cause a precedent within the company.

Q So these particular documents were used to reimburse the contributions that had been made by Westwood employees and their relatives and friends?

A Yes, they were.

Q When did you first discuss the method of reimbursement?

A The day that Mark Kress requested reimbursement.

Q Prior to that time you hadn't thought about it?

A I didn't.

Q Take me through that. Mark Kress came to you and asked you. And what did you tell him?

A I told him that I would have to go through and investigate it further and I would get back to him.

Q And then what did you do?

A I had a meeting with Mr. Battison informing him that Mr. Kress made the request and we broke off the meeting, that he needed to discuss it with Mr. Pattiz.

Q You said you broke off the meeting and then he said that he needed to discuss it with Mr. Pattiz?

A Yes.

Q So prior to breaking up the meeting, what was discussed?

A The fact that Mr. Kress requested reimbursement

9104088738

to the tune of $3,000 for contributions.

Q And then did you discuss your situation as well?

A No, I did not.

Q Did Mr. Battison know at this time that you and your wife had made contributions to the Biden campaign?

A I don't know if he did or did not.

Q So the only thing you discussed was Mr. Kress?

A Correct.

Q Did Mr. Battison volunteer any information about contributions that he might have made?

A At the time of that meeting, no.

Q So this sounds to me like a very short meeting.

A Very short.

Q And as soon as you told him this, did he go see Norm Pattiz?

A Yes, he did.

Q But you weren't with him?

A I don't recall if I was present or not.

Q You could have been, though?

A I could have been.

MR. BARAN: You could not have been there too; right?

THE WITNESS: Correct.

MR. BLESSINGTON: But he can't say he definitely wasn't there.

MR. BARAN: Or was there.

MR. BLESSINGTON: So we have a puzzle still.

Q What is your next recollection of reimbursement discussions?

A After Mr. Battison's meeting, he and I met again.

Q After his meeting with Mr. Pattiz?

A Yes. And at that time he said everybody that had contributed would be reimbursed, and we discussed the various alternatives that were available to the company.

Q What alternatives were they?

A The first was to grant a bonus to each individual.

Q That was, I assume, rejected?

A It was from the standpoint that it would cost the company more than $1,000 per person.

Q Because of taxes?

A Because of taxes.

Q And various deductions?

A Correct.

Q By the way, when --

A I'm not saying also when these were rejected it wasn't right at this -- these are just things that we discussed and eventually was rejected.

Q After Mr. Battison came back from the meeting

9104088●7739

to the tune of $3,000 for contributions.

Q And then did you discuss your situation as well?

A No, I did not.

Q Did Mr. Battison know at this time that you and your wife had made contributions to the Biden campaign?

A I don't know if he did or did not.

Q So the only thing you discussed was Mr. Kress?

A Correct.

Q Did Mr. Battison volunteer any information about contributions that he might have made?

A At the time of that meeting, no.

Q So this sounds to me like a very short meeting.

A Very short.

Q And as soon as you told him this, did he go see Norm Pattiz?

A Yes, he did.

Q But you weren't with him?

A I don't recall if I was present or not.

Q You could have been, though?

A I could have been.

MR. BARAN: You could not have been there too; right?

THE WITNESS: Correct.

MR. BLESSINGTON: But he can't say he definitely wasn't there.

9104088●7740

with Norm Pattiz that you either did or didn't attend, when was the next time that you discussed the matter with him?

A Shortly after that meeting.

Q Would it have been the same day?

A Yes.

Q This was on a fast track, would you say?

A Yes.

Q And so you and Bill Battison discussed possible alternatives. Did he give you any guidance that he might have received from Norm Pattiz?

A At the initial meeting I was to go through and calculate what the bonus potential -- you know, what the bonus would go through and cost the company.

Q The initial meeting before he talked to --

A This was after his meeting with Norm, our second meeting. When the bonus situation came up, I went through and calculated what it would -- what would be involved for each individual, and he made the presentation to Norm, who ultimately rejected that idea.

Q But at the second meeting, the initial meeting after Mr. Battison spoke to Norm Pattiz, you discussed the possibility of reimbursing by bonus payment?

A Correct.

Q And by what other means?

A That was the only one discussed at that time.

9104088●7411

Q And then you worked up the figures?

A Correct.

Q And you brought those figures back to Mr. Battison?

A Correct.

Q And then he brought the figures to Norm Pattiz?

A That is my recollection, yes.

Q And then what happened?

A Mr. Pattiz didn't feel that it was fair to the company to be paying more than $1,000 per individual for the reimbursement, so the option of paying the bonus was rejected.

Q So what you're saying, it's your understanding that it was Norm Pattiz's decision not to make a bonus payment?

A Correct.

Q Then what happened?

A When that was rejected, Mr. Battison and I discussed other alternatives, which included having an individual fill out an expense report requesting reimbursement. Both he and I felt that that was not an acceptable solution.

Q Why not?

A The various individuals that would be processing the payment would expect future contributions or

9104088●7742

things -- people -- how can I phrase this? They would expect similar types of contributions to be made for people they supported as opposed to --

Q Well, so what you're saying then -- I want to be clear on this -- what you're saying is you initially, after the rejection of the bonus idea, thought about the possibility of having people actually fill out an expense report form indicating that they made a contribution to the Biden campaign?

A Correct.

Q And who rejected that?

A Mr. Battison and myself.

Q That was your joint call?

A Yes.

Q Norm Pattiz was not involved in that?

A I don't believe he was. It may have been discussed with him at a later date or later time.

Q And what is your rationale for having made this joint decision?

A The various individuals in accounting that process the checks are very vocal about what they see. Confidentiality isn't one of their strong points. And while there may be several people in the company that would be backing a contribution made to Mr. Biden, there were probably several others that would be expecting a

9104088●7433

contribution to be made to the candidate that they preferred.

Q At any time did you and Mr. Battison discuss whether or not these contributions would be illegal?

A No, we did not. It never entered my mind, at least.

Q Did it ever occur to you to question the thousand-dollars figure?

A No.

Q At this point you were aware that all the contributions that had been made were $1,000 each; is that correct?

A At that time, yes.

Q Did that ever set something off?

A No.

Q Now, let's go on. So what else did you discuss?

A Well, I think because of the confidentiality side, and at that meeting we said we need to find some other alternative that will not make the reimbursement that noticeable to other individuals within the company. And I believe we broke off the meeting at that time to have both of us consider our alternatives.

Q So the first of the two alternatives you discussed were bonuses. They were rejected because of the

9104088●7444

added expense to the company?

A Yes.

Q And the straightforward approach -- is that correct? -- was rejected because you thought that this had to be concealed because of concern about confidentiality?

MR. BARAN: I'm going to object to the wording and your characterization of the question. I don't think, first of all, that Mr. Yusko has used the word "conceal" in any of his testimony. And if the reference to straightforward method is a reference to the expense account reimbursement that he described, perhaps you might use that term in your questioning.

BY MR. BLESSINGTON:

Q Do you think that it was a straightforward way of approaching it?

A It was, yes.

Q Do you have any problem with using the term "straightforward"?

A No.

Q And then you broke off the meeting when you decided that that method wasn't going to work?

A The method wasn't appealing.

Q Then what happened?

A It was probably later that same day that Mr. Kress approached me asking about the status of his

9104088●7745

reimbursement.

Q And then what did you tell him?

A I told him we were looking into the various alternatives for preparing the reimbursement without causing a precedent within the company.

Q And what did he say?

A From my recollection, he went through and he suggested using his area due to the kind of cash transactions that were involved in tour sponsorships.

Q Did that strike you as a good idea?

A It hit the point. Looking back, it was pretty dumb.

Q And after talking to Mr. Kress, then what happened?

A I discussed with Mr. Battison Mr. Kress' alternative.

Q And what did Mr. Battison say?

A Sounds pretty -- you know, my recollection is something to the order of it seems like a very simple way of getting around the potential problems with the expense report alternative.

Q And did he say at that point that he was going to take this idea to Norm Pattiz?

A Yes.

Q And did he?

9104088 7746

A As far as I know, he did.

Q And what was the next discussion that you're aware of?

A The next discussion that I was aware of was that I was to prepare check request forms, one to Mr. Kress, one to Mr. Ferro, one to myself, and one to Mr. Battison, which would be used to go through and reimburse the individuals involved.

MR. BLESSINGTON: I'm going to ask the reporter to mark this as Exhibit 2.

Q I've got a copy for you to look at. Take your time.

(Commission's Exhibit 2 was marked for identification and is attached hereto.)

THE WITNESS: Ready.

BY MR. BLESSINGTON:

Q Thank you.

This, as you can see, is a four-page document made up of copies of filled-in check request forms to Westwood One. Are these the forms that you were just referring to?

A Yes, they are.

Q These were filled out by you?

A Yes.

Q And in the "Okayed" section down at the

9104088●7747

bottom --

A That's me. That's my quick approval.

Q You have a couple of different styles, apparently.

A Yes.

Q So those are your signature or initials?

A Yes.

Q And you did this at the direction of Mr. Battison?

A Yes.

Q Who presumably did it at the direction of Mr. Pattiz?

MR. BARAN: If you know.

BY MR. BLESSINGTON:

Q Is that what --

MR. BARAN: You're not asking him to presume. You're asking him whether he knows.

MR. BLESSINGTON: I'm asking him whether he knows what Mr. Bill Battison represented, for instance.

THE WITNESS: Yes.

BY MR. BLESSINGTON:

Q Mr. Yusko, were you troubled by this at all?

A From the aspect of the dollar amounts involved and the fact that the key officers of the company were aware of it, no.

9104088748

Q But these check request forms were false, were they not?

A They were not accurate.

Q They misrepresented what the disbursements were for, did they not?

A Yes, they did.

Q And you, at the time, were and still are the vice-president of financial operations. Weren't you troubled, given your role?

A At the time I can't say that I was, due to the circumstances.

Q You testified some time ago that you would review various disbursements that went out and review documentation for the writing of checks, signing of checks. Weren't you looking for things that were inaccurate?

A Yes, I did.

Q And in this instance you're the one that produced the inaccurate records?

A Correct.

Q And you've testified that you rejected -- you've rejected an alternative of treating them as expense reimbursements and categorizing them as political contributions simply because you thought you would be setting a precedent; is that correct?

MR. BARAN: I think the record will clearly reflect

9104088●7749

what his testimony is. Is there a question that you wish to ask?

MR. BLESSINGTON: I want to make it absolutely clear that Mr. Yusko decided to reject honestly categorizing these things on the sole basis that he didn't want to establish a precedent.

THE WITNESS: That was not my entire decision, but I agreed with the ultimate outcome, yes.

BY MR. BLESSINGTON:

Q When you say it wasn't your entire decision, you mean other people were involved with you?

A Correct.

Q Had you ever participated in the falsification of records before?

A No, I had not.

Q Do you consider it a violation of your duty to the company?

MR. BARAN: I'm going to object on the basis that it calls for an opinion from the witness.

BY MR. BLESSINGTON:

Q Could you answer the question.

MR. BARAN: I'm going to further object because that question may call for a legal conclusion as well as an opinion in which the witness is not qualified.

///

9104088●7750

BY MR. BLESSINGTON:

Q Can you answer the question?

MR. BARAN: I will instruct and advise my client not to answer that question.

MR. BLESSINGTON: On what basis?

MR. BARAN: I've just stated for the record why I'm objecting to it.

MR. BLESSINGTON: You can object all you want, Counsel, but --

MR. BARAN: I'm objecting because the question asks for an opinion and possibly a conclusion of law to which the witness is not qualified. It's on the record.

MR. BLESSINGTON: I'm not asking for a conclusion of law. I'm asking for an opinion as to whether he felt this violated his responsibility.

MR. BARAN: He has no obligation to testify as to an opinion, personal or otherwise. He has an obligation to testify to the facts. And if you wish to ask him a question which elicits a response concerning a fact, he will testify to that.

MR. BLESSINGTON: I think you're pushing this too far, Counsel. I think you're out of line.

MR. BARAN: I'm very confident as to --

MR. BLESSINGTON: You're asserting a privilege, are you?

9104088751

MR. BARAN: There are numerous objections that can be made.

MR. BLESSINGTON: There are numerous objections that can be made?

MR. BARAN: I have not objected to the numerous questions that have asked for hearsay testimony, which, of course, would also be a legitimate objection. But I think this is going too far because it's asking for opinions and also for possible conclusions of the law. When you ask him his opinion as to whether he may have violated a fiduciary obligation, I think that that calls for an opinion, number one, and, number two, a possible opinion of law.

MR. BLESSINGTON: Well, you've stated your objection for the record, and I don't see why you're carrying that out to instruct him not to answer the question. You've stated your position for the record. I don't know what -- I can understand your grounds for making the objection, Counsel, but I don't understand your grounds for instructing him not to answer.

MR. BARAN: Can we go off the record?

MR. BLESSINGTON: Sure.

(Mr. Blessington and Mr. Baran exited the room and returned.)

MR. BLESSINGTON: Let's go back on the record.

For the record, Mr. Baran and I had a

9104088752

discussion, and then there were a couple of other discussions subsequent to that relative to the last point we were covering. And at this stage Mr. Yusko is going to make a statement for the record explaining some of his motivation.

Q Go ahead Mr. Yusko.

A I would say, first of all, the reason these documents were done is because I was requested to by my superiors, the corporate officers of the company and the largest shareholders of the company. The reason I found this to be acceptable is because it was meeting the company's mandate or intention of not making political contributions, something that would be occurring out of the ordinary course of business for individuals to be doing that expecting reimbursement.

Third, none of my superiors who were involved with reviewing the documentation and signing the checks afterwards were aware of what the real reason for the disbursement was as opposed to what was written on the paper.

And, lastly, I just felt that the total dollar amounts involved were totally immaterial and did not affect the company's financial statements or financial condition as a whole, and as such I didn't feel that I was going through and misstating anything to the company or its shareholders.

9104088753

Q At least what you thought to be in a material way --

A Correct.

Q -- with the amounts of money that go in and out of a company like Westwood.

A Correct.

Q Could you go back to that second point that you mentioned. I'm a little confused on that. You indicated something about a mandate not to make political contributions.

A Yeah. We didn't want individuals from seeing, when we talked about the straightforward approach, of using the expense reports that would have involved somebody writing on a expense report that they made a political contribution.

Once that was done, it would have gotten around the entire company that various individuals had done that and had been reimbursed for that, and that would have started a precedent of other individuals trying to do the exact same thing. And the company and its officers didn't want that to be something that became a situation where we would have to be going through and telling people, you know, "No, you're not allowed to do that."

Contributions, as far as the company is concerned, there was really only one person that was allowed

9104087754

to do that, and that was and is Norm Pattiz.

Q What kind of contributions?

A To any kind of charity, you know, of this nature that we're speaking about, although this was the only one of this kind.

Q So Norm Pattiz could have decided to give ten or fifteen thousand dollars to a particular charity, and he could have received reimbursement from the company for that?

A Yes. And we do that quite frequently. It's expected as part of the business in dealing with artists and record companies that when they have a cause that they want you to go through and support, they expect you to be there.

Q But didn't it occur to you as odd that Norm Pattiz would have asked several individuals to make contributions instead of just -- why didn't Norm Pattiz make the $13,000 contribution to the Biden campaign?

A I can't say why he didn't.

Q But did that occur to you?

A No, it didn't really at the time.

Q Did the thousand-dollar figure mean anything to you?

A At the time, no.

Q And I want to be clear on this, that it's your testimony that at no time prior to the filing of the Complaint by Mr. Kress did you discuss the possible legal

9104088●7555

implications of what you were doing?

A That is correct.

Q And you never had any legal question that remained unarticulated?

A When you say never --

Q Prior to the filing of the Complaint.

A No.

Q Was that a revelation to you when the Complaint was filed?

A Yes, it was. It sounds pretty dumb, but, you know, I --

Q I want to let you explain a little bit more about the nature of your concern over the precedent. Why would people be coming out of the woodwork making political contributions at this point? Why did you think that?

A It's just the nature of the employees that we've got there and the company -- one of the things that got the company to where it was was the fact that various individuals could make significant decisions on their own without having to go through running up and down the ladder to get substantial approvals before committing the company. It was very common if they thought they were doing something that would ultimately go through and benefit the company, that we would reimburse them.

Q Was there a stampede for venue fee payments

9104088●7556

after this?

A No, not that are -- that was the normal volume.

Q Was it unusual for the people who received venue fees in this case to reimburse them and others for their political contributions to get venue fee payments?

A I'm sorry. I don't know if I understand you.

Q It's probably because it's too convoluted.

You, for instance, did you receive venue fee payments very often?

A This was -- never.

Q This was the only time?

A I believe mine was recorded as recording expenses.

Q Recording expenses? Recording and mixing?

A Yes.

Q And this was the one and only time you ever received any recording and mixing fee payments?

A Yes, that is correct.

Q Was it the only time that William Battison ever received a venue fee payment?

A I believe he also was -- received a recording and mixing.

Q If you take a look at Exhibit 2, I think on page 2 it indicates --

A I believe it says venue, but I believe that

9104088757

that recorded as recording and mixing.

Q Well, let me introduce Exhibit 3. Why don't you take a look at that.

(Commission's Exhibit 3 was marked for identification and is attached hereto.)

BY MR. BLESSINGTON:

Q Can you tell me what this is?

A This is a report that comes from our general ledger system that codes each payment to a general ledger account.

Q Did you look at it around the time that it was first produced?

A Yes. I review these monthly.

Q Why don't you take a look down at the bottom and see "Venue Fees, Mark Kress."

A Yes. That relates to the -- from Exhibit 2, your fourth page.

Q The same amount of money. It's venue fees for Heart.

A Correct.

Q And right below that there is an entry for venue fees for REO, and that's Thom Ferro?

A Yes.

Q $2,000. Did Thom Ferro, to your knowledge, ever receive a venue fee payment?

9104088758

A No, he didn't.
Q This was the only time for him?
A As far as I'm aware, yes.
Q Who would get venue fee payments?
A Typically Richard Kimball would request the payment.
Q And Richard Kimball is --
A Vice-president of mobile recording.
Q Are venue fee payments also called spiff payments?
A No.
Q Can you take a look at page 4 of Exhibit 2.
A Yes.
Q You filled this out?
A Yes.
Q And could you just tell me what the purpose is?
A "Venue fees for Heart per Mark Kress, parenthesis, spiff payments."
Q Can you tell me what that signifies?
A Spiff payment is a facilitation that you usually need to go through and pay when you go out on a concert or you're going out on a tour. They're very common in our --
Q Walking-around money?
A Pretty much. And trying to get your truck

9104088759

parked closer to the venue so you can have an easier time recording your group.

Q What does the parenthetical mean in relation to the venue fee?

A At the time I don't recall. It was probably something that Mr. Kress and I discussed at the time.

Q So what this was meant to convey was that Mark Kress received a venue fee payment for which he made a cash payment to a vendor?

A Or individuals.

Q Or individuals. So not only is it not accurate for the purpose, it would be confusing in any case; correct? You just said that a venue fee was not a spiff payment, and it says both here.

A Correct.

Q So what was it meant to convey?

MR. BARAN: Do you remember?

THE WITNESS: I don't remember.

BY MR. BLESSINGTON:

Q Mark Kress would receive venue payments from time to time, however?

A Occasionally he would if, for example, possibly the Music Center in Cleveland would require a payment for a tour there.

Q If we take a look at Exhibit 3 and we take a

9104088807760

look at the bottom of the second page and going on to the top of the last page, it indicates there's "Recording & Mixing/Heart, William Battison." To your knowledge, is this the only time that William Battison ever received this category of disbursement?

A Yes, it is.

Q And continuing on, there's a "Recording & Mixing, The Judds," and that's your name, the same amount as Battison, $4,000. And this is the only time that you ever received such a fee?

A Correct.

Q You indicated your concern that an expense reimbursement for contributions would raise eyebrows among some of the people that worked in accounting that weren't very discreet. Wouldn't payments like these raise some eyebrows?

A I think they took payments like those to be something that were usual and customary in the business.

Q Even as applied to the individuals other than Mark Kress?

A From the standpoint that there were occasions, for example, when somebody would be out of town and they would need cash so that we would make the check in the name of somebody that was there, and the person that ultimately received the cash would sign another receipt to show that.

9104088●7611

For example, in my case, if a check was made payable to me and I took it on behalf of Mr. Kress because his name is currently coming about and he wasn't going to be there at the time and we needed to get cash out of the bank, the check would be made payable to me. I would sign the check, have it taken to the bank, and get the cash back. And when the cash was delivered to Mr. Kress, he would sign a receipt that he had gotten the cash from me. So in that respect it is unusual.

MR. BLESSINGTON: I'd like to introduce Exhibit 4.

(Commission's Exhibit 4 was marked for identification and is attached hereto.)

THE WITNESS: Ready.

BY MR. BLESSINGTON:

Q If you wouldn't mind describing this for me, Mr. Yusko.

A These are copies of the original canceled checks as they were returned from the bank to myself, Mr. Ferro, Mr. Kress, and Mr. Battison.

Q And there were two signatures on each one of these?

A Yes. The top signature is Mr. Battison, and the bottom signature is mine.

Q And on page 2, just for the record, these all were negotiated. When you were discussing the various

9104088●7762

alternatives, did anyone suggest at any point that Norm Pattiz could just reimburse people himself?

A Not that I'm aware of.

Q That didn't occur to you?

A No.

Q Because you did have a problem. You'd either have to falsify records or run the risk of having people seek to have their own contributions reimbursed.

MR. BARAN: What's the question?

BY MR. BLESSINGTON:

Q Well, the question is you were faced with -- after abandoning the possible bonus, you were faced with either having an alternative that would force you to participate in the falsification of records or taking another approach that would result in people finding out about this, and you didn't want them to find out about it. Did any other alternative such as Pattiz paying come to mind?

A That was not discussed with me.

MR. BLESSINGTON: Let's just go off the record.

(Discussion held off the record.)

MR. BLESSINGTON: Back on.

Q I just want to cover a couple more points.

How did you decide that you would give $4,000 to yourself and $4,000 to Battison and $3,000 to Kress and

9104088●7663

$2,000 to Ferro?

A I believe it was a meeting that Bill Battison and I had. Norm Pattiz may have been present. I'm not sure. Mr. Kress had gone through and provided three $1,000 checks, so it was felt that it was easy to give him a check for $3,000, and he would take care of reimbursing the two other individuals that gave him money for the Biden campaign. I was to be responsible for making sure that Mr. Jaffe and his wife were reimbursed.

Q Is that because you were his supervisor?

A Yes. Mr. Ferro was to see that himself and his girlfriend, or fiancee at the time, was to be reimbursed. And Mr. Battison was to take care of the remaining parties.

Q Is that because he was the only one left?

A Yes.

Q Do you know anything about a fundraiser that was held by Norm Pattiz for Ted Kennedy?

A I've heard stories. I don't know of anything personally.

Q Were you asked to attend it?

A No, I was not.

Q Do you know of anybody who did?

A Yes, I do.

Q Can you tell me who they are?

A I believe Mr. Battison was there as well as

9104088●7764

Mr. Wilson.

Q Who's Mr. Wilson?

A Mr. Wilson is the publisher of "Radio & Records."

Q So he doesn't work for Westwood One?

A "Radio & Records" is a subsidiary of Westwood One.

Q Anyone else?

A Not that I know of personally. There were others, though.

Q Are you aware of anybody being reimbursed for their contributions?

A No, I'm not.

Q Have you ever heard anything at all about it?

A No.

Q Did you ever talk to Mr. Battison about the fundraiser?

A Just from the conversation and some of the stories that came about during the dinner meeting.

Q What kind of stories?

A Just humorous anecdotes. Nothing specific.

MR. BARAN: But they all referred to Ted Kennedy.

MR. BLESSINGTON: We won't get into that today.

MR. BARAN: I don't see how it's relevant.

MR. BLESSINGTON: Well, we had that discussion on the

9104088●7655

record earlier, Counsel, and at this point I will not stop the deposition to go to court. We will, as we have on other matters, evaluate our position on that and decide whether to go forward. I don't think the area here is quite as gray as the attorney-client privilege situation.

That's it. I want to adjourn the meeting for today.

MR. BARAN: Okay. I would, if I may, before you conclude, in response to your last statement say that Mr. Yusko clearly is attempting to be extremely cooperative in this matter. He is making numerous frank statements for the record.

At the same time, as his counsel, I interjected objections which I feel are in his best interest and are consistent with his desire to cooperate in this investigation.

To the extent that general counsel's office concludes that it is desirable to seek a motion to compel, I would simply request that representatives of general counsel's office confer with me before marching into court again in the interest of seeking some mutually satisfactory solution short of a motion to compel.

MR. BLESSINGTON: We won't be marching into court until we at least confer with the Commission as well; so certainly that's acceptable.

9104080766

MR. BARAN: Let me rephrase my request to ask you to confer with me before you march to the Commission.

MR. BLESSINGTON: That's fine. We will certainly do that.

I would like to present you with a check for your time here today and your travel. And I just wanted to say that you have an opportunity to read and sign the deposition. Will you be taking advantage of that?

THE WITNESS: Yes.

MR. BLESSINGTON: That's all for today.

9104080767

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

3

I, the undersigned, say I have read the foregoing deposition and hereby declare under penalty of perjury the foregoing is true and correct.

Executed this _____ day of _____, 1990, at _____, California.

_____

GARY J. YUSKO

9104088●7688

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

The undersigned Certified Shorthand Reporter of the State of California does hereby certify:

That prior to being examined, the witness in the foregoing proceedings was duly sworn to testify the truth, the whole truth and nothing but the truth.

That said proceedings were taken before me at the time and place therein set forth, and were taken down by me in shorthand and thereafter transcribed into typewriting under my direction and supervision; and I hereby certify that the foregoing transcript of proceedings is a full, true and correct transcript of my shorthand notes so taken.

I further certify that I am neither counsel for nor related to any party to said action, nor in anywise interested in the outcome thereof.

In witness whereof, I have hereunto subscribed my name this 9th day of April, 1990.

Zorica Dragovich

ZORICA DRAGOVICH
CSR No. 6524

9104088●7769

BEFORE DEPOSITING CHECK

THIS CHECK IS GIVEN IN PAYMENT OF ITEMS

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
6/26/87		VENUE FEE MARK	4113.5511	[illegible]

WESTWOOD ONE 9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232



WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-8000

[illegible]ERED JUN 26

Century City Office
CITY NATIONAL BANK
1800 Century Park East
Los Angeles, California 90067

[illegible]/1220

No. 4131

DATE	AMOUNT
06/26/87	$5,000.00

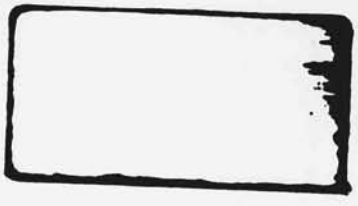
PAY [illegible] THOUSAND and 00/100
TO THE ORDER OF

MARK KRESS

[illegible]

NOT NEGOTIABLE

9104088●770



0000

1-Yusko

Comm. Exhibit 1
Date 3-12-90
ZORICA DRAGOVICH, N.P.

BEFORE DEPOSITING CHECK

THIS CHECK IS TENDERED IN PAYMENT OF ITEMS LISTED

INVOICE DATE	REFERENCE	DESCRIPTION	GL CODE	AMOUNT
6/26/87		VENUE FEE FEC	4113.3513	

WESTWOOD ONE 9540 WASHINGTON BOULEVARD CULVER CITY CA 90232

ENTERED JUL 2 '87

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-8000

County Clerk/Office
CITY NATIONAL BANK
1888 Century Park East
Los Angeles, California 90067

1220

4130

DATE	AMOUNT
06/26/87	$2,000.00

PAY TO THE ORDER OF TWO THOUSAND and 00/100

THOM FERRO

NOT NEGOTIABLE

910408807 71

0001

PLEASE DETACH THIS STATEMENT
BEFORE DEPOSITING CHECK

THIS CHECK IS TENDERED IN PAYMENT OF ITEMS LISTED

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
1/26/87		RECORDING COSTS JUDGS	4130.5512	[illegible]

WESTWOOD ONE 9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-8000

ENTERED JUN 2 6 1987

Security Pacific National Bank
333 South Hope Street
Los Angeles, California 90071

4129

DATE	AMOUNT
06/26/87	$4,000.00

PAY FOUR THOUSAND and 00/100

TO THE ORDER OF GARY BUSKO

[illegible]

NON-NEGOTIABLE

9104088 0772

0002

PLEASE DETACH THIS STATEMENT BEFORE DEPOSITING CHECK

THIS CHECK IS TENDERED IN PAYMENT OF ITEMS LISTED

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
5/26/87		RECORDING OF [illegible]	4121.5511	[illegible]

WESTWOOD ONE — 9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-8000

Century City Office
CITY NATIONAL BANK
1800 Century Park East
Los Angeles, California 90067

1870606/1220

NO. 4132

DATE	AMOUNT
06/26/87	$4,000.00

PAY FOUR THOUSAND and 00/100
TO THE ORDER OF
WILLIAM BATTISON

ENTERED JUN 2 8 1987

WESTWOOD ONE

NOT NEGOTIABLE

910408807773

0003

WW

CHECK REQUEST FORM

DATE 6-26 REQUESTED BY _____

AMOUNT $ 4000.00 DATE NEEDED AM

PURPOSE Recording Judds

PAYABLE TO GJ Yusko

SEND TO _____

RELATED SHOW _____

O.K.'D BY _____

Office Use: Date Paid _____ Check # _____ Code _____

9104088●774

2-Yusko

WESTWOOD ONE

Los Angeles: [illegible] New York: [illegible]

0009

Comm. Exhibit 2
Date 3-12-90
ZORICA DRAGOVICH, N.P.

IW

CHECK REQUEST FORM

DATE 6-26 REQUESTED BY AM

AMOUNT $ 4000.00 DATE NEEDED

PURPOSE Nine fee Rent

PAYABLE TO Battism

SEND TO

RELATED SHOW

O.K.'D BY

Office Use: Date Paid Check # Code

9104088●775



WESTWOOD ONE

Los Angeles: [illegible] New York: [illegible]

0010

1W

CHECK REQUEST FORM

DATE 6-26 REQUESTED BY

AMOUNT $ 2000.00 DATE NEEDED ASAP

PURPOSE Venue fee R&O

PAYABLE TO Thom Ferro

SEND TO

RELATED SHOW

O.K.'D BY

Office Use: Date Paid _____ Check # _____ Code _____

9104088●776





WESTWOOD ONE

Los Angeles: [illegible] New York: [illegible]

0011

WW

CHECK REQUEST FORM

DATE 6-26-87 REQUESTED BY _____

AMOUNT $ 3000.00 DATE NEEDED _____

PURPOSE venue fees for Heart per MKuss request
(split payments)

PAYABLE TO Mark Kuss

SEND TO _____

RELATED SHOW _____

O.K.'D BY _____

Office Use: Date Paid _____ Check # _____ Code _____

9104088777

WESTWOOD ONE

Los Angeles: [illegible] New York: [illegible]

0012

07/13/87 ACCOUNTS PAYABLES ACCOUNT DISTRIBUTION REPORT PAGE 35

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUNT
56666		04126	JOEL SALKOWITZ	87-25	384.62
56660		04125	JANIS HAHN	87-25	288.46
57763		04125	JANIS HAHN	87-28	288.46
57768		04126	JOEL SALKOWITZ	87-28	384.62
58067		04125	JANIS HAHN	87-29	288.46
58081		04036	TM COMMUNICATIONS, INC.	JULY/MUJIN	2606.25
57255		04126	JOEL SALKOWITZ	87-27	384.62
57249		04125	JANIS HAHN	87-27	288.46
57066		04126	JOEL SALKOWITZ	87-26	384.62
56344		04036	TM COMMUNICATIONS, INC.	JUNE	2606.25
58071		04126	JOEL SALKOWITZ	87-29	384.62
56774		04125	JANIS HAHN	87-26	288.46
				ACCT 4090-6801 TOTAL	8577.90
4110-3902	ARTIST CONTRACTS				
57745		02845	DIRE STRAITS OVERSEAS	DIRE STRAI	15000.00
4110-4902	ARTIST CONTRACTS/R E				
57227		04369	ARCOS MANAGEMENT SERVI	MUSICALE	5000.00
4110-5202	ARTIST CONTRACTS				
56568		02298	MONARCH ENTERTAINMENT	D.EDMUNDS	3000.00
4110-5502	ARTIST CONTRACTS				
56570		04344	PMC INC.	J.RODMAN	500.00
57804		03916	THE JUDDS	START TOUR	50000.00
57041		04341	Q B Q ENTERTAINMENT, I	VOID	-17500.00
57042		04362	RODNEY DANGERFIELD	PRI.PARTY	17500.00
56503	NYC PARTY	04341	Q B Q ENTERTAINMENT, I	R DNGRFLD	17500.00
				ACCT 4110-5502 TOTAL	68000.00
4110-5511	ARTIST CONTRACTS/HEART				
57830		04013	HEART	TOUR START	100000.00
4110-5514	ARTIST CONTRACTS				
56686	1ST PMT.ON OXY/	01095	CREATIVE ARTISTS AGENC	1ST PMTOXY	50000.00
4115-5205	VENUE FEES/I C				
57225		00963	THE BOTTOM LINE	THE TRUTH	1500.00
4115-5511	VENUE FEES/HEART				
57801		00596	MARK KRESS	HEART	3000.00
4115-5513	VENUE FEES/REO				
57800		00218	THOM FERRO	REO	2000.00
4120-1005	RECORDING & MIXING				
56508	CRENSHAW,FESTIV	00127	W.F. DAWES	PD/HOTEL	490.00

Comm. Exhibit 3
Date 3-12-90
ZORICA DRAGOVICH, N.P.

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUN
56547	LARRY KING	02904	AME, INC.	259942	25.5
56546	IDB	02904	AME, INC.	259943	15.0
57091		03793	AMI TELEVISION	216	468.5
56871		03902	BROADCAST NEWS SERVICE	80681	400.5
56870	WASHINGTON DC	03902	BROADCAST NEWS SERVICE	80682	550.5
56877	DEMENTO	02904	AME, INC.	260656	15.0
56879	GRANT	02904	AME, INC.	260497	90.0
				ACCT 4120-5502 TOTAL	7638.0
4120-5504	RECORDING&MIXING/OTHER				
56711	AMNESTY INTERNA	00682	THE VILLAGE RECORDER	17009	95.0
56691	MUTUAL	04036	TM COMMUNICATIONS, INC.	JUNE	2606.0
58040		02634	RMR STUDIOS	5677	359.0
58041		02634	RMR STUDIOS	5672	359.0
57430		02634	RMR STUDIOS	5643	359.0
56411	RNRNF	02634	RMR STUDIOS	5609	359.0
56410	RNRF	02634	RMR STUDIOS	5614	304.0
56408		02634	RMR STUDIOS	5602	304.0
				ACCT 4120-5504 TOTAL	4746.1
4120-5505	RECRDNG&MIXING/OTHER-SPLS				
56565	AUDIO RECORDING	04343	MARRIOT CORPORATION	315937VAND	932.8
57269	PER DIEM/DRIVIN	02532	ROBERT DEMUTH	W/E 5/24	365.0
57893	LUTHER VANDROSS	03874	SUNSET SOUND	11645	1986.6
57892	HUNTER S & COLL	03874	SUNSET SOUND	11648	1969.8
57851		02962	ROSEANNE LONGWORTH	EARLE/KNIG	1002.5
57785		04349	AMERICAN FEDERATION OF	VOID	-2304.3
57834		04186	JIM CARROCCIO	EAELE/KNIG	700.0
57441		03144	HIT CITY WEST	M.CARVER	375.0
57224		04370	JACKSON BROWNE MANAGEM	AMNESTY SP	443.5
57213		02955	PAUL SCHWARTZ	W/E 6/5	97.5
57212		04186	JIM CARROCCIO	W/E 6/5	900.0
57211		02962	ROSEANNE LONGWORTH	W/E 6/5	1053.5
56328	L.VANDROSS	04186	JIM CARROCCIO		310.0
56338	PER DIEM 6/5-7/	02960	RON MORGAN	FESTIVAL	3760.0
56339		02962	ROSEANNE LONGWORTH	VANDROSS	438.7
57159		03919	ALECK PETERS	BOSTON	180.0
57161		04366	DARREN HILL	5/21&5/22	455.0
57165		03897	MARK VELASQUEZ	BOSTON	595.0
57184		02532	ROBERT DEMUTH	5/16	390.0
57185		02532	ROBERT DEMUTH	5/24	1050.0
57190		02981	ROSS HUMPHREY	4/22	840.0
57191		02981	ROSS HUMPHREY	5/16	860.0
57192		02981	ROSS HUMPHREY	5/24	840.0
56766	GLADY'S KNIGHT	04349	AMERICAN FEDERATION OF	G.KNIGHT &	2304.3
				ACCT 4120-5505 TOTAL	18833.9
4120-5511	RECRDNG&MIXIING/HEART				

9104088779

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUNT
57802		02686	WILLIAM BATTISON	HEART	4000.00
4120-5512	RECRDNG&MIXIING/THE JUDDS				
57799		02216	GARY YUSKO	JUDDS	4000.00
57459		02904	AME, INC.	261279	119.71
			ACCT 4120-5512 TOTAL		4119.71
4120-5513	RECORDING&MIXING/REO SPEE				
57719	M&M MILKEY WAYS	02904	AME, INC.	262643	94.89
57459		02904	AME, INC.	261279	119.72
			ACCT 4120-5513 TOTAL		214.61
4120-6504	RECORDING & MIXING				
58042	HEART	02634	RMR STUDIOS	5676	324.00
57429		02634	RMR STUDIOS	5650	324.00
56412	TOM PETTY	02634	RMR STUDIOS	5608	244.00
56409	BON JOVI	02634	RMR STUDIOS	5603	324.00
			ACCT 4120-6504 TOTAL		1216.00
4140-3302	STATION TIME COSTS				
57377		00383	WNEW-FM 102.7	40098	3300.00
4140-3702	STATION TIME COST/SE				
57679		03311	KYOK-AM STEREO	3237	2500.00
58169		02834	KDIA RADIO	1188	2000.00
57117		02422	WRKS-FM	50305	7430.00
57121		01089	WGPR - 107.5 FM	16590	1200.00
56798		02834	KDIA RADIO	1084	2500.00
			ACCT 4140-3702 TOTAL		15630.00
4140-3802	STATION TIME COSTS				
57505		03558	WASH-FM RADIO	060587	2500.00
57381		03558	WASH-FM RADIO	6/5 INV	2500.00
57119		02996	KYUU FM 99.7	85812205	2075.00
			ACCT 4140-3802 TOTAL		7075.00
4140-4103	STATION TIME/TC				
57703		04380	WTHP 98.3 FM	041687	374.85
57701		04383	WQIM MAJIC 95 FM	042687	448.80
57700		04383	WQIM MAJIC 95 FM	042687	140.35
57699		04383	WQIM MAJIC 95 FM	30	589.05
56911		03003	KDLZ 107.5 FM * KHVN 9	3245	4384.00
56910		03106	WILD 1090 AM	1079	244.80
56909		03278	WGCI-FM.....	004702	1668.98
56908		03008	KKFX SEATTLE RADIO	6061	850.00
56907		03365	FM..... WEKS AM	95806	3570.00
56906		03009	WTMP - AM RADIO	8462	1311.25
56905		03290	WBLZ FM 103.5.....	87044085	389.00

0906

9104088730

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 4129

DATE	AMOUNT
06/26/87	$4,000.00

PAY TO THE ORDER OF FOUR THOUSAND and 00/100

GARY YUSKO

WESTWOOD ONE

Gary J. Yusko

⑈004129⑈ ⑆122016066⑆ 019-178781⑈ ⑈0000400000⑈

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

1-16-1614

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 4130

DATE	AMOUNT
06/26/87	$2,000.00

#146
1614
JUL-9 1987

PAY TO THE ORDER OF TWO THOUSAND and 00/100

THOM FERRO

WESTWOOD ONE

Gary J. Yusko

⑈004130⑈ ⑆122016066⑆ 019-178781⑈ ⑈0000200000⑈

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 4131

DATE	AMOUNT
06/26/87	$3,000.00

PAY TO THE ORDER OF THREE THOUSAND and 00/100

MARK KRESS

WESTWOOD ONE

Gary J. Yusko

⑈004131⑈ ⑆122016066⑆ 019-178781⑈ ⑈0000300000⑈

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 4132

DATE	AMOUNT
06/26/87	$4,000.00

PAY TO THE ORDER OF FOUR THOUSAND and 00/100

WILLIAM BATTISON

WESTWOOD ONE

Gary J. Yusko

⑈004132⑈ ⑆122016066⑆ 019-178781⑈ ⑈0000400000⑈

9104088●7811

Comm. Exhibit 4
Date 3-12-90
ZORICA DRAGOVICH, N.P.

0007

4-Yusko

For Deposit Only

[illegible]

[illegible]

[illegible]

For Deposit
B of A
05160 - 06103

For deposit only
Guy Yuasa

19-142 32

For Deposit Only

[illegible]

[illegible]

[illegible]

JUL - 9 1987

CITICORP SAVINGS
LAS PALMAS
ACCOUNT NO. 03-3-4000

PAY TO THE ORDER OF
FIRST INTERSTATE BANK
U.S.

JY 87 02
BANK OF AMERICA

JY 87 09
BANK OF AMERICA

BY CNB

9104008807782

8000

OGC6953

ERRATA SHEET
Deposition of GARY J. YUSKO

COMES NOW Gary J. Yusko, Deponent, and states under oath that from the best of his recollection, the following errors or omissions occur in the stenographic transcription of his deposition taken March 12, 1990, in Los Angeles, California:

On Page 25, Line 10, insert the word "in" before the word "particular."

On Page 39, Line 24, delete the word "have" and insert the word "had" in its place.

On Page 41, Line 25, delete the word "FEC" and insert the word "FCC" in its place.

On Page 43, Line 17, delete the year "1989" and insert "1990" in its place.

On Page 64, Line 23, delete the word "our" and insert the word "other" in its place.

On Page 73, Line 10, delete the word "shareholders" and insert the word "shareholder" in its place.

On Page 73, Line 18, delete the word "aware" and insert the word "unaware" in its place.

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 JUL 16 PM 5:27

9104088837883

On Page 82, Line 9, insert the word "not" before the word "unusual."

Dated at Los Angeles, California, this 25th day of June, 1990.

Gary J. Yusko, Deponent

STATE OF CALIFORNIA)
Los Angeles COUNTY) ss.

On this 25 day of June, 1990, before me, the undersigned, a Notary Public in and for the State of California, personally appeared the said Gary J. Yusko and who did swear to the truth of the foregoing Errata Sheeet.

NOTARY PUBLIC

My commission expires: 11-19-90

OFFICIAL SEAL
JONI DIXON-REITZ
Notary Public-California
LOS ANGELES COUNTY
My Commission Expires
November 19, 1990

9104088837884

TRANSCRIPT OF PROCEEDINGS

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

IN THE MATTER OF:	
MARK H. KRESS	M. U. R. 2893

ORIGINAL

DEPOSITION OF WILLIAM J. BATTISON

Los Angeles, California

Tuesday, March 13, 1990

ACE-FEDERAL REPORTERS, INC.
Stenotype Reporters
444 North Capitol Street
Washington, D.C. 20001
(202) 347-3700
Nationwide Coverage
800-336-6646

9104088●785

THE UNITED STATES OF AMERICA

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:)
)
MARK H. KRESS) No. MUR 2893
)

DEPOSITION OF WILLIAM J. BATTISON

Los Angeles, California

Tuesday, March 13, 1990

ZORICA DRAGOVICH, CSR No. 6524

9104088●7886

THE UNITED STATES OF AMERICA

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:)
)
MARK H. KRESS) No. MUR 2893
)

Deposition of WILLIAM J. BATTISON, taken on behalf of the Federal Election Commission, at 312 North Spring Street, Eleventh Floor, Los Angeles, California, commencing at 10:07 A.M., on Tuesday, March 13, 1990, before ZORICA DRAGOVICH, Certified Shorthand Reporter No. 6524, pursuant to Subpoena.

9104088●7787

APPEARANCES:

For the FEDERAL ELECTION COMMISSION:

DANIEL J. BLESSINGTON

and

FRANIA MONARSKI

Attorneys at Law

Office of the General Counsel

999 "E" Street, N.W.

Washington, D.C. 20463

For the Deponent WILLIAM J. BATTISON:

WILEY, REIN & FIELDING

Attorneys at Law

BY: JAN W. BARAN

and

TREVOR POTTER

1776 "K" Street, N.W.

Washington, D.C. 20006

9104088787888

I_N_D_E_X

WITNESS	EXAMINATION	PAGE
WILLIAM J. BATTISON	BY MR. BLESSINGTON	5

EXHIBITS_FOR_IDENTIFICATION

COMMISSION'S		PAGE
1	- Four checks from William J. Battison to Eric Weiss, Debra Seyler, Dean Marion, Joseph Biden for President; (fronts and backs)	34
2	- Four checks (tissue copies) dated 6-26-87 from Westwood One to Mark Kress, Thom Ferro, Gary Yusko, William Battison	50
3	- 7-13-87 Accounts Payables Account Distribution Report, Westwood One Radio, Inc.	51
4	- Four checks dated 6-26-87 from Westwood One to Gary Yusko, Thom Ferro, Mark Kress, William Battison	54
5	- Four Check Request Forms dated 6-26	55

WITNESS_INSTRUCTED_NOT_TO_ANSWER

PAGE	LINE
67	15

9104088789

LOS ANGELES, CALIFORNIA; TUESDAY, MARCH 13, 1990

10:07 A.M.

WILLIAM J. BATTISON,

produced as a witness by and on behalf of the Federal Election Commission, and having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. BLESSINGTON:

Q Good morning, Mr. Battison.

A Good morning.

Q This deposition is being taken pursuant to an administrative subpoena issued in connection with a Federal Election Commission investigation conducted under Section 437g of Title 2 of the United States Code. The statute provides for the confidentiality of these proceedings and of the entire investigation until the matter is closed. The investigation is designated Matter Under Review 2893.

My name is Daniel J. Blessington, and I'm representing the Commission today along with Frania Monarski.

Can you please state your full name.

A William James Battison.

Q You have a right to be represented by counsel,

9104088790

and I note that counsel are present. Can you please identify them.

A Jan Baran and Mr. Trevor Potter.

Q Have you ever had your deposition taken before?

A Yes, sir.

Q Nonetheless, I'm going to describe a little bit about what we're going to do today.

I'm going to be asking questions about the charges made in a Complaint filed by Mark Kress in 1989. The Complaint charges that a number of individuals, including yourself, associated with Westwood One made contributions to the Presidential campaign of Senator Joseph Biden in June of 1987. You indicated in your Response that you made the contribution and participated in the reimbursements by Westwood One.

I'll be asking you questions concerning your involvement in the matters raised in the Complaint as well as the involvement of others. I'll be asking questions about Westwood One and background information on certain individuals.

The court reporter will take down everything that's said in order to produce a written transcript. Please remember to give verbal answers to all my questions rather than simply nodding or shaking your head. And even if you anticipate what my question is, please give me an

9104088791

opportunity to finish it for the clarity of the record.

If you don't understand a question, if you don't hear me completely or if you need a break, let me know. If you want to clarify an answer, please do so. If during the course of the deposition you realize that you gave an incomplete or inaccurate answer to a previous question, let me know, and I'll give you an opportunity to correct the record.

Please treat this proceeding as if you were in a court of law with a judge and jury present, and remember that you are under oath.

What's your home address?

A 316 36th Street, Manhattan Beach, California, 90266.

Q And what's your telephone number?

A Area code (213) 545-9414.

Q Are you married?

A Yes, I am.

Q And what's your wife's name?

A Elizabeth Battison.

Q And what was her maiden name?

A Hines, H-i-n-e-s.

Q How long have you been married?

A Just less than two years.

Q So what --

9104088●7922

A June 4, 198- --

MR. BARAN: Let him finish the question.

BY MR. BLESSINGTON:

Q What was the date of your wedding?

A June 4, 1988. I'm supposed to know that.

Q I was going to ask you some preliminary questions, but as long as we're on the subject, do you know an Elizabeth Bauman?

A No.

Q Never heard of her?

A Never heard of her.

Q What's your current occupation?

A The president of Westwood One, Inc.

Q And how long have you been there?

A Since the fall of 1985.

Q Prior to your employment at Westwood, where were you working?

A Immediately prior?

Q Yes.

A Admar Research, New York City, New York.

Q What kind of business is that?

A Market research company.

Q What did you do there?

A President.

Q Prior to that?

9104088●7933

A American Broadcasting Companies, ABC Radio Network, New York City, New York; vice-president planning, finance, and development.

Q What time frame did you work there?

A 1979 to 1984.

Q Prior to that?

A Booz-Allen & Hamilton, management consultant, New York City, New York.

Q And what type of consulting did you do?

A General management consultant.

Q And what years were you there?

A 1977, '78, and '79.

Q Prior to that what did you do?

A International Paper Company, New York City, New York; product manager, 1976-1977.

Q And prior to that?

A Graduate business school, University of Virginia, Charlottesville, Virginia.

Q You got a graduate degree in what? Business administration?

A MBA.

Q And that was from the University of Virginia?

A Yes.

Q What undergraduate school did you go to?

A University of Virginia.

9104088●7794

Q Did you bring any documents with you today thata are responsive to the subpoena?

A Yes, I did.

MR. BARAN: Let the record reflect that I have handed to Mr. Blessington documents in response to his subpoena.

MR. BLESSINGTON: Thank you. Two copies. Okay. I'll be introducing those later, and we can talk about them a little bit.

Q Mr. Battison, you said that you started working at Westwood in the fall of 1985. How did you come to work for Westwood?

A Mr. Pattiz offered me a job in conjunction with a visit that I made to him soliciting research.

Q You had solicited research?

A Research and consulting.

Q On behalf of your previous employer?

A Yes.

Q Had you known Mr. Pattiz before that?

A Just generally through the industry.

Q You had seen him at conferences and that type of thing?

A Correct.

Q So you didn't apply for a job there?

A No.

Q You were asked to come on?

9104088●795

A Correct.

Q And did he tell you why he wanted you?

A Not specifically that I can recall.

Q What did he say to you?

A He said, after several hours of general business discussion, that it sounded to him like I liked the radio business more than the research business and that I would probably be happier working with him in radio.

Q Did he indicate any of the qualities that you had that he was looking for?

A He was aware of my reputation in the industry.

Q And what was your reputation in the industry?

A During my five years at ABC Radio I had been responsible for the conversion of not only ABC but subsequently the other radio networks from land-line distribution to satellite, for the acquisition of a program supplier company called Watermark for the acquisition of a program called "Casey Kasem's American Top 40" for the general improvement of the ABC Radio Network, according to my president there.

Q And that was how you knew Norm Pattiz as well?

A Through my experience at ABC.

Q And obviously you decided to take the job. What was your position at the time?

A Executive vice-president.

9104088007796

Q And what were your responsibilities as executive vice-president?

A Initial responsibilities were related to the acquisition, which had been announced but not yet consummated, and ultimately the turnaround of the Mutual Broadcasting System.

Q At the time that you began, Westwood was in the process of acquiring the Mutual Broadcasting System?

A They had announced a letter of intent.

Q And how long did this period last?

A The actual acquisition was signed on December 2, 1985, and the finalization of all the terms and agreements with the seller, between the seller and the buyer, was May 4, 1986.

Q Made when?

A May 4.

Q May 4. At that point did your responsibilities change?

A At some point -- the precise date I don't recall -- I became in 1986 chief financial officer. I believe it was April or May.

Q And prior to becoming chief financial officer, did you report directly to Norm Pattiz?

A Yes, yes.

Q Did you report to anyone else?

9104088 7797

A There was a president at the time to whom I -- with whom I worked.

Q And who was that?

A A man named Arthur Levine.

Q In the organizational structure were you supposed to report to him?

A I'm not sure that's clear.

Q But you are certain --

MR. BARAN: Your question presumes there was an organizational structure.

MR. BLESSINGTON: It was an organization.

THE WITNESS: There was responsibilities that were directly mine because of my experience. The president was also the CFO and was purely financial, and I was working mainly operational.

BY MR. BLESSINGTON:

Q How long were you chief financial officer?

A I'm still chief financial officer.

Q Your title has not changed since then?

A I became president and chief financial officer in December of '86.

Q What are your responsibilities as president and chief financial officer?

A I'm responsible for the overall direction, planning, and execution of our capital structure of the

9104088798

company for the operations of the company from a financial point of view as well as I have general oversight of the adult part of our business.

Q What do you mean "the adult part of our business"?

A The regular news and information networks, Mutual and NBC.

Q As opposed to the music programming?

A As opposed to the music programming.

Q How many employees do you supervise?

A The entire company has approximately 630 employees. I do not know the breakdown of youth and adult, but as president I suppose that number is appropriate.

Q You report directly to Mr. Pattiz?

A Correct.

Q In 1987 were there approximately the same number of employees?

A No.

Q How many were there in '87?

A I do not know precisely. However, in -- I do not know precisely.

Q Could you give me an estimate?

A There would be somewhere between 400 and 500. That's my best estimate.

Q Did you confer on a daily basis with Norm

9104088799

Pattiz?

A Generally, yes.

Q What types of matters would you confer about?

A A wide range of things from operational issues, competitive issues, marketplace issues, internal issues, general day-to-day operation of the business.

Q Financial issues?

A Financial issues.

Q What types of financial matters would you discuss with Mr. Pattiz?

A Are we speaking about that time then or this time now?

Q Yes, at that time, 1987.

A On a regular basis, sales, revenues, quarterly financial estimates and ultimately filings that audited or reviewed reports, preparation of the annual report, preparation of information for shareholders.

Q Was Mr. Pattiz very involved in these matters?

A I don't understand the question.

Q You've worked in a lot of different places, and I was really questioning to find out if you would consider Mr. Pattiz more involved than other people in a similar position.

A In terms of day-to-day operations of the company?

9104088800

Q Yes.

A He is very much involved, yes.

Q Were there regularly scheduled senior management meetings at Westwood?

A We generally have a weekly management meeting.

Q How many people would attend those?

A Typically ten. Perhaps more.

Q Can you recall the people that attended these meetings in 1987?

A The format of the meeting has been relatively consistent for as long as we've had them, which is generally department heads from the various departments sit in these meetings.

Q What occurred at these meetings?

A A general discussion of the goings-on in each individual department head's area of responsibility. It would be an around-the-room kind of report process.

Q Were they informal?

A There was always a formal order determined by where your seat was. We started on one side, whoever was talking, and would respond to questions from other people as they dialogued and exchanged information.

Q Who conducted these meetings?

A Initially Mr. Pattiz. But sometime in '87 Mr. Ferro, as the head of Westwood One Radio Network, the

9104088801

L.A. company, took over the chairmanship responsibility for that meeting.

Q So there was a formal chairman of the meetings?

A It was an informal meeting with an informal chairman.

Q When did Mr. Ferro take over the conduct of the meeting?

A I do not know precisely.

Q Do you know if it was before July of 1987?

A I do not know precisely.

Q Sometime during that year?

A That's my best recollection, yes.

Q Do you recall if anyone was ever criticized at these meetings?

A The main purpose of these meetings and the general tone of these meetings was an exchange of important and worthwhile information between divisions of the company that had to work together. There was generally a strong supportive atmosphere and generally a dialogue of information related to specific projects or specific goings-on such as concerts, you know, shows, audience, normal day-to-day business. I don't recall any specific occasion where anyone was chastised or -- I don't remember the term you used, but --

MR. BARAN: Criticized.

9104088802

THE WITNESS: Criticized openly, negatively criticized.

BY MR. BLESSINGTON:

Q You can't recall a specific instance?

A No.

Q Do you have a general sense that that occurred?

A No.

Q Do you socialize at all with Norm Pattiz?

A Not really. Let me -- we have socialized because of business or other circumstances, but we are not regular social --

Q Your relationship is essentially a business one?

A Generally.

Q Now, you are on the board of directors at Westwood One, are you not?

A That's correct.

Q Were you on it in 1987?

A I believe I was appointed to the board in May of '87.

Q Can you check?

A Certainly.

Q Maybe we can get back to it.

A Sure. Okay.

Q Who else was on the board in 1987?

9104088803

A What period in 1987? Norm Pattiz, chairman, Joe Smith, Brian Heimerl, Larry Freeman, and myself.

Q It was a five-member board then?

A I believe that's correct.

Q And two of the individuals were outside members?

A Correct.

Q Do you recall anybody else that was on the board sometime during 1987?

A No. During '87, no. I believe that's correct.

Q How often did the board meet in 1987?

A I don't recall precisely. However, I believe at least quarterly, and in certain cases related to acquisitions, more frequently.

Q What did the board do at its quarterly meetings?

A General oversight of the corporation, report from management, update on current events, in the case of the meetings coinciding with certain projects such as the NBC acquisition, review of documents.

Q Excuse me. Documents associated with the takeover?

A With the purchase, yes. Discussion, general discussion of strategy, discussion of general business events.

9104088804

Q The quarterly meetings then were -- correct me if I'm wrong -- essentially very general in nature?

A They would get to specifics regarding such things as acquisitions, financings, business. I mean, it was a lot of discussion about the business itself.

Q Is it fair to say that the board dealt with major concerns of the company?

A I believe it's fair to say as a public company they were actively involved.

Q Did the board ever get involved in any matters such as reimbursements to employees?

A Not to my knowledge.

Q Did the board meetings last a long time, individual meetings?

A That would vary.

Q In 1987 what was the longest one that you can recall?

A I believe in 1987 we had a dinner meeting that lasted four hours.

Q Dinner included?

A Yes.

Q Do you recall any incidents where Norm Pattiz had any difficulty getting something by the board?

A I'm not sure I understand the question.

Q The board handled major decisions, did it not?

9104088805

A Correct.

Q The decisions, I expect, were made on the recommendations of Mr. Pattiz?

A Yes, as chief executive officer; correct.

Q Did he ever have any difficulty getting a recommendation through?

A In my recollection of significant issues which were brought to the board by Mr. Pattiz, and often with my help, there was always a lengthy explanation on the part of Mr. Pattiz and myself about the reasons behind the issue, be it an acquisition or something else, and a statement of general business concern, specific business concern, and a presentation, as it were, of why something he was requesting was being requested and what he thought it meant it would do and a request to the board for approval.

The process, I believe, by the way it was done, naturally was thorough enough to encourage board members' approval. But in my recollection there was always questions, and the questions would always be answered by either Mr. Pattiz or myself or some other relevant person.

Q What constituted approval?

A Ultimately it would go to a vote.

Q How many votes were necessary to have a recommendation approved?

A I don't specifically recall what the bylaws

9104088006

require, but all issues would go to a vote.

Q You don't recall if a majority was needed?

A I don't recall specifically the bylaws of what the requirement is.

Q Do you recall if anybody on the board ever voted down a recommendation? Cast a negative vote?

MR. BARAN: Could you rephrase the complete question.

BY MR. BLESSINGTON:

Q Do you recall if any member of the board ever cast a negative vote with respect to a recommendation?

A I don't recall. I don't recall.

Q You don't recall a negative vote?

A No.

Q You do recall positive votes?

MR. BARAN: Is there a question pending?

MR. BLESSINGTON: Yes.

Q Do you recall positive votes?

A I recall positive votes.

Q Did you ever discuss the board of directors with Norm Pattiz?

A In what regard?

Q Did you ever talk about getting a particular recommendation through the board?

A In the course of -- yes, is your answer.

Q Can you give me an example?

9104088807

A In the course of several acquisitions, Mr. Pattiz would instruct me to prepare a report outlining opportunities, potential problems, financial implications, projections for acquired properties. Typically there would be a booklet or binder about the property which would be given to the board members several days in advance for their perusal after which they would come to the meeting prepared with questions.

Q Did Mr. Pattiz ever express any concern to you that the board might not support a particular recommendation?

A Mr. Pattiz was always very diligent in preparing information for the board so that he could explain thoroughly what he was trying to do and in the process seek their approval.

Q Did he ever express concern, however, that the board may not support a particular recommendation?

A It was generally his practice to instruct myself and anyone else who was negotiating for a contract or any sort of corporate obligation to initiate that contract or that letter as pending approval of the board of directors.

So, in essence, yes, he felt that the board of directors' approval for significant acquisition, be it Casey Kasem or a major contract, he felt obligated to take those

9104088808

to the board and get their approval.

Q He felt obligated to take them. But did he ever express a concern that the board might not go along with the recommendation?

A He did not express it directly to me.

Q Thank you.

You mentioned Thomas Ferro earlier.

A Correct.

Q Can you tell me who he was, is?

A Thom Ferro is vice-president and general manager of the Westwood One Radio business, the entertainment programming part of our business.

Q That is a subsidiary of Westwood One?

A It's a subsidiary of Westwood One, Inc.

Q Did you have occasion to work with Thomas Ferro in 1987?

A On an occasional basis, yes.

Q What occasions would they be? Were they --

A Events related to the entertainment side of the business and the proper development of that part of the business.

Q So to the best of your recollection, you only met with him a few times on that?

A Mr. Ferro's office is in the same vicinity as mine, and was then at the time, and as such we would speak

9104088809

regularly.

Q Do you know a Gary Yusko?

A Yes, I do.

Q And could you tell me your professional relationship with him?

A Gary Yusko is my vice-president and chief accounting officer.

Q And how long has he held that position?

A He was at Westwood One when I got there. I don't know when he started. He's been vice-president, chief accounting officer since I was made CFO. Prior to that he was controller.

Q Did you hire him for his present position?

A No, I did not.

Q Who did?

A I believe my predecessor, Arthur Levine.

Q In 1987 did you work with Mr. Yusko on a daily basis?

A Yes.

Q What types of things would you work on?

A Generally anything related to the accounting side of the business who was under Mr. Yusko's direct control.

Q Did he take problems that he had to you?

A On occasions.

9104088810

Q Often?

MR. BARAN: Do you understand the question?

THE WITNESS: I don't understand the question.

BY MR. BLESSINGTON:

Q Well, you indicated that you spoke to him on a daily basis, and you indicated that he took care of the accounting side of things. I'm just wondering what you talked about on a daily basis.

A Mr. Yusko reports to me. I'm his direct supervisor. We will talk about anything, any issues or problems he had, or discuss current opportunities, problems, successes, shortcomings of the company at any particular time. It's a wide range.

Q Do you know Eric Weiss?

A Yes, I do.

Q In 1987 did you work with him frequently?

A Yes, I did.

Q And what was his position at the time?

A I believe he was vice-president of business and legal affairs.

Q What was the nature of your meetings with Mr. Weiss?

A Mr. Weiss reported directly to me as well -- his office was immediately outside my door -- in terms of contracts, affiliation agreements, artist relations, artist

9104088811

contracts, anything related to any outside legal matters that he felt he needed additional advice or approval on; those kinds of things, general business.

Q Even though he was vice-president of business affairs at the time, he did have a legal function?

MR. BARAN: I don't believe that that is Mr. Battison's testimony, his description of Mr. Weiss' title.

BY MR. BLESSINGTON:

Q Did he have a legal function?

A He was a lawyer, is a lawyer, and was our legal and business affairs person, business affairs.

Q In 1987?

A In '87.

Q Would he talk to you about matters involving your legal affairs beyond artist relations is what I'm saying.

MR. BARAN: Avoiding the conditional tense.

MR. BLESSINGTON: Sure. Consider it done.

MR. BARAN: Can you just for the purposes of clarity rephrase the question.

BY MR. BLESSINGTON:

Q Did you talk to Mr. Weiss about legal affairs beyond the affiliation and artist entertainment agreements?

A Yes.

9104088812

Q Did you consider him the in-house lawyer?
A Yes.
Q Do you know a Stephen Jaffe?
A Yes.
Q And what did Mr. Jaffe do in 1987?
A I believe he was controller.
Q Did he report to you?
A No, he did not.
Q Who did he report to?
A Gary Yusko.
Q Did you have any contact with Mr. Jaffe?
A Intermittently.
Q Is it fair to say that Mr. Yusko was the filter?
A That's fair to say.
Q Do you recall having meetings with Mr. Yusko and Mr. Jaffe in 1987?
A Specific meetings?
Q Do you recall meeting with them on a fairly regular basis?
A I would generally meet with Mr. Yusko. Mr. Jaffe was responsible for the accounting department. I would generally meet with Mr. Yusko alone. There were occasions when the three of us met.
Q But you don't recall that as a general event?

9104088813

A No. They were not regularly scheduled meetings.

Q Do you know Mark Kress.

A Yes.

Q In 1987 did you have occasion to work with Mr. Kress?

A Occasionally.

Q He did not report to you?

A No, he did not.

Q Who did he report to?

A I'm not sure.

Q Did he report to anyone?

A Presumably.

Q He worked for Westwood One?

A Correct.

Q You were president at this point?

A That is correct.

Q But you don't know who he reported to?

A He reported to either Mr. Pattiz or the head of talent acquisition and advertising, Mr. Sharell. I don't know which.

Q Do you know Dean Marion?

A Yes.

Q And what was Mr. Marion's position in 1987?

A Director of advertising.

9104088814

Q Did you meet with him?

A Occasionally.

Q What types of matters would you talk to Mr. Marion about?

A Mr. Pattiz would occasionally ask me to join he and Mr. Marion in reviewing advertising drawings and alternatives that Mr. Marion had had prepared for the company.

Q So you recall that you had meetings with both Mr. Pattiz and Mr. Marion at the same time?

A Yes.

Q Did Mr. Marion enjoy a pretty good reputation at the company?

A I think he was reasonably well liked.

Q Was he considered competent?

A It's hard to measure competence in that job.

Q Why?

A Fundamentally his job is to work with outside vendors and to prepare and produce, direct, and submit for approval the artwork and advertising for the company.

Q Who did Mr. Marion report to?

A Prior to Mr. Sharell's arrival, Mr. Pattiz, and then to Mr. Sharell.

Q When was Mr. Sharell's arrival?

A I don't know.

9104088815

Q Was it in 1987?
A I'm not sure.
Q Did you in 1987 have any personnel evaluation policy?
A I don't know if it was in place in '87.
Q Do you have one now?
A We have a review policy now, procedure.
Q Does your procedure require supervisors to give annual evaluations?
A It does not.
Q You don't recall whether that was in place in '87?
A I don't recall whether it was in place in '87.
Q Prior to the present policy, was there an evaluation policy of any type?
A Informal.
Q Does informal mean that it was up to the supervisor's discretion?
A Generally, yes.
Q Do you consider Dean Marion to be an honest person?
A I have no specific knowledge firsthand of any dishonest acts that he was involved in.
Q Does Mr. Marion have a reputation for honesty?
A I could not say that.

9104088816

Q Does he have a reputation for dishonesty?

A I could not say. I would say that his reputation is mixed.

Q Can you elaborate on that?

A There were, prior to his leaving and subsequent to his leaving, reports circulated which qualify as rumors or innuendo that Mr. Marion had periodically received compensation outside of his normal paycheck.

Q Compensation from Westwood One?

A No.

Q Compensation from the individual vendors he was working with?

A Correct.

MR. BLESSINGTON: I think we'll take a break for a few minutes.

(A recess was taken.)

MR. BLESSINGTON: We can go back on.

Q Do you know Debra Seyler?

A Yes, I do.

Q And what was her position with the company in 1987?

A Vice-president.

Q Still is?

A Still is.

Q Was she responsible for any particular

9104088817

division?

A Today she's responsible for the Source Radio Network and the research department.

Q What's the Source Radio Network?

A It's part of the NBC total network group. It's their youth-oriented network.

Q Ms. Seyler is based in New York, isn't she?

A Correct.

Q Was she based in New York in 1987?

A Correct.

Q Did you work with her in 1987?

A Intermittently. Very little.

Q Do you recall what you worked with her on?

A Not specifically.

Q It would have something to do with the Source Radio Network?

A Or the research department and computers.

Q What did the research department get involved in?

A The research department generates the audience estimates or projections which our sales department then sells to advertisers.

Q Is this how you determine what's a youth market and that type of thing?

A It's how you determine the size of the audience

9104088818

you are reaching in commercials, which in turn determines how you charge for the commercials.

Q Pretty important area?

A Yes.

Q Mr. Battison, did you make a contribution to the Biden Presidential campaign in 1987?

A Yes.

Q Do you recall when that was?

A I don't recall the specific date.

MR. BLESSINGTON: I'm going to ask the reporter to mark this exhibit Exhibit No. 1. This is the document that you produced this morning.

(Commission's Exhibit 1 was marked for identification and is attached hereto.)

BY MR. BLESSINGTON:

Q Have you seen this document before?

A Yes.

Q And can you tell me what it is?

A It is a copy of the front and back sides of four checks of mine.

Q And the one on the bottom is made out to "Joe Biden for President"?

A Correct.

Q It's dated June 19, '87, in the amount of $1,000.

9104088819

A Correct.

Q This would be your contribution to the Joe Biden for President campaign?

MR. BARAN: I hesitate to interject to point out again the conditional tense of the verb and would just request a restatement of the question.

BY MR. BLESSINGTON:

Q You used this document to make your contribution to the Biden for President campaign?

A I used this document to purchase a ticket to a dinner in support of Joe Biden.

Q Where was the dinner?

A I don't know.

Q You didn't go?

A I did not go.

Q How did you come to make this contribution?

A I was asked to purchase a ticket.

Q Who asked you?

A Norman Pattiz.

Q Did he come into your office?

A I don't recall the specific time and place of the request.

Q Do you recall if there were just two of you there at the time?

A I believe that's the case. I don't recall

9104088820

specifically.

Q What did Mr. Pattiz say to you?

A I don't recall the specific terms of the conversation.

Q Do you recall anything about the incident?

A I have a general recollection that he requested that I buy a ticket for dinner for Joe Biden.

Q Did he tell you anything about the dinner?

A My recollection is that he wanted, in general terms, that he was trying to fill a table.

Q Is it your recollection that he was raising funds?

A That's not -- no, it's not my recollection.

Q Did he mention where the table was? Did he mention where the event was going to be held?

A I don't recall.

Q How long was this conversation?

A As I stated earlier, I don't specifically recall the event. My general recollection is he asked if I would help him fill a table.

Q And what did you say?

A I said yes.

Q Did you say yes immediately?

A I don't recall the conversation specifically, but I'm sure that I ...

9104088821

Q Did you ask him why?
A I don't recall.
Q Do you recall if he volunteered why?
A No.
Q What was your salary at this time?
A I'm not sure.
Q Just give me an approximation.
A
Q Had Mr. Pattiz ever asked you to make a contribution before?
A Not that I recall.
Q Do you recall thinking that this was unusual?
A No.
Q Did you discuss the possibility of reimbursement by the company at this time?
A I don't remember precisely whether the topic of reimbursement came up.
Q You can't tie it to this initial contact; is that correct?
A Not precisely.
Q Do you remember anything else about this initial contact by Mr. Pattiz?
A I don't remember the event itself.
Q What do you remember next involving this contribution to Biden?

9104088838822

A I'm not sure I understand the question. Could you be more specific?

Q After this initial contact which you testify you don't specifically recall, what next do you recall about the contribution?

A Are you asking when did I next -- I'm a little lost for direction here, what you're looking for.

Q To the best of your recollection -- which, of course, all your testimony is -- what happened next in terms of this contribution?

A At some point subsequent to this Mr. Pattiz informed me that there were a number of people whom he wished to repay or -- what's a word for it? -- to re -- I don't know what the word I'm looking for is.

MR. BARAN: Reimburse?

THE WITNESS: Reimburse the people for the contribution.

BY MR. BLESSINGTON:

Q Do you recall if that was within a few days of the initial contact?

A I -- no, I don't recall. But I don't believe it was within a few days.

Q You think it was longer than that?

A (No audible response.)

Q Did Mr. Pattiz initiate this discussion with

9104088823

you?

A Yes.

Q Do you recall any of the details?

A At some point he gave me a list of people who had made -- who purchased tickets to this dinner and asked me to see that they were reimbursed.

Q Were just the two of you present?

A I don't recall precisely. I believe so.

Q Then what did you do?

A To the best of my recollection, I took the list down to Mr. Yusko, who is my VP of accounting, and asked him to prepare a reimbursement.

Q And what did Mr. Yusko do?

A He took the list.

Q Did you and Mr. Pattiz at this second meeting discuss the method of reimbursement?

A Not at that time, no.

Q Do you recall that it was your intention after speaking with Mr. Pattiz to just go get it done some way?

A In essence.

Q To see how it could be done?

A In essence.

Q And did you instruct Mr. Yusko to just get it done?

A My recollection is I gave him the list and

9104088824

told him for these people to be reimbursed. And then that was the end of the conversation for that point is my recollection.

Q You don't recall that you discussed methodology?

A Not at that point. That came later.

Q Do you recall discussing the legality of this with Mr. Pattiz?

A Not -- I do not recall ever discussing that with him.

Q Were you concerned about the propriety of reimbursing people?

A Not at that time, no.

Q When Mr. Pattiz approached you about the initial contribution in this initial meeting, did you consider this job related?

A I don't understand the question.

Q I know you've testified that you don't remember specifically the meeting. But do you recall if it occurred at the company?

A I don't recall it specifically, but I don't know -- most of my communication with Mr. Pattiz is at the company, so I would assume that it was there. I can't assume.

Q You can assume if you like.

9104088825

MR. BARAN: You can equally assume that it was at one of the social occasions.

BY MR. BLESSINGTON:

Q But you did testify earlier that the social occasions were related to business?

A By and large.

Q And you also indicated that Mr. Pattiz had never asked you to make a contribution before?

A Not that I can recollect.

Q What I'm trying to get at is did you consider this a favor to a friend?

A No.

Q What did you consider it?

A While I don't recall the exact consideration in my mind at the time, I would say it was a favor to my employer and my boss.

Q At the time that you agreed to make the contribution, did you feel that you would be out $1,000?

A I don't recall specifically whether the issue of reimbursement was brought up. That was not relevant at the time in terms of my donation.

Q Are you saying that the thousand dollars didn't matter to you?

A No. $1,000 matters a lot to me. I'm saying that it is customary practice in large corporations for

9104088826

charities and other causes to be solicited by the company or by the management on behalf of the company.

When I was at ABC, they told us how much we would give to United Way. And if you didn't give it, there was a perception that you were not a team player. And this kind of thing for a senior-level person of both my responsibility and salary to my mind at that point in time was totally consistent with my responsibilities.

Q Had you ever made a political contribution before at Westwood One?

A Not to my recollection.

Q Have you made one after?

A No. Definitively so.

Q Did Mr. Pattiz ever mention to you that he was going to testify before Senator Inouye's subcommittee in Washington, D.C.?

A At some point I was aware that he did -- I was aware that he did go testify, and I think that he told me prior to the trip that he was going, yes.

Q You don't recall advising him on any issues prior to his testimony?

A No, not that I recall.

Q Do you know if anybody advised him on that?

A I suspect so, although I do not know definitively if anyone advised him on that.

9104088827

Q Do you know who was in a position to advise him on something like that?

A Yes.

Q Can you tell me who that is?

A Jason Shrinsky, our FCC counsel in Washington, and Chris Brewster, who is his associate.

Q In Washington?

A In Washington.

Q Did Mr. Pattiz ever mention to you that the contribution to Biden was connected to his testimony before Senator Inouye?

A No, he did not.

Q When did you become aware that people other than yourself associated with Westwood One had made contributions to the Biden Presidential campaign?

A I became aware of the specific people when Mr. Pattiz gave me the list for reimbursement.

Q This was at the second meeting?

A Yes.

Q Do you know if that list exists?

A I do not know where the list is.

Q You recall having given it to Gary Yusko?

A I recall there having been a list, and I recall taking it to Mr. Yusko. It's my recollection that I left it with him, but I could be -- I do not recall having seen that

9104088828

list since that day.

Q The list was prepared by Mr. Pattiz?

A Yes.

Q Was it handwritten?

A I don't recall precisely, but I remember that there was something on the top, a name that had been scratched off. That's all that I remember seeing on the list.

Q You don't recall what the name was?

A No, no. I just recognize that the list had been amended.

Q Let's move beyond your second meeting at this point. Do you recall what happened after you initially gave the list to Mr. Yusko?

A The next event that I recall was Mr. Yusko bringing to my attention that in order to reimburse these people through payroll or through a normal check, the company would have to pay out a greater amount of funds by virtue of the necessity to gross-up the amount to allow -- the net amount to the employee to be the amount they made as the contribution or donation.

That struck me as inconsistent with what Mr. Pattiz had desired. So in due course I went to Mr. Pattiz and said, in effect, we have to gross these up. It's going to cost the company "X" dollars more, and Mr. Yusko had given

9104088829

me the figure, and I don't remember what that was. I said, "Is that what you want me to do?"

And he said, "No, we don't want the company to suffer an additional amount," and that I should find some other way of repaying them so the company did not take an extra burden.

Q Was that the extent of your recollection?

A To the best of my recollection, the issue that was transmitted and confirmed was the company was not to be forced to pay "X" percentage more in order to reimburse these people.

Q And it had been your impression when you talked to Mr. Yusko that Mr. Pattiz was not going to accept this anyway?

A I don't understand.

Q Well, you indicated to me, I believe, that when Mr. Yusko said the bonus would cost whatever amount it would cost, you said that that, I believe, struck you as inconsistent with what Mr. Pattiz wanted.

A I think -- my recollection is that I was not particularly happy with the extra cost either, and I didn't believe that was what he wanted. It was my belief that when explained to Mr. Pattiz, he would not want that to happen.

Q Based on your relationship with him?

A Based on my understanding, yes.

9104088830

Q So I guess this is the third meeting. The first one was the meeting where he asked you about reimbursement -- excuse me -- about the contribution. And then the second one where he first raised the reimbursement issue. This would be the third meeting that you can recall with Mr. Pattiz when you discussed the bonus. You didn't speak about any alternatives to the bonus payment?

A I don't recall precisely how -- who was involved or how the discussion went. We did discuss it, either myself and Mr. Pattiz or myself and Mr. Yusko or the combination of the three, but I don't specifically recall candidly. This is three years. The issue of how to expense it, how to repay it, was discussed, and we arrived at a ultimate solution.

Q You don't recall discussing it at this third meeting with Mr. Pattiz, however?

A I'm not sure. I'm just not sure if it was there or subsequent to that. It could have been. It could have not been, too.

Q Tell me about the alternatives that you considered.

A There were two basic alternatives, both of which involved putting it through a regular T & E -- that's a travel and entertainment voucher -- which is how employees' expenses are generally reported to the company

9104088831

for reimbursement.

Option No. 1 was to put it down as a political contribution and staple the ticket to the back and have it reimbursed in the normal course as a contribution. Someone suggested it, either Mr. Yusko or myself, probably, but I don't recall precisely when we discussed it.

The demerits of that option was that we felt that owing to the nature of our business and the number of people who would typically, in the course of business both through accounting and through just, you know, the approval process, be aware of and be exposed to a contribution, be it for charity or for politics or for whatever personal causes, we would, in essence, be endorsing the company repaying of contributions. We felt that that would become a precedent by itself and would be a big problem in an industry such as ours.

The second alternative was to direct the people involved to falsify or to put through under some other guise the amount equal to their contribution and have it reimbursed through the same travel and expense voucher. I specifically objected to that because it, A, would have required me to authorize or order someone to falsify the document; B, then require them to falsify it; then, C, require me to approve it and, in essence, would demean our overall expense control process. The entertainment business

9104088832

is vulnerable enough as it is. You can't go out and authorize it.

Q Do you recall discussing these alternatives at some point with Mr. Pattiz?

A I think -- my best recollection is not clear. I don't recall if Mr. Pattiz was in the room. I know at some point I had held this discussion with him. My best recollection is that it was really -- you know, his decision was to let us handle it the best way we felt possible. I don't recall -- this was at a period of time when I had a lot of things going on, and I don't really recall the meeting, whether or not -- you know, what the give-and-take was.

Q I understand. Well, you had strong misgivings about choosing what you described as the second alternative?

A Yes.

Q How did that choice ultimately get made?

A I'm not sure who came up with the actual ultimate solution. I don't know who the initiator of the idea was.

MR. BARAN: Just for purposes of clarification, when you refer to this second idea having been chosen, I don't believe that that is the testimony.

MR. BLESSINGTON: I'm sorry.

THE WITNESS: Sorry.

9104088833

BY MR. BLESSINGTON:

Q Explain it to me.

A Could you restate the question for me?

Q I think I better rephrase the question.

You've indicated that there were two alternatives. Is it your testimony that you rejected both of them in favor of another alternative?

A That is correct.

Q Could you explain the other one.

MR. BARAN: "The other one" being the third alternative?

MR. BLESSINGTON: I guess we can call it the third.

THE WITNESS: The third and operant alternative, the alternative which ultimately was arrived at, was to repay these individuals through an area of the company in the normal accounting procedures called venue fees. It is an area which has on a regular basis certain cash or check transactions of rather unspecified detail. We determined that that was the most advantageous alternative, and checks were cut to several individuals who in turn cut individual checks to reimburse the other players.

MR. BLESSINGTON: We'll go off the record.

(A recess was taken.)

MR. BLESSINGTON: We'll go back on.

Q After you decided on the methodology, how did

9104087834

you decide on the specific mechanics of it?

A I don't know who made the decision for which amount. I don't recall how it was done. If I understand your question correctly, you're saying how did we decide who got what or who took care of what?

Q You indicated that you arranged payments for several individuals who would in turn repay others.

A I don't recall the specifics of how that was arrived at.

Q When you say that you arrived at the decision that venue fees was the method of reimbursement, who arrived at it?

A I do not know whose initial idea it was to use that area. It was not mine, to my recollection.

Q Did Norman Pattiz approve this?

A I'm not sure. I do not recall taking it to him for approval.

MR. BLESSINGTON: I'm going to ask the reporter to mark this as Exhibit 2.

Q Let me know when you're ready.

(Commission's Exhibit 2 was marked for identification and is attached hereto.)

THE WITNESS: Okay.

BY MR. BLESSINGTON:

Q This is a four-page document made up of what

9104088835

appear to be tissue copies of Westwood One checks to four individuals. Have you seen any of these before, Mr. Battison?

A My signature appears on these checks. I've not seen these specific documents here.

Q I understand. On page 1 at the top it's a little bit unclear, but it indicates, I believe, "Venue Fee heart." On the second page it says "Venue Fee REO," and on the third page "Recording Costs Judds," and on the fourth a check for $4,000 written to you. It reads "Recording," and I can't make out the rest.

A I can't make it out either.

Q Were the instruments here used to reimburse the contributions to Biden?

A Yes.

Q And just for the record the checks are made out to Mark Kress, Thom Ferro, Gary Yusko, and yourself.

A Correct.

MR. BLESSINGTON: I'm going to ask the reporter to mark this document as Exhibit 3.

(Commission's Exhibit 3 was marked for identification and is attached hereto.)

BY MR. BLESSINGTON:

Q Have you seen this before, Mr. Battison?

A I don't recall having seen this before.

9104088836

Q It's a three-page document, and it consists of selected pages from an Accounts Payables Account Distribution Report of Westwood One Radio dated 7-13-87. Did you ever review accounts payables reports such as these?

A Almost never. It's not part of my function.

Q Whose function was that?

A Typically that would be handled in accounting.

Q The function of the vice-president of financial affairs?

A It is my understanding of the procedures that it would typically start with an accounting person and then go to a controller and then go to the vice-president of accounting. I don't know that Mr. Yusko reviewed this on a regular basis. I'm not aware of it.

Q Do you know how to read these reports?

A Vaguely. I mean, yes, I do, but they're not part of -- they're not something that I use or review in the course of my work.

Q If you could, take a look at the document. On page 1 near the bottom of the page, if you just look up under the "Name" column near the bottom, there are entries for Mark Kress and Thom Ferro, and it indicates they're venue fees. And one is in the amount of 3,000, and the other is in the amount of $2,000. Do you understand these to be the payments that were made to reimburse them for the

9104088837

contributions?

MR. BARAN: I hesitate to object, although I also hesitate to have my client testify about a document that he's just said he's not seen before. If you could pose a question without reference to the document, I'm sure that the answers would be very similar, or at least it wouldn't be based on his testifying regarding the significance of the document that he has not seen before and, I think the record will reflect, that he did not create.

BY MR. BLESSINGTON:

Q Is the information contained on this page consistent with the reimbursement plan that you participated in that we discussed earlier?

A It is my understanding that the checks which you showed me previous to this and these account descriptions and this report are generated by the same program such that if a check was cut, it would show up on something like this. So they are, in fact, one in the same.

Q If you take a look at page 2, the very bottom of the page, there's an indication of "Recording and Mixing/ Heart," and then if you go to the next page, continuing that particular entry, there's an indication that a William Battison received $4,000.

Do you recall receiving $4,000 in reimbursement for the contributions made by you and others to the Biden

9104088838

campaign?

A Yes, I do.

Q And continuing on down the page there's an entry of $4,000 for Gary Yusko, recording and mixing for The Judds.

A Yeah.

Q Do you recall that Gary Yusko received $4,000 in reimbursement for his and others' contributions?

A I recall signing a check to Mr. Yusko.

Q A copy of which is in the previous exhibit?

A The previous exhibit, correct.

MR. BLESSINGTON: I'm going to ask the court reporter to mark this next document as Exhibit 4, and I'll give you a copy. Let me know when you're ready.

(Commission's Exhibit 4 was marked for identification and is attached hereto.)

THE WITNESS: I'm ready. Thank you.

BY MR. BLESSINGTON:

Q This is a two-page document consisting of the front and backs of four Westwood One checks. Do you recognize any of these checks?

A Yes.

Q Does your name appear as a co-signatory on these checks?

A On all of the checks.

9104088839

Q Were these the checks that were used to make the reimbursements to the individuals that had made contributions to the Biden for President campaign?

A To the best of my knowledge, yes.

MR. BLESSINGTON: I'm going to ask the court reporter to mark another document as Exhibit 5, and I'll give you a copy of it. Let me know when you're ready.

(Commission's Exhibit 5 was marked for identification and is attached hereto.)

THE WITNESS: I'm ready. Thank you.

MR. BLESSINGTON: For the record, there are in this document four filled-in check request forms of Westwood One.

Q Have you ever seen any of these documents before?

A Not these specific documents, no.

Q Have you seen a blank check request form similar to these?

A Yes, I have.

Q And can you explain what such forms are used for?

A These forms are necessary to initiate the cutting, that is, the preparation and production of an unsigned check, in our computer process. They are the backup and support to that check and the approval process for that check to be approved.

9104088840

Q So what you're testifying to is that a check can't be written unless there's a backup similar to this that comes along with a request?

A As part of our controls, no checks from our accounting system are supposed to be able to be done -- are supposed to be done without this to initiate them.

Q And what individuals are responsible for okaying these requests?

A There are a number of different individuals throughout the company who have the authority to okay payment; typically the department heads or people in the production area, management-level people.

Q When the decision was made to reimburse people via venue-fee payments, were you aware that check request forms such as this had to be filled out?

A I do not recall being specifically aware or contemplating such a fact. This is a normal part of our business control mechanism.

Q You indicated earlier that you rejected the alternative of expense-account reimbursement because it would involve the falsification of records. Did not the method that you finally settled on also involve the falsification of records?

A I believe you could say that.

Q Well, you've testified to the controls that you

9104088841

have in order to cut a check. And to the extent that venue-fee payments and recording and mixing costs were not really what the checks were cut for, wouldn't that constitute or doesn't that constitute a falsification of corporate records?

MR. BARAN: Could I have the reporter read back the question, please?

(Record read by the reporter.)

MR. BLESSINGTON: I'll rephrase it.

MR. BARAN: Thank you.

BY MR. BLESSINGTON:

Q The method --

MR. BARAN: Can we go off the record a moment?

MR. BLESSINGTON: Sure.

(Discussion held off the record.)

MR. BLESSINGTON: Want to go back on?

MR. BARAN: Sure.

BY MR. BLESSINGTON:

Q Mr. Battison, could you explain why you chose this particular method of reimbursement over the others considered?

A First of all, I did not choose this method. It was not a conscious choice of my recollection to do it. It was presented as an option which appeared to me to have the least amount of downside in terms of the two issues I

9104088842

discussed before in that, first of all, the ultimate goal of this entire situation, which was to reimburse people per Mr. Pattiz's request, would be accomplished in a manner that was not of unnecessary or undue extra cost to the corporation.

Second of all, there would not be a precedent set requiring me to approve charitable, educational, pqlitical, a wide gamut of contributions or donations on behalf of other employees.

Third of all, it would not initiate -- and relatively large by comparison -- this alternative situation where people would be both asked to and condone making improper or incorrect submissions to accounting.

Q Were you concerned that by utilizing the expense-account method of reimbursement that this was an area subject to greater potential abuse?

A In any business, and particularly in an entertainment-oriented business, expense accounts are continually scrutinized because they're subject to abuse. You have to trust the people who submit them. And it is my belief that management cannot condone or encourage incorrect submissions in that area.

Q When you say these areas are subject to scrutiny, scrutiny by whom?

A A person who submits an expense account has it

9104088843

approved by his immediate superior, that person's superior, and ultimately by accounting. It may go through five different people who may view it or more.

For instance, when we acquired NBC, a typical T & E expense, travel and expense, took eleven signatures to be approved.

Ours was not that complicated, but it is conceivable that an equal number of people would be exposed to it.

Q When you're discussing scrutiny, therefore, you're talking about scrutiny within the day-to-day operations of the corporation?

A Correct. I'm talking about various employees at various levels, some of who may be -- we are a very people-intensive business, and while it has a positive side, it also has a negative, and people are prone to discuss certain things.

Q So are you indicating that the same rationale for rejecting -- well, let me start again.

Did you ever discuss creating false information in order to effect the reimbursements through the expense-account structure?

A Could you be a little bit more specific? I'm not sure I understand where you're headed.

Q You indicated that you couldn't condone

9104088844

falsifying records with respect to the expense-account method. Did you discuss that with anyone?

A I don't recall precisely who, but that was one of the two options that we considered. So I'm sure that at some point it was discussed.

Q In order to effect a reimbursement by disguising these payments as venue fees, incorrect information had to be entered into the underlying documentation, did it not?

A Correct.

Q So where was the advantage?

A The difference, to my mind, is that by the method that was ultimately arrived at, a limited number of people were executing a request and, in the course of that, providing inaccurate information.

The other alternative required someone to submit it to me -- I would have to tell someone to do something wrong, have them do something wrong, and then approve them doing it. This way it was unilateral.

Q Were you uncomfortable with this?

A I don't recall my exact feelings at the time. I believe -- I don't recall my exact feelings at the time. The effort here was to accomplish a request which was a reimbursement. It did not seem inappropriate to me or out of line, and it is not something we would do in the normal

9104088845

course of business.

Q Had you ever decided to disburse funds using a pretext such as this in any other case?

A Not to my knowledge.

Q After you received your payment, what did you do with it?

A I deposited it in my account.

Q And how much was that?

A I believe it was $4,000, per your exhibit number.

MR. BARAN: If he wishes to refer to an exhibit, he may do so.

THE WITNESS: I don't have them.

MR. BARAN: That's right.

BY MR. BLESSINGTON:

Q Well, I'm taking a look at Exhibit No. 1 right now, and I'm going to ask you some questions about it. These are copies of checks all on your account. Is this your personal account?

A Yes, it is.

Q And let's look at the first check. It's made out to Eric Weiss. You apparently made this on September 11, 1987. The next one is to Debra Seyler, and that was July 10, 1987. Continuing down, we have another one to Dean Marion on August 10, 1987. These are all in the

9104088846

amount of $1,000. Can you explain the timing of these payments to Weiss, Seyler, and Marion?

A During this period from approximately May until September, the majority of my time at this point in time was spent working on the acquisition of NBC Radio Networks from General Electric, a project which I headed and was responsible for and ultimately negotiated, completed, and signed.

And during this time I was spending about -- my best estimate at this time -- 75 to 85 percent of my time in New York. The traffic back and forth would typically be for a day or two to L.A. and then turn around and go back to New York. That's where the negotiations were being conducted.

The fact is I was not available on the West Coast for a large part of this time and, if so, may not have had an appropriate opportunity to reimburse the people as per instructions.

Q You received the $4,000 reimbursement?

A Per your exhibit, yes.

Q Per Exhibit 4 on June 26, 1987.

A If you say that's when it was --

MR. BARAN: Well, do you have any independent recollection?

THE WITNESS: I don't have an independent recollection of that. I do not know when it was deposited

9104088847

in my account either, unless it's on the check.

BY MR. BLESSINGTON:

Q It's a little difficult to make out.

Just looking at the exhibits in front of us, it appears that you were reimbursed within a week or so after you made the contribution. Does that sound about right to you?

A I don't recollect precisely the timing.

Q Do you recall the circumstances surrounding the payments that you made to Mr. Weiss, Ms. Seyler, and Mr. Marion?

A Not specifically.

MR. BARAN: Can we take them one at a time?

MR. BLESSINGTON: Let's start with Weiss.

MR. BARAN: What's the question?

BY MR. BLESSINGTON:

Q Do you remember reimbursing Mr. Weiss?

A To my recollection, the best of my recollection, Mr. Weiss was in my office. We were discussing other matters. And he either brought it up or I remembered that he was one of the people who I was supposed to reimburse. And in the process of the discussion I produced the checkbook and wrote him a check.

Q Do you recall if he asked you for reimbursement?

9104088848

A I don't specifically recall.

Q Do you recall what he said when you gave him the check?

A I don't specifically recall. If it had been me, I would have said thank you.

Q Do you recall if Mr. Weiss acted surprised when you gave him the check?

A I don't know. I really don't recall how that went on.

Q So all you can recall is that somehow the matter came up, and then you gave him the check?

A That's correct.

Q Exhibit 1 also indicates that you wrote a check to Debra Seyler on July 10. Can you recall the circumstances of that reimbursement?

A To the best of my recollection, I was in New York at the time, and I don't recall any conversations with Ms. Seyler. This was not a big deal in my mind. I knew that she was one that I was to take care of to pay back. I don't recall whether it happened in my office in New York or in her office, but sometime on that day I wrote her a check and gave it to her.

Q Do you recall if she initiated the conversation?

A No, I don't.

Q The third item down, the check to Dean Marion,

9104088849

it's dated August 10. Do you recall the circumstances surrounding that?

A No, I do not recall. In fact, when I produced these checks based upon the initial inquiry, I was surprised that this was there. I do not recall paying Dean Marion.

Q On that particular check there's a memo. It says "Artwork." Did you write that?

A I don't recall. I don't recall the entire check. I was, candidly, very surprised to find it.

Q Does that look like your handwriting?

A I don't -- I can't say.

Q You can't recognize your own handwriting?

A Well, it's not --

MR. BARAN: I'd point out, first of all, it's not in handwriting. It's printed.

MR. BLESSINGTON: I'm not sure really. It looks like it might be a combination of the two.

MR. BARAN: Do you remember writing this?

THE WITNESS: I don't remember writing that on the check.

BY MR. BLESSINGTON:

Q Do you remember filling in Dean Marion's name?

A As I stated, I do not recall repaying Dean Marion or writing this check. I do not remember that.

I might point out that this was done in August,

9104088●8850

which was the month in which we closed the NBC transaction, and it was our busiest time.

Q Is it possible that you signed the blank check?

A No, it is not possible.

Q Have you ever written the word "artwork" before?

A I don't know. I will point out that it is very unusual for me to use the memo line for anything. I point out on these checks I just never do that.

Q Okay. Apart from any discussions that you may have had with your counsel, have you discussed the investigation with anyone since receiving the subpoena?

A Since receiving the subpoena, no, not to my knowledge.

Let me amend that. When I received the subpoena, I believe I did discuss it with Eric Weiss, who I asked what it meant.

Q The subpoena itself?

A Well, my reaction was, "What's going on here? What does this mean," which is ...

Q This was after you had already retained counsel?

A No -- excuse me. I may be incorrect on the time on it here.

MR. BARAN: Let's start again and perhaps clarify for

9104088851

the witness the time frame, and perhaps his answer will reflect a general unfamiliarity with legal terminology with respect to the reference to "subpoena." We are, I assume, Mr. Blessington, referring to the Commission subpoena dated January 31, 1990?

THE WITNESS: I wish to correct the record that since then, no.

BY MR. BLESSINGTON:

Q Well, you did receive a notification of the Complaint from the Commission sometime earlier than this.

A That is correct.

Q And after receiving that notification of the Complaint, did you speak with anyone?

A Initially I spoke with Eric Weiss.

Q And can you tell me what you and Mr. Weiss discussed?

MR. BARAN: I object on the grounds that the question will lead to an answer that would require the divulgence of communications that are privileged between attorney and client.

MR. BLESSINGTON: Are you instructing the witness not to answer?

MR. BARAN: Yes, I am instructing the witness not to answer.

THE WITNESS: This is --

9104088852

MR. BARAN: It's the right thing to do.

BY MR. BLESSINGTON:

Q Was anyone else present when you discussed this with Mr. Weiss?

A Not to my recollection.

Q Have you ever used the legal services of Mr. Weiss before?

A In business on a regular basis as part of our ongoing business, yes.

Q Did you consider this a business problem?

A I don't know that I ever put it up for that consideration. I'm not sure that that issue came to my mind.

Q Have you ever had nonbusiness legal problems?

A Yes.

Q Have you ever gone to Mr. Weiss about those?

A Not -- the majority of them have been nonbusiness related, wills and trusts, estate planning, things outside of Mr. Weiss' specialty.

MR. BLESSINGTON: Is it your intention, Counsel, to instruct the witness not to answer any questions with respect to any questions regarding discussions with Mr. Weiss relative to these contributions?

MR. BARAN: Yes, it is.

And I would want to make it clear for the

9104088853

record that the scope of the attorney-client privilege is well beyond the substantive conversations between an individual and an attorney that he or she may have actually retained. It also covers conversations between an individual and a lawyer when the individual believes that they are turning to the lawyer for some legal advice and for the possibility of representation even if, for example, the attorney advised the individual that the technical subject matter of legal competence is beyond their experience and expertise and refers them to someone else and they never get retained.

And for that reason I do believe that the conversations are privileged, and we would object.

MR. BLESSINGTON: And I'll just state for the record that all conversations between business associates when one is an attorney are not privileged, and at some point we're going to have to make a decision whether or not to seek to compel.

MR. BARAN: Yes, I understand that. And I will also say that the situation involving a business in-house counsel and conversations between and among employees and the in-house counsel is broader and even more complicated.

And so I recognize the FEC's counsel's concern and hope that we don't have to ultimately fight over this particular issue. I'm confident that it can be resolved to

9104088854

our mutual satisfaction.

MR. BLESSINGTON: Well, we can certainly talk about it later.

Q Do you recall hearing about a possible Complaint by Mark Kress before receiving notification from the Commission?

A I recall hearing about and seeing a distributed copy sent -- and I don't know where -- from some of the press of a nonperfected letter to the FEC which outlined, I believe, in general terms what eventually became the Complaint.

Q Do you recall what you did when you first were made aware of this?

A I read it -- no, I don't recall the first day.

Q How were you made aware of it?

A I believe I got it through -- I believe it came in through Mr. Pattiz's office. I'm not sure precisely, but I remember someone produced a copy of the document.

Q Did you discuss the matter with anyone at this time?

A I'm sure -- I don't recall precisely. In a general sense we probably did. I don't recall the discussions. I remember being a little bit amazed.

Q Why were you amazed?

A I just recall being surprised at the document

9104088855

and its contents.

Q Were you anxious about it at all?

A That was the first time that I became aware that we may have inadvertently violated one of the regulations of the FEC. That's when I realized -- when that was laid out, I suddenly realized that there may be a problem.

Q Did you go to Norm Pattiz to talk about that problem?

A I don't recall precisely the trend of events. I'm not sure. I suspect -- I can't do that. It is not unlikely that we had a discussion. I just don't recall.

Q You don't recall specifically a discussion?

A Yes.

Q So I guess you don't recall the substance of it?

A One could assume that from that.

Q Did you talk to Gary Yusko about it?

A Are you asking at the time when the --

Q When you first found out --

A Before the Complaint was filed and when we found out that there was the possibility of someone filing a Complaint? Is that what you're asking?

Q What I'm asking about is after you were aware that something had been filed with the Commission but before

9104088856

being notified by the Commission of a Complaint.

A I'm trying to recollect.

MR. BARAN: I don't think the testimony up to this question reflects any knowledge on Mr. Pattiz's part that a Complaint actually had been filed at that time.

MR. BLESSINGTON: I was trying to specify the time frame.

Q Before being notified that a Complaint had been filed by Mr. Kress, you indicated you were aware that something had --

MR. BARAN: I don't think that's consistent with the testimony either because he was not notified that a -- he wasn't notified that a Complaint had been filed -- he wasn't notified by Mr. Kress, and perhaps the question can be misinterpreted for that reason. The question --

MR. BLESSINGTON: Give it a shot, Jan.

MR. BARAN: Perhaps we can identify the period of time that you are questioning Mr. Battison as that period of time between public disclosure of Mr. Kress' allegations and the time when Mr. Battison received a notification from the Federal Election Commission that the Kress Complaint had been filed.

MR. BLESSINGTON: Fine.

MR. BARAN: Is that the period of time that this question is being couched in?

9104088857

MR. BLESSINGTON: I appreciate your help.

THE WITNESS: So now I know. What was the question?

BY MR. BLESSINGTON:

Q Did you talk to Mr. Yusko during this period?

A I believe I did. I don't recall specifically, but I don't believe -- I believe I probably did, but I don't recall specific conversation.

Q Did you talk to anyone else about it?

A I don't know the time sequence here, and this is -- that would be after, I guess. The only people that I have any recollection of any sort of communication with would be Mr. Pattiz, Mr. Yusko, Mr. Weiss. I don't think there's any other people involved, no.

Q And you're not certain of the time frame?

A No. This was again -- I don't remember the time frame. I don't know now between what day and what day, but it's a little bit vague.

Q Sometime roughly in '89?

A April of '89. Well --

Q Did you ever have any discussions with anyone at Westwood about denying the allegations in the Kress Complaint?

A To what audience? I don't understand the question.

Q To any audience. After realizing that

9104088858

Mr. Kress was attempting to file or had filed a Complaint with the Commission alleging corporate contributions and reimbursements involving Westwood One and several employees, did you ever discuss with anyone at Westwood One the possibility of denying that, in fact, these contributions and reimbursements were made?

A They were made. I mean, that seems logical. They were, in fact, made. And whether he knew -- we knew they were made. We made them. I don't recall discussing with anyone the denial of something that had clearly been made. That doesn't compute.

Q Do you recall if Norm Pattiz ever mentioned that people ought to deny that contributions and reimbursements were made?

A I don't recall him ever suggesting to me that I should deny or in any way misrepresent the facts of the payment. He never suggested that I should do that, nor would I.

Q What was Mr. Pattiz's reaction to the filing of this Complaint?

A I'm not qualified to say what he felt. I sensed from an outside-party observer's position that he was not particularly happy about it. Excuse my understatement.

Q Did he manifest that in any way?

A I think -- could you be more specific?

9104088859

Q Did he manifest his unhappiness with the Complaint in any way that you recall?

A He was -- I can't give you a specific -- he did not slam the door or raise his voice or something like that, but I could tell that he was not happy about it.

Q Did he make any comments about Mark Kress?

A There may have been comments that I cannot quote back to you today, but I'm sure they were not praise. I don't recall a specific term. I think Mr. Pattiz felt wronged.

Q Did you feel wronged?

A I felt stupid.

Q During this entire period after the initial filing of the Complaint, do you recall speaking to Gary Yusko about his role?

A Once the Complaint was filed, we contacted initially Rogers & Wells, and then they brought in Wiley, Rein & Fielding, and we were instructed not to talk among ourselves.

Q Prior to the contact with Rogers & Wells, did you discuss any matters with Mr. Yusko involving the contributions?

A I don't specifically recall that time. I don't remember. I don't know at that point what I would have to say about it because it was sort of like --

9104088860

Q Well, you were his direct supervisor.

A Correct.

Q And I thought that he might express his concerns to you.

A He may have. I don't recall whether -- I don't know what he would have said at that point, but it would not be inconsistent for him to raise it prior to our being told not to do so. But I don't recall specific conversation.

Q When this filing of Mark Kress came up, can you say that there was a fair amount of comment about it at the company?

A There was comment. "Fair amount" is hard to define. It was -- it became an issue, I guess, for a day or two. I mean, Mr. Pattiz was not happy. I was very perplexed, and I'm sure everyone else felt the same way. To that extent did we all sort of go -- I don't recall there being any substantiveness to that.

Q You testified earlier, I believe, that you have not since made a contribution to a political candidate.

A I would be willing to testify that I will not in the future, too, because I don't understand it yet.

Q Are you aware of a dinner party hosted by Mr. Pattiz for Ted Kennedy?

A Yes, I am.

Q Did you attend that?

9104088861

A Yes, I did.

Q You didn't have to pay?

A I don't recall paying. I sincerely do not recall paying. It's possible that I did, but I don't recall paying for that. If I had, it wouldn't be worth it.

Q How did you happen to attend this party?

A Mr. Pattiz decided to have a dinner, and he told me he was having Ted Kennedy over and invited me to the dinner party.

Q How many people attended?

A I would say roughly 20. I'm not sure exactly the number. I think there were two or three tables.

Q Was it a fundraiser?

A I honestly don't recall. My recollection was no, but I could be wrong in that.

MR. BARAN: You could be right.

THE WITNESS: I could be right. Thank you.

MR. BLESSINGTON: The hour is reaching 1:00, and I think we'll adjourn for the day. I'm not expecting to come back tomorrow, but just in the --

MR. BARAN: Neither are we.

MR. BLESSINGTON: -- just in the event we would like to talk to you again, I would like to leave it open.

THE WITNESS: Okay. I would be happy to.

MR. BLESSINGTON: And I think there was one item that

9104088862

you were going to check on.

THE WITNESS: My date of going on the board of directors. Shall I tell you?

MR. BARAN: I will get back to the FEC counsel on that.

MR. BLESSINGTON: Okay. Thank you.

I'd like to point out that you have an opportunity to read and sign the deposition transcript. Will you be taking advantage of that right?

MR. BARAN: Yes.

THE WITNESS: Yes.

MR. BLESSINGTON: And I believe I have a check for you someplace here.

THE WITNESS: You're kidding.

MR. BLESSINGTON: This is a witness fee and mileage check. And thank you for appearing here today.

THE WITNESS: $37.68. That's amazing.

MR. BLESSINGTON: Well, I have no other questions.

Counsel, would you like to say anything or pose any questions for the record?

MR. BARAN: No, not at this time.

9104088863

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

I, the undersigned, say I have read the foregoing deposition and hereby declare under penalty of perjury the foregoing is true and correct.

Executed this _____ day of _____, 1990, at _____, California.

_____

WILLIAM J. BATTISON

9104088864

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

The undersigned Certified Shorthand Reporter of the State of California does hereby certify:

That prior to being examined, the witness in the foregoing proceedings was duly sworn to testify the truth, the whole truth and nothing but the truth.

That said proceedings were taken before me at the time and place therein set forth, and were taken down by me in shorthand and thereafter transcribed into typewriting under my direction and supervision; and I hereby certify that the foregoing transcript of proceedings is a full, true and correct transcript of my shorthand notes so taken.

I further certify that I am neither counsel for nor related to any party to said action, nor in anywise interested in the outcome thereof.

In witness whereof, I have hereunto subscribed my name this 9th day of April, 1990.

Zorica Dragovich

ZORICA DRAGOVICH
CSR No. 6524

9104088●8665

WILLIAM J. BATTISON
316 - 36TH STREET
MANHATTAN BEACH, CA 90266

467

Sept 11 19 87

16-1606/1220

PAY TO THE ORDER OF Eric Weiss $ 1000.00

One Thousand and 00/100 DOLLARS

CENTURY CITY OFFICE
CITY NATIONAL BANK
1850 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067

MEMO

Wm J Battison

⑆122016066⑆0467⑈019⑈230457⑈ ⑈0000100000⑈

WILLIAM J. BATTISON
316 - 36TH STREET
MANHATTAN BEACH, CA 90266

419

July 10 19 87

16-1606/1220

PAY TO THE ORDER OF Debra Seyler $ 1000.00

One Thousand and 00/100 DOLLARS

CENTURY CITY OFFICE
CITY NATIONAL BANK
1850 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067

MEMO

Wm J Battison

⑆122016066⑆0419⑈019⑈230457⑈ ⑈0000100000⑈

WILLIAM J. BATTISON
316 - 36TH STREET
MANHATTAN BEACH, CA 90266

442

July 10 19 87

16-1606/1220

PAY TO THE ORDER OF Dean Marcus $ 1000.00

One Thousand and 00/100 DOLLARS

CENTURY CITY OFFICE
CITY NATIONAL BANK
1850 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067

MEMO Art work

Wm J Battison

⑆122016066⑆0442⑈019⑈230457⑈ ⑈0000100000⑈

WILLIAM J. BATTISON
316 - 36TH STREET
MANHATTAN BEACH, CA 90266

403

June 19 19 87

16-1606/1220

PAY TO THE ORDER OF Los Baden for President $ 1000.00

One Thousand and 00/100 DOLLARS

CENTURY CITY OFFICE
CITY NATIONAL BANK
1850 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067

MEMO

Wm J Battison

⑆122016066⑆0403⑈019⑈230457⑈ ⑈0000100000⑈

9104088866

Comm. Exhibit 1
Date 3-13-90
ZORICA DRAGOVICH, N.P.

1-Battison

PAY TO THE ORDER OF
BENEFICIAL NATIONAL BANK
WILMINGTON, DE.
FOR DEPOSIT ONLY
BFP INC

PAY ANY BANK, P.E.O.
BANK OF AMERICA, NT & SA
LOS ANGELES, CA

PAY ANY BANK
BANK of AMERICA, NT & SA
LOS ANGELES, CA

THE PROVIDENT
NAT'L BK. PHILA., PA.
PAY ANY BANK

MORRIS COUNTY
SAVINGS BANK
ATM 2A

ATM 2A

9104088●8867

BEFORE DEPOSITING CHECK

THIS CHECK IS TENDER OF PAYMENT OF ITEMS LISTED

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
6/26/87		VENUE FEE MARK	4115.5511	

WESTWOOD ONE 9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232

DELIVERED JUN 26 1987

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-6000

Century City Office
CITY NATIONAL BANK
1888 Century Park East
Los Angeles, California 90067

18-7026/1220

No. 4131

DATE	AMOUNT
06/26/87	$5,000.00

PAY THREE THOUSAND and 00/100
TO THE ORDER OF

MARK KRESS

Authorized Signature

NOT NEGOTIABLE

9 1 0 4 0 8 8 0 8 6 8

0000

J. Bathson

Conn Exhibit 2
Date 3-13-90
ZORICA DRAGOVICH, N.P.

BEFORE DEPOSITING CHECK

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
6/26/87		VENUE FEE PEC	4115.3510	

WESTWOOD ONE 1640 WASHINGTON BOULEVARD CULVER CITY CA 90232

ENTERED JUL 2 '87

WESTWOOD ONE
1640 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-8080

Century City Office
CITY NATIONAL BANK
1800 Century Park East
Los Angeles, California 90067

1220

4130

DATE	AMOUNT
06/26/87	$2,000.00

PAY TWO THOUSAND and 00/100

TO THE ORDER OF

THOM FERRO

NOT NEGOTIABLE

9104088869

0001

PLEASE DETACH THIS STATEMENT
BEFORE DEPOSITING CHECK

THIS CHECK IS IN PAYMENT OF ITEMS

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
6/26/87		RECORDING COSTS JUDGS	4130.5510	[illegible]

WESTWOOD ONE 9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-8000

ENTERED JUN 26 1987

[illegible] City Office
[illegible] NATIONAL BANK
[illegible] County Plaza
Los Angeles, California [illegible]

No. 4129

DATE	AMOUNT
06/26/87	$[illegible]4,000.00

PAY FOUR THOUSAND and 00/100
TO THE ORDER OF GARY BUSKO

[illegible]

[illegible]

[illegible]

[illegible]

9104088870

0002

PLEASE DETACH THIS STATEMENT
BEFORE DEPOSITING CHECK

THIS CHECK IS TENDERED
PAYMENT OF ITEMS LISTED

INVOICE DATE	REFERENCE	DESCRIPTION	G/L CODE	AMOUNT
6/26/87		RECORDING SESSION	4121.5511	4,000.00

WESTWOOD ONE — 9540 WASHINGTON BOULEVARD CULVER CITY, CA 90232

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-8000

Century City Office
CITY NATIONAL BANK
1888 Century Park East
Los Angeles, California 90067

19-7608/1220

NO. 4132

DATE	AMOUNT
06/26/87	$4,000.00

PAY FOUR THOUSAND and 00/100
TO THE
ORDER OF WILLIAM BATTISON

ENTERED JUN 2 8 1987

WESTWOOD ONE

NOT NEGOTIABLE

910408808871

0003

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUNT
56666		04126	JOEL SALKOWITZ	87-25	384.62
56660		04125	JANIS HAHN	87-25	288.46
57763		04125	JANIS HAHN	87-28	288.46
57768		04126	JOEL SALKOWITZ	87-28	384.62
58067		04125	JANIS HAHN	87-29	288.46
58081		04036	TM COMMUNICATIONS, INC.	JULY/MUJIN	2606.25
57255		04126	JOEL SALKOWITZ	87-27	384.62
57249		04125	JANIS HAHN	87-27	288.46
57066		04126	JOEL SALKOWITZ	87-26	384.62
56344		04036	TM COMMUNICATIONS, INC.	JUNE	2606.25
58071		04126	JOEL SALKOWITZ	87-29	384.62
56774		04125	JANIS HAHN	87-26	288.46
4110-3902	ARTIST CONTRACTS			ACCT 4090-6801 TOTAL	8577.90
57745		02845	DIRE STRAITS OVERSEAS	DIRE STRAI	15000.00
4110-4902	ARTIST CONTRACTS/R E				
57227		04369	ARCOS MANAGEMENT SERVI	MUSICALE	5000.00
110-5202	ARTIST CONTRACTS				
56568		02298	MONARCH ENTERTAINMENT	D.EDMUNDS	3000.00
4110-5502	ARTIST CONTRACTS				
56570		04344	PMC INC.	J.RODMAN	500.00
57804		03916	THE JUDDS	START TOUR	50000.00
57041		04341	Q B Q ENTERTAINMENT, I	VOID	-17500.00
57042		04362	RODNEY DANGERFIELD	PRI.PARTY	17500.00
56503	NYC PARTY	04341	Q B Q ENTERTAINMENT, I	R DNGRFLD	17500.00
4110-5511	ARTIST CONTRACTS/HEART			ACCT 4110-5502 TOTAL	68000.00
57830		04013	HEART	TOUR START	100000.00
110-5514	ARTIST CONTRACTS				
56686	1ST PMT.ON OXY/	01095	CREATIVE ARTISTS AGENC	1ST PMTOXY	50000.00
115-5205	VENUE FEES/I C				
57225		00963	THE BOTTOM LINE	THE TRUTH	1500.00
115-5511	VENUE FEES/HEART				
57801		00596	MARK KRESS	HEART	3000.00
115-5513	VENUE FEES/REO				
57800		00218	THOM FERRO	REO	2000.00
120-1005	RECORDING & MIXING				
56508	CRENSHAW, FESTIV	00127	W.F. DAWES	PD/HOTEL	490.00

Conn Exhibit 3
Date 3-13-90
ZORICA DRAGOVICH, N.P.

Bathsm-3

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUN
56547	LARRY KING	02904	AME, INC.	259942	25.5
56546	IDB	02904	AME, INC.	259943	15.9
57091		03793	AMI TELEVISION	216	462.5
56871		03902	BROADCAST NEWS SERVICE	80681	400.5
56870	WASHINGTON DC	03902	BROADCAST NEWS SERVICE	80682	550.5
56877	DEMENTO	02904	AME, INC.	260656	15.9
56879	GRANT	02904	AME, INC.	260497	90.0
				ACCT 4120-5502 TOTAL	7638.0
4120-5504	RECORDING&MIXING/OTHER				
56711	AMNESTY INTERNA	00682	THE VILLAGE RECORDER	17009	95.8
56691	MUTUAL	04036	TM COMMUNICATIONS, INC.	JUNE	2606.3
58040		02634	RMR STUDIOS	5677	359.0
58041		02634	RMR STUDIOS	5672	359.0
57430		02634	RMR STUDIOS	5643	359.0
56411	RNRNF	02634	RMR STUDIOS	5609	359.0
56410	RNRF	02634	RMR STUDIOS	5614	304.0
56408		02634	RMR STUDIOS	5602	304.0
				ACCT 4120-5504 TOTAL	4746.1
4120-5505	RECRDNG&MIXING/OTHER-SPLS				
56565	AUDIO RECORDING	04343	MARRIOT CORPORATION	315937VAND	933.8
57269	PER DIEM/DRIVIN	02532	ROBERT DEMUTH	W/E 5/24	365.0
57893	LUTHER VANDROSS	03874	SUNSET SOUND	11645	1986.6
57892	HUNTER S & COLL	03874	SUNSET SOUND	11648	1969.8
57851		02962	ROSEANNE LONGWORTH	EARLE/KNIG	1002.5
57785		04349	AMERICAN FEDERATION OF	VOID	-2304.2
57834		04186	JIM CARROCCIO	EAELE/KNIG	700.0
57441		03144	HIT CITY WEST	M.CARVER	275.0
57224		04370	JACKSON BROWNE MANAGEM	AMNESTY SP	443.5
57213		02955	PAUL SCHWARTZ	W/E 6/5	97.5
57212		04186	JIM CARROCCIO	W/E 6/5	900.0
57211		02962	ROSEANNE LONGWORTH	W/E 6/5	1053.5
56328	L.VANDROSS	04186	JIM CARROCCIO		310.0
56338	PER DIEM 6/5-7/	02960	RON MORGAN	FESTIVAL	3760.0
56339		02962	ROSEANNE LONGWORTH	VANDROSS	438.7
57159		03919	ALECK PETERS	BOSTON	180.0
57161		04366	DARREN HILL	5/21&5/22	455.0
57165		03897	MARK VELASQUEZ	BOSTON	595.0
57184		02532	ROBERT DEMUTH	5/16	390.0
57185		02532	ROBERT DEMUTH	5/24	1050.0
57190		02981	ROSS HUMPHREY	4/22	840.0
57191		02981	ROSS HUMPHREY	5/16	360.0
57192		02981	ROSS HUMPHREY	5/24	840.0
56766	GLADY'S KNIGHT	04349	AMERICAN FEDERATION OF	G.KNIGHT &	2304.2
				ACCT 4120-5505 TOTAL	18833.9
4120-5511	RECRDNG&MIXIING/HEART				

9104088873

WESTWOOD ONE RADIO, INC.

ACCOUNTING METHOD IS ACCRUAL

FOR PERIOD ENDING 06/30/87

G/L ACCOUNT / VOUCHER #	DESCRIPTION	VENDOR ID	NAME	INV #	AMOUNT
57802		02686	WILLIAM BATTISON	HEART	4000.00
4120-5512	RECRDNG&MIXIING/THE JUDDS				
57799		02216	GARY YUSKO	JUDDS	4000.00
57459		02904	AME, INC.	261279	119.71
			ACCT 4120-5512 TOTAL		4119.71
4120-5513	RECORDING&MIXING/REO SPEE				
57719	M&M MILKEY WAYS	02904	AME, INC.	262643	94.89
57459		02904	AME, INC.	261279	119.72
			ACCT 4120-5513 TOTAL		214.61
4120-6504	RECORDING & MIXING				
58042	HEART	02634	RMR STUDIOS	5676	324.00
57429		02634	RMR STUDIOS	5650	324.00
56412	TOM PETTY	02634	RMR STUDIOS	5608	244.00
56409	BON JOVI	02634	RMR STUDIOS	5603	324.00
			ACCT 4120-6504 TOTAL		1216.00
4140-3302	STATION TIME COSTS				
57377		00383	WNEW-FM 102.7	40098	3200.00
4140-3702	STATION TIME COST/SE				
57679		03311	KYOK-AM STEREO	3237	2500.00
58169		02834	KDIA RADIO	1188	2000.00
57117		02422	WRKS-FM	50305	7420.00
57121		01089	WGPR - 107.5 FM	16590	1200.00
56798		02834	KDIA RADIO	1084	2500.00
			ACCT 4140-3702 TOTAL		15620.00
4140-3802	STATION TIME COSTS				
57505		03558	WASH-FM RADIO	060587	2500.00
57381		03558	WASH-FM RADIO	6/5 INV	2500.00
57119		02996	KYUU FM 99.7	85812205	2075.00
			ACCT 4140-3802 TOTAL		7075.00
4140-4103	STATION TIME/TC				
57703		04380	WTHP 98.3 FM	041687	374.85
57701		04383	WQIM MAJIC 95 FM	042687	448.80
57700		04383	WQIM MAJIC 95 FM	042687	140.25
57699		04383	WQIM MAJIC 95 FM	30	589.05
56911		03003	KDLZ 107.5 FM * KHVN 9	3245	4384.00
56910		03106	WILD 1090 AM	1079	244.80
56909		03278	WGCI-FM.....	004702	1668.98
56908		03008	KKFX SEATTLE RADIO	6061	850.00
56907		03365	FM..... WEKS AM	95806	3570.00
56906		03009	WTMP - AM RADIO	8462	1311.25
56905		03290	WBLZ FM 103.5.....	87044085	389.00

0906

9104088074

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 4129

DATE	AMOUNT
06/26/87	$4,000.00

PAY TO THE ORDER OF FOUR THOUSAND and 00/100

GARY YUSKO

WESTWOOD ONE

Cathy J. Gyuko

⑈004129⑈ ⑆122016066⑆ 019-178781⑈ ⑈0000400000⑈

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 4130

DATE	AMOUNT
06/26/87	$2,000.00

PAY TO THE ORDER OF TWO THOUSAND and 00/100

THOM FERRO

#146
1614
JUL -9 1987

WESTWOOD ONE

Cathy J. Gyuko

⑈004130⑈ ⑆122016066⑆ 019-178781⑈ ⑈0000200000⑈

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 4131

DATE	AMOUNT
06/26/87	$3,000.00

PAY TO THE ORDER OF THREE THOUSAND and 00/100

MARK KRESS

WESTWOOD ONE

Cathy J. Gyuko

⑈004131⑈ ⑆122016066⑆ 019-178781⑈ ⑈0000300000⑈

WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232
(213) 204-5000

Century City Office
CITY NATIONAL BANK
1880 Century Park East
Los Angeles, California 90067

16-1606/1220

NO. 4132

DATE	AMOUNT
06/26/87	$4,000.00

PAY TO THE ORDER OF FOUR THOUSAND and 00/100

WILLIAM BATTISON

WESTWOOD ONE

Cathy J. Gyuko

⑈004132⑈ ⑆122016066⑆ 019-178781⑈ ⑈0000400000⑈

9104088●875

Camm Exhibit 4
Date 3-13-92
ZORICA DRAGOVICH, N.P.

4-Battison

0007

For Deposit Only

046 1881 4h0

For Deposit
B of A
05/CD - 06101

JUL - 9 1987

CITICORP SAVINGS
444 MARKET
Account No. 015-4003

FIRST INTERSTATE BANK
OF CALIFORNIA
TO THE CREDIT OF

JY 87 02
BAY AREA BANK, R.E.G.

JY 87 09
BAY AREA BANK
REGAA

BY CNB

For deposit
only
Gary Yuskis

19-142 32

9104088087 6

8000

IW

CHECK REQUEST FORM

DATE 6-26 REQUESTED BY _____

AMOUNT $ 4000.00 DATE NEEDED AM

PURPOSE Recording Judds

PAYABLE TO GJ YUSKO

SEND TO _____

RELATED SHOW _____

O.K.'D BY _____

Office Use: Date Paid _____ Check # _____ Code _____

9104088877

S. Bettison

WESTWOOD ONE

Los Angeles: 2049 Westwood Boulevard Culver City, California 90230-4600 New York: 730 Third Avenue New York, New York 10017-2024

0009

Comm. Exhibit 5
Date 3-13-90
ZORICA DRAGOVICH, N.P.

IV

CHECK REQUEST FORM

DATE 6-26 REQUESTED BY AM

AMOUNT $ 4000.00 DATE NEEDED

PURPOSE Time fee Rent

PAYABLE TO Battism

SEND TO

RELATED SHOW

O.K.'D BY

Office Use: Date Paid Check # Code

9104088878

WESTWOOD ONE

Los Angeles: 5700 Wilshire Boulevard Culver City, California 90036-5032 (213) 857-6000 New York: 200 Third Avenue New York, New York 10017 (212) 505-5400

0010

IW

CHECK REQUEST FORM

DATE 6-26 REQUESTED BY _____

AMOUNT $ 2000.00 DATE NEEDED ASAP

PURPOSE venue fee R&O

PAYABLE TO Thom. Ferro

SEND TO _____

RELATED SHOW _____

O.K.'D BY _____

Office Use: Date Paid _____ Check # _____ Code _____

9104088879

IV

CHECK REQUEST FORM

DATE 6-26-87 REQUESTED BY _____

AMOUNT $ 3000.00 DATE NEEDED _____

PURPOSE venue fees for Heat per MKress request
(split payments)

PAYABLE TO Mark Kress

SEND TO _____

RELATED SHOW _____

O.K.'D BY _____

Office Use: Date Paid _____ Check # _____ Code _____

9104088830

WESTWOOD ONE

Los Angeles: 2860 Washington Boulevard Culver City, California 90232-2490 New York: 200 Third Avenue New York, New York 10017-2100

0012

OGC 6949

ERRATA SHEET
Deposition of WILLIAM J. BATTISON

COMES NOW William J. Battison, Deponent, and states under oath that from the best of his recollection, the following errors or omissions occur in the stenographic transcription of his deposition taken March 13, 1990, in Los Angeles, California:

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 JUL 16 PM 5:26

On Page 10, Line 2, delete the word "thata" and insert that word "that" in its place.

On Page 42, Line 13, delete the word "so" and insert the word "no" in its place.

On Page 46, Line 12, delete the words "is three years" and insert the words "was three years ago" in its place.

On Page 51, Line 8, capitalize the word "Heart."

On Page 58, Lines 10-12. I do not recall this statement as transcribed, and it cannot be understood as presented. My recollection is that I said:

"Third of all, it would not initiate a situation in which a relatively large number of people, by comparison, would be both asked to make, and management would be forced to condone, an improper or incorrect submission to accounting."

On Page 59, Line 5, delete the word "expense" and insert the words "entertainment expense form" in its place.

On Page 62, Line 11, delete the word "traffic" and insert the word "travel" in its place.

On Page 72, Line 4, delete the word "Pattiz" and insert the word "Battison" in its place.

On Page 76, Line 8, insert the word "a" before the word "specific."

9104088381

On Page 77, Line 5, delete the words "wouldn't be" and insert the words "would have been" in its place.

Dated at Los Angeles, California, this 25 day of June, 1990.

William J. Battison, Deponent

STATE OF CALIFORNIA)
LOS ANGELES COUNTY) ss.

On this 25 day of June, 1990, before me, the undersigned, a Notary Public in and for the State of California, personally appeared the said William J. Battison and who did swear to the truth of the foregoing Errata Sheet.

NOTARY PUBLIC

My commission expires: 11-19-90

OFFICIAL SEAL
JONI DIXON-REITZ
Notary Public-California
LOS ANGELES COUNTY
My Commission Expires
November 19, 1990

9104088838382

ORIGINAL

TRANSCRIPT OF PROCEEDINGS

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

- -x

IN RE:

M U R 2893

- -x

DEPOSITION OF NORMAN JOEL PATTIZ

Washington, D. C.

Wednesday, April 11, 1990

ACE-FEDERAL REPORTERS, INC.
Stenotype Reporters
444 North Capitol Street
Washington, D.C. 20001
(202) 347-3700
Nationwide Coverage
800-336-6646

9104088883

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

- -x
:
IN RE: :
:
M U R 2893 :
:
- -x

DEPOSITION OF NORMAN JOEL PATTIZ

Washington, D. C.

Wednesday, April 11, 1990

Deposition of NORMAN JOEL PATTIZ, called for examination pursuant to notice of deposition, at the Federal Election Commission, 999 E Street, N.W., Sixth Floor, at 10:00 a.m. before RONALD J. WILSON, a Notary Public within and for the District of Columbia, when were present on behalf of the respective parties:

DANIEL J. BLESSINGTON, ESQ.
FRANIA MONARSKI, ESQ.
XAVIER McDONNELL, ESQ.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D. C. 20463
On behalf of Federal Election Commission.

ROBERT F. BAUER, ESQ.
MELISSA H. MAXMAN, ESQ.
1110 Vermont Avenue, N.W.
Suite 1200
Washington, D. C. 20005
On behalf of the Deponent.

9104088884

CONTENTS

WITNESS	EXAMINATION
Norman Joel Pattiz	
by Mr. Blessington	3
by Mr. Bauer	113
by Mr. Blessington	131

EXHIBITS

N. PATTIZ DEPOSITION NUMBER	IDENTIFIED
Exhibit 1 - Group of Pattiz documents	57
Exhibit 2 - 8/11/89 letter	103

9104088885

PROCEEDINGS

Whereupon,

NORMAN JOEL PATTIZ

was called as a witness and, having first been duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. BLESSINGTON:

Q Good morning. This deposition is being taken pursuant to an administrative subpoena issued in connection with the Federal Election Commission investigation, conducted under Section 437(g) of Title 2 of the United States Code.

The statute at Section 437g(a)(12)(A) provides for the confidentiality of the proceedings and of the entire investigation until this matter is closed. We designate the investigation as a Matter Under Review 2893.

My name is Daniel Blessington and I am representing the Commission here today, along with Frania Monarski and Xavier McDonnell of the General Counsel's Office.

Could you please state your full name.

9104088886

A Norman Joel Pattiz.

Q You have a right to be represented by counsel and I note they are present. Can you identify them?

A Robert Bauer and -- can I call you Missy Maxman? Melissa Maxman.

Q Have you ever had your deposition taken before?

A Yes.

Q I will give you a brief description of what we hope to accomplish today. I will be asking questions involving charges made in a complaint filed by Mark Kress with the Commission, May of 1989.

The complaint charged that at your request a number of individuals associated with Westwood One made contributions to the presidential campaign of Senator Joseph Biden in June of 1987 for which they were later reimbursed by Westwood One.

You indicated in your response that you asked certain officers and employees of Westwood One to make contributions to Senator Biden's campaign, that you suggested to them they would be reimbursed, and that you did ultimately authorize reimbursement from Westwood.

I will be asking you questions concerning your

9104088887

involvement in the matters raised in the complaint, as well as the involvement of others.

The court reporter will take down everything that is said in order to produce a written transcript. Please remember to give verbal answers to all questions rather than simply just nodding or shaking your head.

If you don't understand the question, if you don't hear me completely, or if you need a break, let me know. If you want to qualify an answer, feel free to do so. If, during the course of the deposition, you realize you may have given an inaccurate or incomplete response to a previous question, let me know. I will give you an opportunity to correct or supplement the record. Please remember to wait until I finish a question before answering, even though you may correctly anticipate where I'm going with it. It is very difficult on the reporter and will make for a confusing record.

Please treat this proceeding as if you were in a court of law with a judge and jury present, and remember you are under oath.

Could you please state your home address.

A 1225 Angela Drive, Los Angeles, California.

9104088888

Q Are you married?

A Yes.

Q Can you tell me the name of your spouse?

A Mary Turner Pattiz.

Q What is your current occupation?

A Chairman, CEO, Westwood One, Inc.

Q That is in Los Angeles?

A We are headquartered in Los Angeles. That's correct.

Q What type of business is that?

A Westwood One is in the radio business. We, the Westwood One Radio Network, served -- is a producer and director of international radio programming and we are the parent corporation and own the Mutual Broadcasting System here in Washington just across the river. We own the ~~NBC~~ NBC Radio Network. We also own radio stations in New York and in Los Angeles, and a trade publication, "Radio and Records."

Q What is your annual salary?

A Approximately?

Q Approximately.

A

9104088838889

Q Prior to Westwood One, could you tell me where you worked?

A Prior to Westwood One, I worked at KCOP Television Station in Los Angeles.

Q What did you do there?

A I was a salesman and eventually local sales manager.

Q When did you leave there?

A I believe it was in 1976, if I am not mistaken.

Q 1976?

A Yes.

Q Why did you leave?

A I was replaced in a management turnover.

Q Have you been to college?

A I went to Santa Monica City College.

Q Did you graduate?

A No.

Q Is that the highest level of education that you have?

A That's right.

Q I know that you submitted some documents in response to the Commission subpoena as well as having

9104088890

submitted a response through your counsel to the notification of the complaint, but do you have any documents with you that are responsive to the Commission's subpoena?

MR. BAUER: If I can answer on that, there are additional documents we would like to submit consisting entirely of additional non-federal, state or local contributions made by Norm Pattiz personally.

The subpoena called for an accounting of all political contributions made, and when we originally construed the subpoena we took "contribution" to mean as defined under the Federal Election Campaign Act, but we have since ~~con~~in cluded, for purposes of reaching as complete a record of the witness' political activities, some additional state and local political contributions we make available by way of a check copy.

MR. BLESSINGTON: That is fine.

MR. BAUER: That is the entire amount of the additional material.

MR. BLESSINGTON: You don't have any of it today?

MR. BAUER: No, we do not.

9104088891

BY MR. BLESSINGTON:

Q Have you reviewed any documents that relate to the matters raised in Mr. Kress' complaint?

A I have seen the complaint, and I am unclear as to what kind of documents you are talking about.

Q In preparation of your testimony did you look over any documents that you thought may be helpful to you?

A No.

Q Apart from any discussions you may have had with Mr. Bauer or anyone else in the firm, have you discussed this investigation with anyone since receiving the subpoena?

A Yes.

Q Could tell me who?

A I discussed it with -- since receiving the subpoena?

Q Yes. The subpoena, just to clarify, the subpoenas would have been sent out by the Commission on the 1st of February.

A Right. I may have discussed it with corporate counsel but I don't have any clear recollection of that. I certainly discussed it in advance of getting the

9104088892

subpoena when we became aware of the complaint with corporate counsel and with our legal counsel at the company.

Q Apart from speaking with corporate counsel did you speak with anyone else about it?

A Prior to receiving the subpoena?

Q Prior.

A Yes. When I got -- became aware of the complaint I discussed it with Eric Weiss, who is our corporate counsel, and I discussed it with Bill Battison, B-a-t-t-i-s-o-n, and I may have discussed it with some of the other individuals who were part of the complaint.

Q Thank you. We may need to return to that later on.

A Sure.

Q You are the founder of Westwood One, Inc.?

A That is correct.

Q When did you start the company up?

A I believe it was in 1976.

Q Can you tell me a little bit about the origins of the company?

A Yes. It was shortly after leaving KCOP, and I

9104088893

was sitting around one afternoon with a friend of mine, listening to a local radio, ~~KGFA~~ KGFJ, which was a black radio station, and we were drinking wine or something, and they were programming a two-hour Motown weekend, which was all the hits of Motown from its inception up to the current moment, played three or four times during the course of a weekend, and I remember asking my friend whether they or what -- who I thought was involved in the radio business, who kind of indicated he knew something about the radio business -- if they packaged these kinds of programs and syndicated them and sold them to national advertisers and -- because that was something that was commonplace in the television business where I came from.

He didn't know the answer to the question but I was unemployed at the time and it seemed like an interesting question. And I went and asked, to the general manager of ~~KGFA~~ KGFJ, which was programming that particular program, by the name of Arnold Shore, and we had an interesting dialogue and he set up a meeting with Motown Records. And a couple weeks later we were putting together a joint venture to produce the special called The Sounds of Motown, to be provided at ~~KGFA~~ KGFJ, and Motown would

9104088894

supply the records and artists and interviews and research material, and I was going to get advertising for it from the national advertisers and syndicate it to radio stations.

And that was the first program. And that program, over time, became a fairly successful first venture. And we had three national advertisers. From that point forward we created -- it was a good experience for all of the national advertisers. And we then spent -- "we" is me, collective "we" -- I spent the next couple of years producing individual programming vehicles for each of the three sponsors who sponsored The Sounds of Motown and putting them on more radio stations and eventually it was a business.

Q Were you the first to do something like this?

A No. There were other companies in the business that were -- syndicated programs. Most of them were companies that were -- sold programming to radio stations for cash. I utilized the technique that was not unusual in television, which was barter syndication, which is to give the radio program to a station in return for commercial time in the program rather than in exchange for

9104088895

cash, and that commercial time we then sell to national advertisers who buy, who are in effect reaching an audience in every city in which that program airs. There were other barter syndicators in the business but they were basically small companies as we were in the beginning. But it wasn't what you would call anywhere near big business.

Q In the first couple of years there were essentially three or four advertisers?

A Correct.

Q You certainly have more advertisers today?

A Yes.

Q About when did the company start to take off?

A Well, the company, during the '70s and early '80s, one program led to another and led to another and the company, the company probably by '82 or '83 -- and these are approximations -- probably had a dozen or 15 different radio shows and was -- probably had an equal number, maybe slightly more advertisers who sponsored the programs on a long-term basis, and they were programs that ranged from interview features with rock music personalities to countdown shows, counting down the top 10

9104088896

or 20 or 30 or 40 hits of the day in various formats, concert broadcasts taped of NPR live concerts, things of that type, and then in 1984 we took the company public.

Q And you indicated earlier, I believe, that you also own the Mutual Broadcasting System?

A That is correct.

Q When did you acquire that?

A In 1985.

Q Was there any major acquisition in 1986?

A In 1986, I think we may have acquired Radio and Records in 1986. That would be the -- that was the major acquisition, I think.

Q Did you acquire NBC at some point?

A In 1987 we acquired the NBC Radio Network.

Q During the period of Westwood's growth did you become involved in industrywide issues?

A Well, in the early stages of the business my time was spent mostly in the studio producing radio programs, on the phone talking to radio stations and talking to advertisers. As the company grew and as we were able to attract employees, capable employees, as a result of that my role changed and broadened in the sense

9104088897

that I often interact with the financial community. I often interact with the entertainment community relative to getting artists and so forth for our concert programs and so forth, and there is definitely, for lack of a better word, kind of an ambassadorial role that gets played. I wear a lot of different hats.

Q Have you been active in any organizations related to the broadcasting business?

A I am on, along with most of the heads of major broadcast groups, I am on the board of directors of the Radio Advertising Bureau. I was for a short time on the board of directors of Network Radio Association -- or is it Radio Network Association? I was not terribly active in the Radio Advertising Bureau. I am on the board for about three years and I attended one board meeting and as far as the Radio Network Association is concerned, I dropped off that, and the president of our company, Bill ~~Madison~~ Battison, now sits on the board.

Q What did you do while on the board?

A I attended a couple board meetings with the other heads of the radio networks and talked about industry issues.

9104088898

Q What kinds of industry issues did you discuss?

A I don't remember any of the specifics.

Q Were you ~~BLESSINGTON~~ involved in the National Association of Broadcasters?

A The company is a member of the National Association of Broadcasters but I was never on its board of directors or an officer.

Q Over the years have you kept an eye on the regulators of the broadcast industry?

A Prior to our ownership of radio stations we were not regulated, I mean we were not overseen by the FCC. We purchased radio stations in 19 -- the first acquisition of a radio station was in 19 -- end of 1988 or beginning of 1989. But I have followed, probably within the last four or five years, tried to follow issues that would have a bearing on our network radio business even though radio is not regulated by the FCC.

Q Can you describe any issues that you were concerned about?

A Yes. There were a number of issues. I was concerned about the discussions pertaining to the imposition of the three-year holding period. I think it

9104088899

is referred to as trafficking. I was concerned about issues relating to the number of stations which can be owned by individual broadcast companies which are currently 12 AMs and 12 FMs, and there are other regulations as to what other types of television properties and newspapers can be owned by a single company in individual markets and limits on the total number of properties they can own.

There is a -- there was a question of some of the regulations as it related to, I think it is called duopoly, and issues of that sort, the kinds of issues that I thought could have an effect on our network radio business vis-a-vis our own operating position and our competitive position against companies that we compete against.

Q In the spring of 1987 were you particularly concerned about the duopoly and multiple ownership rules?

A Yes.

Q Did you have any contact with members or staff of the FCC?

A Shortly there was -- this is in 1987 or it may be in 1986, it was after the acquisition of the Mutual

9104088900

Broadcasting System and before the acquisition of NBC -- our FCC counsel, I spent a day with ~~the~~ our N.P. FCC counsel meeting some members of congressional staffs and I think I met the chairman of the FCC and I also met Al ~~Sute~~ Sikes N.P. who was then I think in the Commerce -- Department of Commerce, who subsequently became head of the FCC.

Q Did you meet any members of Congress during that time?

A I think I met Senator Pete Wilson from California. I think that is the only member of Congress that I met.

Q Do you recall any staff people you spoke to?

A I met some but I don't recall who they were.

Q Do you recall whose staffs they were on?

A Either the -- I know that they were the subcommittees that were involved with communications and I don't recall whether it was ~~Senator Hauss~~ Senate or House N.P., but I know I met some staff members. I am sure my FCC attorneys who took me there to introduce me would know who they were but I don't recall who they were.

Q Did you ever testify before a congressional committee?

9104088090 01

A Yes.

Q Can you tell me when?

A It was -- I don't remember the exact date but it was regarding a bill and I remember the number, Senate Bill 1277, and it was regarding, I believe, proposed reregulation of the broadcast industry and that was something that I was interested in discussing, in testifying in front of the committee.

I actually got to testify in front of one guy, and I don't remember who he was, but we were in the second round of people who testified and everybody was gone by the time it was my turn to step up to the plate. But I did testify, yes.

Q How did you decide to testify?

A I was aware just through trade publications and people that I talked to within our own industry that this was coming up. I may have been made aware by the FCC counsel but I am not sure of that. I was aware it was coming up. It was something I had a point of view on and I wanted to express it and I discussed that with our FCC counsel who arranged for me to be a witness.

Q Did you discuss it with anyone else at Westwood

9104088902

One?

A I may have but I don't recall specifically, specific conversations, but I may have discussed it with others.

Q You were concerned about various issues involving the broadcast industry?

A Yes.

Q When you were concerned about those who did you normally talk to about those issues?

A Most likely it would have been the senior executives of the company who I interact with on a regular basis. I am not certain that I had conversations on this issue with anybody in particular. This was an area that was very new to us.

Going up to the Hill and meeting people was very new to us. Having a relationship with an FCC lawyer was very new to us and it was not something that was part of anybody else's overall responsibilities.

So although I may very well have discussed it with other executives within the company, it is equally possible that I didn't and I would have just discussed it with our FCC counsel but I don't have a recollection of

9104088903

it.

Q Do you recall if you discussed it with board members of Westwood One?

A The only board members that I would have discussed it with would have been executives of the company, not as a function of them being a board member. There would be no reason to bring it up at a board meeting.

Q Thank you. Do you recall if the testimony was in the summer 1987?

A I believe it was.

Q Was this the only time you that you testified before a congressional subcommittee?

A That's right, yes.

Q Was your appearance successful?

A Well, it depends. It was kind of disappointing, actually, in the sense that I flew in from Los Angeles to testify in front of a congressional committee for the first time and it turned out that the congressional committee consisted of one senator who didn't seem to be terribly familiar with what was going on, and my actual, I think, time of speaking to the committee lasted about

9104088●9904

three minutes and the rest of the comments were supplied on the written record. Probably it would have been just as effective to submit it in writing.

I don't think anything has really taken place. The changes that were suggested at the time I don't believe have been adopted but there is continuing speculation about what changes may go on in the regulation of the broadcast industry by the FCC. So we try to stay close but nothing has really changed.

Q Were you opposed to the changes?

A I was opposed to most of them, yes. And generally I was not in support of the changes that they were talking about making, but there were some issues that were, I was not in 100 percent agreement or disagreement with the bill as it stood.

Q Do you have a group of people at Westwood One that you consider senior management?

A Yes.

Q Can you tell me who they were in the spring of 1987?

A Certainly Bill Battison, president and chief financial officer. Probably Jack Clements, who was then

9104088905

president of the Mutual Broadcasting System. I would think Eric Weiss, who was head of business and legal affairs. Tom Ferro. I want to be sure not to leave anybody out. If this becomes public news there will be hurt feelings. Debra Seyler, Gregg Batusik. I think those are probably the -- Jerry Sherrell. Those are the people I consider the senior -- most senior management that I had contact with. There may be people that are in fact corporate officers or vice presidents and what have you who I am leaving off the list. That would -- not because they are not important people but because I would not have had as much day-to-day contact with them.

Q You mentioned Batusik?

A Gregg Batusik.

Q What is his position?

A Director of sales, director of advertising sales.

Q Was he the director in 1987?

A I think so. He became director in 1987. It might have been, it may have been actually before this, in which case he would have been -- I think he ran our Chicago office and he would not be somebody that I talked

9104088●9006

with as regularly.

As a matter of fact, my contact with him is -- I don't have that much regular contact because sales does not report to me but I would definitely consider him a senior executive at the time.

Q You mentioned Debra Seyler. What is her position?

A VP corporate affairs, I believe is her actual title.

Q Where is she located?

A In New York.

Q Did you have regularly-scheduled meetings of senior management people?

A We have a regularly-scheduled staff meeting of West Coast, of Los Angeles employees and I know we do that now. I am not certain we did that in 1987 but my sense is we probably did.

Q You are not sure?

A I am not sure.

Q Can you describe your management style?

A Well, I think there are certain areas in which I am -- I like to be as hands-on as I can be. In the early

9104088907

stages of the business it was pretty much a one-man business, for the first two or three years, but in the latter, probably within the last five years the company has grown significantly and in that sense I would like to, I delegate a great deal of responsibility and have some very strong management people who ultimately report to me, but have the responsibility of running their own divisions and running them successfully and taking whatever the opposite -- that take the bows or whatever the opposite is when you cannot bow. I like what I do and I like people who like what they do and I try and motivate and be very clear on what expectations are. And I think that is about as close as I can come to describing my management style.

Q How do you motivate people?

A Well, I think you recognize people for a job well done. You clearly give them incentives both in terms of monetary incentives and incentives in terms of being able to rise through the company in terms of overall position and I like to -- I like to see people succeed because successful people tend to make the company a successful company and I think that is critical in the growth of any small company that is trying to become a

9104088908

larger company.

Q In 1987, approximately how many people reported directly to you on the West Coast?

A On the West Coast, Battison would have reported to me. Tom Ferro reported directly to me. And I think Jerry Sherrell reported directly to me. I think those were the only people who reported directly to me. 1987 is three years ago. I cannot be certain but I think those of the only people who have direct reporting line responsibilities to me.

Q In terms of the organization of the company?

A On the West Coast, right.

Q Would you have -- did you have occasion to deal with other people on a one-to-one basis?

A You bet, sure. It is not unusual. It was not unusual to see me in a studio when a show was getting produced or discussing advertising or discussing affiliate relations. It is a very -- it was not a tightly-structured organization and does not remain a tightly-structured organization today, especially on the West Coast. My door is open and people come through it all of the time and everybody else's door is open and I

9104088909

walk through the doors regularly.

Q In 1987, approximately how many people worked on the West Coast?

A I would guess somewhere around 100. That is my guess.

Q If you wanted one of the hundred people to do something would you give the instructions directly to that person?

A Sometimes.

Q Take, for example, if you wanted a particular advertiser to be contacted. How would you go about something like that?

A If it was advertising sales I would probably contact -- if Batusik at the time was director of advertising sales I would have contacted him because by this time his sales had ~~gone~~ grown N.P. to such a size I would not have known had who the agency or what city the agency was in or what salesman called on that account or what have you. Advertising sales was generally a function and continues to be a function that is directed out of New York. So if I wanted, if there was a thought that I had about an advertiser who might be right for a particular

9104088910

program or something like that, I would call Gregg and let him know or I might tell Bill to tell Gregg.

Q Bill?

A Bill Battison, who Gregg reports to.

Q You identified Mr. Battison as president of Westwood One?

A Correct.

Q He was president also in 1987?

A I believe so, yes. President and chief financial officer.

Q Did you work with him on a daily basis?

A Generally.

Q What types of matters did you discuss with Mr. Battison?

A Anything involving the company. A lot of issues involving, you know, the things that you discuss as a process of being a publicly-held company. Contact with the financial community. Sales reported to Bill, so we would talk about issues having to do with sales. Generally the state of the company. You know, since accounting reports to Bill and sales reports to Bill, Bill is a good guy to talk to when you want to know how you are

9104088911

doing. I need to know how I am doing, I have 10 minutes, and I talked to Bill about that on a regular basis.

Q Did you ever socialize with --

A Bill and I are -- Bill and I are not close social friends but we have on different occasions attended the same social function, mostly business-related.

Q You also mentioned that one of the senior staff people in 1987, as you recall, was Tom Ferro?

A That is correct.

Q Can you tell me his position?

A Tom was the general manager of the Westwood One radio networks, VP and general manager, and responsible for all of the activities of what was basically our syndication arm.

Q What types of activities were those?

A The production and distribution of our radio programs, he oversaw all of the department heads of that division of the company, they reported to him, so those departments would include affiliate relations people that go out and solicit radio stations to carry our programs and production, programming, to some extent advertising and promotion, to some extent music marketing, and there

9104088●912

may be a couple other things I am leaving out but generally those are activities of the company.

Q Is that a large division of the company?

A Yes, and it was the core of business that started it all.

Q When did Mr. Ferro come to work for you?

A Oh, gosh. I don't have an exact recollection; my feeling is Tom probably has been with the company for seven, eight, nine years. I could be wrong, but that is my sense of it.

Q Do you work closely with Tom in 1987?

A Yes.

Q On a daily basis?

A Yes. I am sure there were periods where we talked every day; if a period of a week went by that we didn't talk, that would not be unusual.

Q Do you have confidence in him?

A In Tom Ferro, yes.

Q Did you socialize with him?

A We are not social friends. Again, I think there were probably social functions that were business-related that we probably attended together.

9104088913

Q Do you know Gary Yusko?

A Yes.

Q Can you tell me who he is?

A Vice president of finance and chief accounting officer.

Q Does he report to Mr. Battison?

A That is correct.

Q Have you worked with him directly?

A I certainly had direct conversations with him but that particular part of the business is probably the part of the business that I am the least comfortable with, so it is generally to ask a question rather than to give a directive.

Q Are you personal friends with Mr. Yusko?

A Not outside of the business. I think I would consider myself friends with all of them within the business because that is the kind of company, certainly on the West Coast it is the kind of place that it is, but we don't socialize outside of the business.

Q When you say it is that type of place, friendly as atmosphere, when you give instruction to people do you tell them what to do?

9104088914

A Well, if I give an instruction then I would, yes, I would, I think the definition of the word "instruction" is telling someone what to do.

Q Do you ask them? Is it in the form of a question?

A It depends on what the situation is. I don't think I have a set pattern of -- there are times when I ask them to do things and there are times when I ask for their opinion and there are times I direct that something should be done.

Q Have you ever directed that something should be done in the form of a question?

MR. BAUER: Off the record?

MR. BLESSINGTON: Off the record.

(Discussion off the record.)

MR. BLESSINGTON: On the record.

THE WITNESS: I may very well have asked questions that I don't know how to answer. I try and give directions in a clear and concise and professional manner.

BY MR. BLESSINGTON:

Q Thank you.

9104088915

Now, you mentioned --

A I try to be as polite as I can be.

Q Thank you. You mentioned Eric Weiss earlier as one of the people that you consider was senior management in 1987?

A Right.

Q Do you recall what his specific position was in 1987?

A No. I think probably the reason that I consider Eric senior management, I always thought when he first came over, because he came over in the acquisition of Mutual and we brought him out to the West Coast and I always thought he had great potential, and so although -- maybe the fact that he was senior management in 1987 might be overstating the case a little bit.

He was somebody that I expected would become senior management and a more important executive within the company. But in 1987 I think he was relatively new on the West Coast with Westwood One and I don't recall what his title was even though I believe he was vice president and handled legal affairs. I don't know that he handled business affairs at the time.

9104088916

Q When you say he "handled legal affairs," can you be more specific?

A As a result of business we are in, we have contractual relationships with thousands of radio stations, with hundreds of artists and talents who appear in Westwood One programs either as voice talents and disk jockeys and hosts all the way up to major superstar artists that are featured in concert broadcasts and programs. We also have contractual relationships with advertisers and all kinds of relationships, contractual relationships with unions and to that extent we, Eric oversaw the in-house functioning of those areas.

Q So production people would go to him if they had some kind of question relating to artists?

A Well, the people who were responsible for getting artists, the artists relations department, music marketing department, that is an area that I was very active in. It would not be unusual for them to interface with Eric on a regular basis.

Q Do you recall if you dealt with him often in 1987?

A I think since he was probably fairly -- I think

9104088917

that was in the beginning of his tenure on the West Coast and my sense is that I probably -- there would have been periods where if there was a particular contract that I was involved in the negotiation with, I deal with him on a regular basis but my time is spread so thin and I function in so many different areas, if a period of a week or two or three went by that I had no contact, that is not unusual.

Q Who did he report to directly?

A I believe he reported directly to Bill Battison.

Q Do you know Stephen Jaffe?

A Yes.

Q And can you tell me what his position was in 1987?

A He worked in the accounting department. I don't know specifically what his title was but he worked for Gary Yusko.

Q Did you have much contact with him in this period?

A Very little.

Q Can you recall any specific instances that you

9104088918

had contact with him?

A In the halls I used to rib him about his South African accent and that is about it.

Q You earlier indicated Debra Selyer was vice president of corporate affairs?

A That is correct.

Q She was not in Los Angeles?

A She was based in New York.

Q What is she responsible for?

A She was responsible for -- she oversaw personnel, she oversaw research, she oversaw a segment of our computer operations and I used to use her generally as kind of a problem solver, special project; when there was something that I needed somebody who was a bright person to get in and assess a situation and make recommendations, I used her in that area.

Q Did you meet with her regularly?

A She used to be in Los Angeles. As I recall, she came out to the West Coast one week out of every month and spent a week on the West Coast and I would certainly see her when she was on the West Coast. Obviously when she was on the other coast we did not interact as often.

9104088919

Q In 1987 did you spend most every day in the office in Los Angeles?

A No. I do a great deal of traveling. In 1987 we were involved in the purchase of the NBC Radio Network which, of course, that was very time-consuming and also that was during a period when I think at the end of '86 we had raised about $100 million in a convertible debenture and that took a great deal of time and travel and as a result of that, and the company expansion, there was considerable interface with the financial community, analysts, financial institutions and investors and things of that sort as well as the normal things that I -- things I like to do that I try to make sure I still have time to do, even though as the company gets larger you tend to spend more time doing things you don't like rather than the things you do like.

The dealing with artists to secure them for our programs and working on securing major entertainment events, and everything from those kinds of things to determining, in some cases counseling with some people on what color the pirate, party pig should be on the next T-shirt.

9104088●9920

Q Did you enjoy working on the advertising function?

A Yes. That was an area that I liked a lot.

Q Do you know Dean Marion?

A Yes, I do.

Q What was his position, or did he work for Westwood One?

A Yes.

Q What was his position in 1987?

A Director of advertising, I believe, think that is it. The title might have been slightly different, but that was his function.

Q Did you work with him a great deal during that time?

A Yes, I did.

Q What type of work would you do with Mr. Marion?

A If there was a particular -- Dean reported to Jerry Sherrell but when he would -- if I would get an idea for a particular advertising campaign or something I wanted to do or because I was very involved with setting up, securing artists for concert programs and so forth and had worked directly with their management people and knew

9104088921

what it was we needed to do not only to promote and advertise our broadcast but to stay within sometimes stringent guidelines that artists would put on us relative to the way we can reproduce their name and likeness, I like to see the ads before they finally got done. If I had thoughts about directions they should go in I passed that along to Marion. If I didn't I would tell him some ads I knew needed to be done and before they were completed I wanted to look at them.

Q Was he a competent employee?

A Yes, I believe Dean was a competent guy.

MR. BLESSINGTON: We will take a short break.

(Recess.)

MR. BLESSINGTON: On the record.

BY MR. BLESSINGTON:

Q Does Westwood One have a board of directors?

A Yes.

Q In 1987 was there a board of directors?

A Yes.

Q Were you on the board?

A Yes.

Q What was your position?

9104088 9222

A Chairman of the board.

Q You still are?

A Yes.

Q Do you recall who else was on the board in 1987?

A Bill Battison, Brien Heimerl, for the company. The outside directors, Joe Smith, Larry Freeman. I don't believe Paul ~~Chrisno~~ KRASNOW V.P., who is on the board now, was on the board in 1987.

Q So to the best of your recollection there were only five people on the board in 1987?

A Yes.

Q Can you tell me who ~~Brien~~ BRIAN V.P. Heimerl is?

A Vice president of production for the Westwood One radio networks. I probably should have mentioned his name as one of the key executives. If you are reading this, ~~Brien~~ Brian V.P., I'm sorry.

Q Like the Academy Awards thing.

(Laughter)

BY MR. BLESSINGTON:

Q In 1987, did the board meet regularly?

A Yes.

9104088 0923

Q How often?

A The board generally met, I would say two or three times, two, three, four times a year. It depended upon what was going on at the time.

Q What types of decisions did the board make?

A I think the board, we always sought board approval for any of the major strategies of the company regarding acquisition or raising money for the company or the overall, we would report to the board on a regular basis on the overall state of the company and then we looked to our corporate counsel, Rogers & Wells, to guide us in terms of the requirements of being a public company and the kinds of things that we should do to make sure our standing as public company was always held in good stead.

Q To that extent the board would have to be involved in certain decisions?

A Yes.

Q Day-to-day decisions were generally not made by the board?

A That is correct. They were made by management.

Q Ultimately you?

A No. Management. To the extent that as its

9104088924

chief executive officer I suppose I am ultimately responsible for the decision made by the company, but there is a large, a growing company with lots of competent management people who made decisions, many decisions on a continuing basis, based upon their own experience and authority.

Q Prior to 1987 would you still describe the actions of board in much the same way?

A Prior to? Before 1987?

Q Yes.

A Pretty much, yes.

Q Do you recall any specific recommendations that you made to the board in 1987?

MR. BAUER: Repeat the question.

(The reporter read the record as requested.)

MR. BAUER: Off the record?

MR. BLESSINGTON: Sure.

(Discussion off the record.)

MR. BLESSINGTON: On the record.

THE WITNESS: Could you repeat the question?

(The reporter read the record as requested.)

THE WITNESS: I remember one recommendation,

9104088925

which would have been the purchase of the NBC Radio Network.

BY MR. BLESSINGTON:

Q Was that recommendation accepted?

A Yes.

Q Tell me how would the -- or how did the voting process work at the board? If you made a recommendation how would it be or how did you present it to the board and how did the board vote on it?

A In the case of NBC, for example, we put together a very, I think, a very involved presentation which indicated to the board why we thought, why we wanted to buy the NBC Radio Network, why we thought it made good sense for the company, gave them a complete financial history of the network, told them what we thought we would accomplish and what our immediate goals would be in the takeover, and projected what we thought the revenues would do. I believe it was a fairly involved presentation.

We got -- we have a board of not only executives of the company but outside directors who are very competent professionals in their own field who, I believe, are conscious of their responsibilities as outside board

9104088●926

members and the fiduciary responsibility that implies, so we try in all cases to make sure that the board members are apprised so the decision they make will be based upon the best information that we can supply them.

Q Did you provide the board members with an agenda document?

A I am sure we did, although I don't recall specifically.

Q And do you recall asking for a vote?

A I don't right now have the specific recollection of asking for a vote but I am sure, I am sure -- at the time, in the meeting that we would have brought up the acquisition of NBC it quite certainly would have been followed by somebody asking for a vote.

The reason that I am not certain that a vote was asked for at that particular meeting,, there may have been requests from the board for additional information. There may have been discussion and we may have convened another meeting after that so I don't have that recollection of how it really came down.

Q Do you ever recall any board member voting "no" to any recommendation that you made?

9104088●927

MR. BAUER: I think I will begin to object to this line of questioning. For one thing I don't think that I am clear how this will produce any relevant information and I believe it forces Mr. Pattiz without company counsel to discuss internal affairs of the company with respect to matters that may be proprietary and sensitive to the trade and I want him to have the full latitude to discuss matters in this deposition but since I represent him in his personal capacity I am uneasy to have him discuss matters that the --

MR. BLESSINGTON: Are you suggesting he does not answer?

MR. BAUER: If you want the question of a relevant character maybe you can reask --

MR. BLESSINGTON: This is certainly designed to result in obtaining relevant information and --

MR. BAUER: I take that on faith but I don't see it and I am worried that we will be discussing the conduct of entertainment by Westwood One and how board members vote --

MR. BLESSINGTON: All I am doing is I am asking a simple question: do you recall if any board member

9104088928

voted "no" on any recommendation that you made?

MR. BAUER: That Norm Pattiz made?

MR. BLESSINGTON: In his capacity as chief operating officer and chairman of the board.

MR. BAUER: I direct him not to answer that question. How far I would like to take the matter, I would like to go a little further on. I want you to get the information but I want to establish a point. I have to see the direct relevance of the material and I do not want to invade matters that are company concerns with respect to whether or not he remembers how a particular board member voted on a particular issue, but we can return to that.

MR. BLESSINGTON: Are you stating a privilege?

MR. BAUER: We can return to it if you would like. I am objecting, instructing the witness not to answer. I am troubled there may be privileged issues involved and company counsel is not present and the question of relevance of the information that you are seeking -- although I would like to give a broad scope to it, I am prepared to consider the question further. If we

9104088●929

can move on to the next thing, maybe we can come back to that.

MR. BLESSINGTON: Off the record for a moment.

(Discussion off the record.)

MR. BLESSINGTON: On the record.

MR. BAUER: You can answer the question.

THE WITNESS: Can I have the question repeated, please.

(The reporter read the record as requested.)

THE WITNESS: At board meetings where I was present and where I put forth proposals that were recommended by management for the consideration of the board, I believe that the board supported all of those issues.

BY MR. BLESSINGTON:

Q Just to be clear, you cannot recall any one member of the board voting "no"?

A I don't recall anybody, any specific member voting "no." Somebody may have voted "no," but I don't recall that.

Q Thank you.

MR. BAUER: You are welcome.

9104088●930

THE WITNESS: There were plenty of issues that were taken up by the board where because I may have been involved with the contractual issues as they relate to me which are taken up by the board that I was not privy to and I don't know who voted "yes" and who voted "no" because there will be a number of occasions where I had been asked to recuse myself or excuse myself.

Q Has the board -- strike that.

Up until July of 1987, did the board ever involve involve itself with reimbursements of expenses to employees?

A I don't believe so.

Q I will ask you a little about Mr. Mark Kress.

A Okay.

Q What when did you meet Mark Kress?

A When I was selling time at KCOP, which would have been probably sometime in the early '70s.

Q How did you happen to meet him?

A He was selling time for a competitive station in the marketplace, and I think we ran into each other initially at some advertising agency that we were both presenting to and struck up a conversation and became

9104088931

friends.

Q Can you describe the relationship that built up over the years?

A We became friends. He wound up coming to work at KCOP.

Q Were you instrumental in that?

A I was the sales manager. Actually at the time that he came over, I probably wasn't the sales manager. I am not sure, but I am sure I put a good word in for him.

Q You became close friends, eventually?

A Yes.

Q You would socialize?

A Correct.

Q -- from time to time?

A Yes.

Q Did you ever meet any members of his family?

A Yes.

Q Who?

A I knew his mother and his father and his brother.

Q How did you happen to meet them?

A He introduced them to me, probably at his home.

9104088●932

Q Is his brother's name Robert Kress?

A Yes. Bob Kress. Right.

Q Were you also friendly with Bob Kress?

A No.

Q Did you know a Margaret McAllister?

A Margaret McAllister? I don't believe so, no.

Q Do you know Mark Kress' wife?

A I knew his first wife but I don't know his -- he then remarried and I think I was introduced to her once or twice, but that is about it. I knew him when he was Marv Kress, not Mark Kress.

Q When did he change the name?

A A few years ago. I thought he should have changed it to ~~"weirdo,~~" and he changed one letter.

Q Did you ever invite him own to your house?

A Yes.

Q Often?

A There were periods when we were very good friends where he would -- I would be over at his house or he would be over at my house on a regular basis.

Q When you both worked for KCOP?

A Yes.

9104088933

Q How long did you work there together?

A Two or three years, probably.

Q You indicated, I believe, that you were terminated from KCOP?

A That is correct.

Q Did Mark Kress remain there after that time?

A We were both terminated at the same time.

Q What did Mark Kress do after being terminated from KCOP?

A I believe he went into -- he went into business with his brother.

Q You started Westwood One?

A That is correct.

Q Were you involved at all with Mark Kress in starting Westwood One?

A No.

Q Was this roughly in 1976 that you both were terminated?

A I think so, yes.

Q Did your relationship continue after KCOP?

A Yes.

Q How often did you see one another?

9104088934

A I don't recall. It wouldn't have been unusual not to see him for some time. It would not have been unusual to go out to dinner on the weekend. He was involved in running his own business and I was involved in starting up my own business, but I still considered him a friend.

Q And Mr. Kress ultimately came to work for Westwood One?

A That is correct.

Q Can you tell me when?

A This is a guess, but I think -- he was terminated in '88, probably -- I don't remember exactly. He worked for the company for three or four years, so it probably would have been sometime around '85. That would be my guess.

Q Do you recall the circumstances of his hiring?

A Yes. He wanted to come to work for the company, and basically pitched me for a job, and we had an opening for a salesman on the West Coast and I knew him as a salesman and I hired him.

Q When you said he was hired to be a salesman, you mean a salesman of advertising?

9104088935

A Yes, of advertising time.

Q Did he stay in that position while employed by Westwood One?

A He stayed in that position, I would say, for probably half the time he was employed by Westwood One and then he became the director of music marketing.

Q What were his responsibilities in the second job that he had?

A Basically to secure sponsorship for music -- music tours, to go out and find an advertiser who wanted to be associated with a music tour that was going on and then to oversee all of the implementation of the tour with respect to the advertiser and the artists and the company.

Q Was that a promotion from sales?

A It was -- it is hard to say it was a promotion. I think financially he probably made about the same thing in the sense that he was running a particular area, I think it was probably a promotion.

Q You indicated you terminated Mr. Kress?

A That's right.

Q When did you terminate him?

A I believe that it was -- let me think about this

9104088936

a minute -- it would have been, I believe it would have been toward the end of 1988.

Q Prior to his termination, had you continued to be friends?

A We had become less friendly. I mean, we had become less close friends. Our social interaction was considerably less.

Q Was that as a result of your different positions at Westwood One?

A It made it more difficult. It made it more difficult.

Q Because you were the employer and he was the employee?

A Yes. Well, yes. And I think because of the way he handled our friendship, the fact that we were friends made it difficult to remain close social friends. He was -- when he came to the company he was very ~~intimidated~~ animated, -- about what close personal friends we were and open with that information, and it made it difficult to remain very close friends without appearing to have an effect on his position with the company. I just didn't want that.

Q I see. Turning to a different area now --

9104088●9937

A Okay.

Q -- prior to 1987, had you ever made a contribution to a federal candidate?

A Prior to '87? I don't believe so.

Q In 1987 did you make a contribution to the Senate campaign of Senator Edward Kennedy?

A Let me say prior to '87 -- I may have made a contribution in '86 but right around the period of time we are dealing with was about the time I began to become -- that I was first solicited and began to become somewhat active, if that is the right word, in contributing to federal campaigns. I'm sorry. You asked a question about the Kennedy campaign, and I don't recall.

Q Do you recall making a contribution to the Senate campaign of Senator Kennedy in 1987?

A Yes.

Q To the best of your recollection, was this the first contribution you ever made to a federal candidate?

A I think so, yes. I think the Kennedy contribution was the first.

Q Can you describe the circumstances of your having made that contribution?

9104088938

A If it is the contribution that I recall, I got a call from a friend of mine who said, "do you want to meet Ted Kennedy? They are having a fundraising dinner and it will cost you $5000 and it will be a small group of people and I think you will enjoy meeting him." I said, yes, that sounds great.

Q Is it possible it cost $1000?

A $1000?

Q Yes.

A No. I think the first one that I gave was a $5000 contribution.

MR. BAUER: Off the record.

MR. BLESSINGTON: Yes.

(Discussion off the record.)

MR. BLESSINGTON: On the record.

THE WITNESS: That is the one that I recall. I gave $1000 to Kennedy some other time? On 3/19? That would have been right before that -- I don't remember that one, but I guess I did.

BY MR. BLESSINGTON:

Q You don't remember the circumstances of a $1000 contribution?

9104088939

A No, I don't.

Q It may be helpful if I introduce for the record the check copies that you submitted in response to the subpoena.

A Yes.

MR. BLESSINGTON: Mark this as Commission Exhibit 1.

(Commission Exhibit 1 identified.)

BY MR. BLESSINGTON:

Q I thought it would be helpful if we can use this to refresh your recollection as we go along.

MR. BAUER: I have no objection to that.

BY MR. BLESSINGTON:

Q Look at --

A I can clarify something. I believe that the $5000 contribution that I am talking about for Ted Kennedy took place in 1986 and would have been before this, and that this, the $1000 contribution and that the $5000 contribution came after in 1987, were after the 1986 incident that I was talking about. I am pretty sure that is when I was first introduced to Kennedy.

Q I think that is confusing the situation more.

9104088●9940

On page 6 of the documents that you submitted through your attorney, it does indicate it was April 2, 1987 that you made out a $5000 contribution to the Fund for Democratic Majority, which I believe is ~~had~~ associated with Senator Kennedy?

A Right. Yes. Obviously I did, but when I said -- you asked me when I first contributed to Senator Kennedy, and how that happened, I remembered a friend called; Jeff Wald said, "do you want to meet Ted Kennedy, it is a small group of people and it is a fundraiser and it will cost you $5000." And that was before this happened, so that is the first time I ~~BLESSINGTON~~ contributed to a federal campaign fund, but I don't recall.

MR. BAUER: Off the record.

(Discussion off the record.)

MR. BLESSINGTON: On the record.

Where we were?

(The reporter read the record as requested.)

MR. BLESSINGTON: For the record, I want to state while we were off the record we discussed some -- what appears to be confusion over chronology in terms of

9104088-9941

contributions, and counsel agreed to try to sort that out in the meantime and get back to us on that.

MR. BAUER: That is my understanding.

BY MR. BLESSINGTON:

Q The record indicates, public records indicate, and the information you supplied to us in response to the subpoena, that you made a contribution to Senator Kennedy's campaign in March of 1987?

A Yes.

Q Do you recall the circumstances surrounding that particular contribution?

A Specifically, no.

Q Generally?

A Well, I will tell you what probably happened. I probably got a call from Randy Cooper, who is one of the Senator's assistants, and said there was some, you know, fundraising activities going on and could they count on my support, and I would probably say how much and where do I send it, and that is probably how that came about.

Q Did you ever make a contribution to the presidential campaign of Senator Joseph Biden?

A Yes, I believe so.

9104088●942

Q You can look at Exhibit 1.

A Yes. The only reason I was asking, I have now come to realize there are many different things that you are winding up. Sometimes it is for PAC and sometimes it is for a friend of that, and I want to make sure that the check I wrote was Biden for President, and that is what it is for.

Q Can you recall the circumstances surrounding that contribution?

A I met Joe Biden the first time when I was invited to a gathering at the home of Irving Azoff, A-z-o-f-f. It was a small gathering of people, people in the southern California community, and I was introduced to Senator Biden and chatted with him briefly. I don't believe I contributed money because I don't believe anybody asked me for anything at that function.

I then met him again in Hawaii, at Christmastime, when I was invited to go to a breakfast where there were maybe 8, 10 or 12 people at the breakfast and chatted with him and I don't believe there was -- I don't believe I made a contribution at that time. So I think the contribution came when I was invited to a

9104088●9943

fundraiser at the home of Ted Fields.

I don't recall the date, but the check says 3/25/87, and I have no reason to think that is inaccurate. And that was -- I remember I was solicited for $1000 on that occasion, and it was a fairly large fundraising event with hundreds of people.

Q You said the first time you recall meeting Senator Biden was at a home of Irving Azoff?

A Yes.

Q Who is Mr. Azoff?

A At the time he was, I believe, the president of MCA Records or MCA Music, but he ran the MCA Record Company.

Q Did you know him through your business?

A Yes. He was a business associate and a friend.

Q How many people were at that gathering?

A Probably 30 or 40.

Q Do you recall if Senator Biden was running for President at that time?

A I don't know if he announced -- I am not sure he announced at that time, but he may have.

Q Do you recall if it was in late '86 or early

9104088●9444

'87?

A I know it was before Christmas, the Christmas holiday, and I believe it was the Christmas holiday of 1986. So it would have been prior to that, and I believe it would just have been a matter of months or weeks prior to that.

Q Do you recall meeting anybody of his campaign staff at that function at Mr. Azoff's?

A Not at that function.

Q Did you meet any of his fundraisers?

A At that function?

Q Yes.

A I don't believe so, no.

Q You indicated that you met Senator Biden a second time in Hawaii?

A Yes.

Q At a breakfast for eight or 10 people?

A Yes.

Q Can you tell me who the people were?

A Jeff Wald, who I believe set up the breakfast, his fiance, who became his wife a few days later. Her name was Candy Clark. Some of the other guests of the

9104088●9945

hotel, and I don't remember specifically who they were but I remember that Senator Biden had with him his son. He was apparently vacationing in Hawaii and also Pat Cadell. He was the guy with the ~~bright~~ white VP strip on his beard and Mr. Cadell was a friend of Jeff Wald's fiance. That was kind of how this all came together.

Q Were you in Hawaii on vacation?

A Yes. I can assure you I didn't fly over there to have this breakfast.

Q Did you speak with Senator Biden?

A Yes.

Q What did you discuss?

A His vision. Some of the things I remember him talking about were the state of the economy, where the country was. I remember him making one comment about the fact that we had some problems but he would rather be here than be faced with the problems that Japan was going to have in future years.

And I remember focusing on that comment because that was during a period when lots of people were saying we were headed down the tubes and the Japanese were the smartest people in the business world and if we did

9104088●9446

everything they did we would be fine. And I was impressed by the fact that he had faith in the ability of this country to start moving in the right direction and actually had the foresight to see that although the Japanese economy was clearly a dominating force that they had their own sets of problems, and he was not interested in trading places and neither was I.

Q Did he ask you for any of your opinions?

A We had discussions but I don't recall that it was -- that I gave him any of my opinions on anything. I think it was really more get to know Senator Biden and tell us a little about yourself and what you think.

Q Did you discuss communications issues with him?

A No.

Q You also indicated that the third time you met Senator Biden was at the home of Ted Fields?

A Yes.

Q Who is Ted Fields?

A Ted Fields is one of the -- he is one of the Marshal Fields, and moved to southern California a few years ago and has become active in the motion picture entertainment business and has also become quite

9104088●9447

philanthropic and politically active.

Q How do you know Mr. Fields?

A I was introduced to him by Rona Barrett.

MR. BLESSINGTON: Let's take a recess.

(Recess.)

MR. BLESSINGTON: On the record.

BY MR. BLESSINGTON:

Q We left off talking about a fundraiser at the home of Ted Fields for Senator Biden.

Who approached you about this fundraiser?

A I don't recall. I honestly don't recall how I got turned on to that fundraiser.

Q Did you go to it?

A Yes.

Q Took a $1000 check?

A Yes. I contributed $1000. I don't know if I took it or mailed it.

Q How many people were there?

A Hundreds.

Q Was it a big home?

A Green Acres, which is the main reason we went. My wife wanted to see Green Acres. The old Harold Lloyd

9104088●9448

estate.

Q Did you speak to any Biden representative at that function?

A Yes. I am sure I said hello to Senator Biden. I recall chatting with Pat Cagell. That may have been when I first met -- what is his name -- the guy who works for Ted Fields. I should know the name and I mentioned it before. I cannot remember the name, but there is a man who works for Ted Fields who really kind of handles his political and philanthropic activities. It is in the records that -- in the statement that I previously made.

Q Was he working for Biden at the time?

A He was working for Ted Fields.

Q What did you discuss?

A Pleasantries. I know that Ted Fields was a very outspoken supporter of Senator Biden, and so I am sure we may have talked about that, but I don't recall. The name is Bob Burkett.

Q You indicated you met Senator Biden again. You also indicated there were hundreds of people there?

A Right.

Q I guess you didn't speak to him for too long?

9104088●9949

A I think it was just to shake his hand and get a picture taken, but I recognized Pat Cadell, who recognized me.

Q From Hawaii?

A Yes. I went over and said hello and I am sure somebody whispered in his ear before I got there to know who I was and he said "Hello, Norm," and I shook his hand and I may have introduced him to my wife, and that was it.

Q Did you have a discussion with Mr. Cadell?

A I probably chatted with him. I don't think it was about anything specific.

Q Just for a short period of time?

A Yes. It was a huge cocktail party.

Q Did you speak to anybody else associated with the Biden campaign?

A Not that I recall.

Q You indicated through your counsel in the response to the complaint that you were approached by agents of Senator Biden subsequent to an event that you attended?

A Yes.

9104088●950

Q Was this the event?

A No.

Q Can you describe what event that was?

A There was another event which was a dinner event, and I don't remember the exact date of it, even though I am sure it is the one that involves the complaint that was filed so you know what the date was, and I was contacted by Lisa Specht and Bob Burkett, who wanted to come over and see me. And they came over to my office and we had a conversation which probably lasted 15 or 20 minutes about the Senator's campaign and what they were trying to do and the fact that there was going to be another fundraiser and they wanted to elicit my support.

Q Can you tell me who Lisa Specht is?

A A southern California attorney, who I think had run for some local political office, but was active in the Biden campaign.

Q You identified Bob Burkett that handled matters for Ted Fields?

A Yes.

Q Ted Fields was a major supporter of --

A Of Biden, yes.

9104088●9511

Q Do you recall what you discussed with Mr. Burkett and Ms. Specht?

A We talked about the Senator. I think I said I was very impressed with him, which I was. We talked about what their strategy was going forward. I remember them saying they were trying to build a non-traditional kind of constituency, a list of grassroots supporters, and really try to approach people who were not generally thought of as being the southern California political mainstream. Those are really the things that I specifically recall from that meeting.

Q Did they ask you to make a contribution?

A No.

Q They came to your office?

A Yes.

Q They wanted you to do something?

A Yes, to support the next fundraiser dinner that was coming up in a few weeks, I think, and they asked me if I could fill a table or two, and I told them I thought I could.

Q Was it a hard sell?

A To me?

9104088952

Q Yes.

A No. I was happy to do it.

Q Did they give you any suggestions on how to do it?

A No.

Q What was your understanding at the end of this meeting of what you were going to do?

A I was going to talk to people, you know, and see if I could fill a table or couple of tables at this upcoming dinner for Biden.

Q Have they told you they needed to get this money from individuals?

A They said they were looking for support on a much broader level. They had already been through Los Angeles with this major fundraiser. I think I remember them saying they were not interested in more support from me because I already contributed to them and they were looking -- they now wanted to build a larger constituency and network that constituency, which seemed logical to me that they want people -- wanted people they would not get as part of the usual process and see if they would lobby those people and try to get their friends and

9104088●9953

associates. My sense is they were having pretty good luck raising money for the Senator's campain in southern California, anyway.

Q Do you recall how much a table was worth?

A I remember it was $1000 a head.

Q Did they give you any guidelines on how to raise the money?

A No.

Q Did you attend that fundraiser?

A Yes.

Q Where was it?

A At Ted Fields' house.

Q How many attendees?

A I would guess 100 or 150. There were a lot of people there.

Q There were a number of different tables around?

A Yes. Sure. It might have been closer to 200. There were more than -- if tables are generally 10 or 12, there were certainly more than 10 tables. I would say there were 20 tables.

Q At that point had you filled a table?

A When I attended it?

9104088●9554

Q Yes.

A Yes.

Q Who sat at your table?

A I don't remember who sat at my table. Most of the people that I solicited did not attend the dinner. I told them I didn't think it was necessary. If they wanted to, you know.

Q Were the people who sat at your table, were they there at your invitation?

A They may have been, but I don't remember. I may have asked a couple people to go since I knew there were people from the office that were not attending, but I don't remember who they would have been.

Q After Ms. Specht and Mr. Burkett spoke with you at your office what did you do about trying to raise the funds?

A I promptly forgot about it. It just slipped my mind.

Q Did you do anything about it at all?

A Not at that point, no.

Q Did you write yourself a note?

A No. I just forgot about it. That was a very,

9104088●955

very busy time for us. We were right in the middle of the NBC network acquisition and I just -- it just slipped my mind. I didn't really remember about it until they gave us a call, my sense was a few days in advance of the event, to say "Okay, who have you got?"

Q So after they came to see you, you agreed to try to fill a table or two?

A Right.

Q You didn't do anything about it at that point?

A That's right.

Q And what is the next thing you remember about this particular events?

A I remember getting a call. I don't remember if I talked to them or my secretary gave me a message that they had called and I think Lisa called, saying, I just want to find out how you are doing on such-and-such event, and I had not done diddly-squat about it.

Q What did you do then?

A I started contacting a bunch of people in the office and said, can you do me a favor? There is a fundraiser that I committed to sell a couple tables to and I have not done anything about it and, you know, I would

9104088●9956

like you to go to it, and if it is something that you want to do, if it is something you will do, the company will reimburse you for it.

Q Why did you go to people at the Westwood One?

A Because they were there.

Q Why didn't you just buy the table yourself?

A Well, first of all, they were interested in building up a constituency, a grassroot support of all kinds of people. They had not indicated to me they were looking for Westwood One support. The gist of the conversation was, help us build the Senator's constituency. Go out and sell tables to people who don't normally get hit on for these kinds of functions. I thought they were looking to build up a mail list [redacted] that they could network with, so it never crossed my mind that the company would contribute to, and the company never contributed to any political campaigns in the past.

Q When you said you spoke to some people at Westwood One about contributing did you write a memo about it?

A No.

Q Did somebody help you accomplish this?

A I talked to -- I probably talked to four or five of the people directly and they probably talked to some other people, probably.

Q Do you have a personal secretary?

A Yes.

Q What is her name?

A Erica Gardner, but she was not my secretary at the time.

Q Do you recall who the secretary was at the time?

A It may have been Lydia Syvera, or it may have been Susan Chapman. Those were my last three secretaries. Lydia -- they are both still with the company in other positions, but I don't remember who was there at what time.

Q Did your secretary at the time help you accomplish this fundraising?

A I don't think so. They may have given her checks, but I don't believe I had her contact anybody.

Q How did you decide upon the people at Westwood One that you would ask?

A It was probably the people that I talked to that day. I can tell you in the case of Debra Seyler, she

9104088●957

happened to be in the Los Angeles office. In the case of Kress, my sense is he was there or that he was -- that I was ~~going~~ Doing N.P. something with him at the time and he was close by. Bill, I would have seen and --

Q Bill Battison?

A Yes -- I would have seen during that day, and Tom Ferro as well. It was expedient. Those were the people that were close at hand and would be there, and those are the people that I could see in the next few minutes or over the course of the next few hours. That is why, for those people that I talked to.

Q Did it have anything to do with the loyalty of those individuals?

A I'm sorry?

Q The loyalty of those individuals?

A Their loyalty?

Q Yes.

A No.

Q Did it have anything to do with your knowledge of their political views?

A No, not really.

Q Is it your recollection you did this all on the

same day?

A Yes.

Q Right after the phone call?

A Yes. Believe me, all I wanted to do was get this off my plate and get on to things of primary importance. I forgot about doing it and I didn't want to forget again.

Q You indicated you spoke to William Battison?

A Yes.

Q Tom Ferro?

A Yes.

Q Debra Seyler?

A Yes.

Q And Mark Kress?

A Yes.

Q Did you also approach Gary Yusko?

A I don't think so, but I am not certain. I may have talked to Yusko but I think -- I don't recall that. Battison may have talked to Yusko, but I don't remember.

Q Did you speak to Eric Weiss?

A Probably. I am not absolutely certain that I spoke with Weiss, but I probably did. I saw Weiss on a

9104088●9958

regular basis. There would have been no reason for me to think somebody else talked to him. I probably talked to Weiss directly.

Q Did you speak to Stephen Jaffe?

A No. There would not have been -- there would have been no reason.

Q Did you ask anyone else to help you get people?

A Yes. I said, "I got to fill a couple tables, do you think you can find a couple people who would also agree to contribute," and what I wanted to do was see if we can get 10-, 15- or $20,000.

Q Do you recall saying that to Bill Battison?

A I probably did but I don't --

Q You recall saying this to someone?

A Yes. I am sure I said it to -- I may have said it to a couple of people. I certainly said it to Kress.

Q Did you suggest to anyone that friends or family members should also make these contributions?

A No, not that I recall.

Q Do you recall being open-ended about it?

A Yes. I don't think I was specific -- I needed to raise 10-, 15- or $20,000. I made that commitment.

9104088●959

That is what it takes to buy a table or two, and when it was $1000 a head, and, you know.

Q Did you speak to the individuals that you recall speaking to separately?

A I think so, yes.

Q In the case of Debra Seyler, do you recall where you spoke to her?

A No. I am assuming -- well, I cannot assume. I don't recall where I spoke to her.

Q Did you tell her how much the contribution was to be?

A Yes. I am sure said it is $1000 a head.

Q Do you recall what she said?

A No.

Q Did she readily agree?

A I think so, yes.

Q Did you give Ms. Seyler any instructions on how to go about making the contribution?

A I probably told her who to make the check payable to.

Q Did you tell her where to send it?

A I don't recall. I don't recall. I just don't

9104088960

recall that. I am sure I must have given them some indication either to send it to some place or give it to my secretary or something, but I don't recall the specifics.

Q Did you indicate why you were asking her to do this?

A I said -- I know I said to some people, and I don't recall if it was to Seyler or Battison, but I know I said I thought Biden was a good guy and it was somebody that I was supporting, that I thought, you know, it would be, you know, he would be good for the country and good for our business. That he was somebody I was supporting, so I don't think -- didn't just walk up and say I need a check for $1000 and give it to me and make it out to da, da, da. I explained that they talked to me some time ago and that I had kind of let it slide and I had a commitment and so I needed to sell a couple of tables. And I also said that the company would reimburse them.

Q Did you raise that issue initially?

A That the company would reimburse them? Yes.

Q Do you recall that you raised that with all the people you spoke to?

9104088●9611

A With all the people that I spoke to, sure.

Q Did you know at the time how you would reimburse them?

A No.

Q Do you know a Marvin Josephson?

A The name is familiar. Yes, I know him.

Q Can you tell me who he is?

A He used to be the CEO of ICM, which is an entertainment industry, a company, I think it is a theatrical agency, and he is head of NATPAC.

Q Did he attend either of the Biden fundraisers you went to?

A I don't know. He didn't at my request.

Q Do you know Michael Cooperman?

A No.

Q Do you know Jay Zises, Z-i-s-e-s?

A No.

Q Do you know Joel Boyarsky?

A No.

Q Do you know Carl Rheuban?

A I don't think so.

MR. BAUER: Off the record.

9104088962

(Discussion off the record.)

MR. BLESSINGTON: On the record.

BY MR. BLESSINGTON:

Q Have you ever met Senator Daniel Inouye --

A No.

Q -- or anyone on his staff?

A I don't know that I -- I don't think so, but when I was up on the Hill, I met some people on some staffs and I don't remember who they are -- who they were.

Q Is that what we discussed earlier?

A Yes.

Q You said you could not recall on the House or Senate staff?

A My recollection is that I met people on the staff for certain committees and I don't know if they were House or Senate. I would say, flatly, no, I don't know anybody on the Senator's staff unless one of them -- people that I met may have been on the Senator's staff.

Q When you decided in a very short period of time, apparently, to ask employees and officers of Westwood One to contribute to the Biden campaign, do you recall if you

9104088●963

spoke directly to Dean Marion about it?

A I don't believe so.

Q You don't recall speaking with Dean --

A No, I don't.

Q You indicated earlier you worked with him quite often?

A Yes.

Q And you indicated also that when you asked people at Westwood One it was people that you ran into on that day?

A Yes. Sure. I don't recall having a conversation with Dean Marion. It is possible, but I don't recall.

MR. BAUER: Off the record.

(Discussion off the record.)

MR. BLESSINGTON: On the record.

BY MR. BLESSINGTON:

Q You also indicated that you asked Mark Kress to make a contribution.

A Yes.

Q Can you tell me the circumstances surrounding that conversation?

9104088 9964

A Generally. I don't have a specific recollection of the conversation, but I assume it was the same kind of conversation I would have had with anybody about -- that I previously talked about in summarizing what I probably said to Seyler.

Q Which is?

A Who Biden was, and I committed to buy a couple of tables and had -- it was getting down to that time, and that I liked him and would they -- I needed to raise 10-, 15- or $20,000, and if he would contribute that the company would reimburse him.

Q You were friendly with Mr. Kress at this time?

A We were not what -- we were not friendly to the extent that I characterized our relationship prior to his coming to Westwood One but, yes, we had a friendly relationship.

Q Do you recall if he asked you why you were asking him to do this?

A No. I don't recall.

Q Did he indicate to you that he would arrange for some other people to make contributions as well?

A I don't remember whether he indicated that at

9104088●9965

that time. I may very well have asked him to see if he could find some other people as well. I knew -- I only talked to four or five people and I wanted to raise 10-, 15- or $20,000.

Q Did you ever speak to Mark Kress about your testimony before a Senate subcommittee?

A I may have. I don't recall.

Q Do you recall mentioning to Mr. Kress that you were raising funds for Senator Biden in order to be able to testify before Senator Inouye's Subcommittee on Communication?

A I not only don't recall that, but that is patently false.

Q Did you ever speak to Dean Marion about your testimony before Senator Inouye's subcommittee?

A No.

Q Did you ever discuss your testimony or potential testimony before a Senate subcommittee with Bob Burkett?

A I don't recall.

Q Did you ever speak with Lisa Specht about your testimony before Senator Inouye's subcommittee?

A I don't recall that.

9104088●9966

Q Aside from your FCC counsel, do you recall speaking with anyone?

A I may have discussed it with someone at the company, but I don't have a specific recollection. But I thought the idea of speaking in front of a Senate committee was pretty exciting stuff and I was proud of it.

Q You mentioned earlier about Mr. Wald?

A Jeff Wald. I never heard him called "Mr." before.

Q Jeff Wald is associated with Senator Kennedy?

A Just that he had been a supporter of Senator Kennedy's over the years.

Q Did you [redacted] discuss your concerns about the multiple ownership rule or any other matter involving the FCC with Mr. Wald?

A Oh, no.

Q After you requested Westwood One employees to help you raise funds and that they would be reimbursed, what happened next?

A I think the event took place -- what happened next?

9104088●967

(Pause) I am unsure of the question.

Q Fair enough.

What was the next thing you recall doing that involved this particular fundraiser?

A I remember I told Bill to make sure everybody gets reimbursed, but I don't recall if that was after I talked to everybody, or maybe it was when I was talking to Bill, asking him to contribute, but I made it clear I wanted the company to reimburse those individuals. Then I remember a few days later Bill or Yusko or both of them talked to me about reimbursing these people in the form of a bonus and indicating that if we reimbursed them in the form of a bonus that there would be, that would in effect cost the company more than $1000 apiece and I said, that is ridiculous, just reimburse them. And that is the last recollection that I have about there events until the time that we got a telephone call from somebody in the press, years later.

Q Why did you go to Bill Battison about the reimbursement?

A He is the chief financial officer.

Q So it was his area of responsibility?

9104088●9968

A Exactly.

Q Do you recall how you communicated your request to him?

A No, not specifically. As I said before, I am not sure whether I went to him after I had talked to everybody or if I talked to him at the time I was asking him to contribute, but I know I made it clear that I, you know, that I wanted the company to reimburse these people.

MR. BLESSINGTON: We will break for lunch.

(Whereupon, at 12:30 p.m., the deposition was recessed, to be reconvened at 1:30 p.m. this same day.)

9104088●9969

AFTERNOON SESSION (1:30 p.m.)

Whereupon,

NORMAN JOEL PATTIZ

resumed the stand and, having been previously duly sworn, was examined and testified further as follows:

MR. BLESSINGTON: On the record.

EXAMINATION (Continued)

BY MR. BLESSINGTON:

Q We are were talking about your -- by the way, we took a break before for lunch and just came back and we left off speaking, I believe, about your request to Bill Battison to reimburse the employees?

A Right.

Q Did you ask Mr. Battison to give the employees bonuses?

A In connection with this?

Q The first conversation that you had with him.

A No.

Q You just told him they needed to be reimbursed?

A Correct.

Q And I believe you indicated Mr. Battison came back to you at some point and told you that giving them

9104088970

bonuses, it would involve more money?

A Battison or Yusko or the two of them. I remember I got that message from that area but that is essentially the conversation that we had.

Q What did you tell them to do at that point?

A I said I didn't want them being reimbursed with bonuses, I didn't want it to cost more money, just reimburse them.

Q Did you tell them how?

A No.

Q Did you discuss possible methodology with them at that point?

A No.

Q Do you recall if either Mr. Yusko or Mr. Battison suggested possible methods at that stage?

A No. I don't believe they did. I certainly don't recall.

Q Did either or both of them simply tell you they would take care of it?

A That is my feeling. I told them what I wanted them to do, or whoever it was that I talked to, and they said they would take care of it.

9104088●971

Q Are you aware of the methodology for reimbursing that was finally adopted?

A I became aware of it because of this proceeding.

Q It was only after hearing that a complaint had been filed?

A Right.

Q So it was not until 1987 that you were aware of the methodology involved?

A I believe so, yes.

Q Were you aware that the records were falsified?

A I became aware when I found out about the complaint.

Q Did you ever mention to either Mr. Battison or Mr. Yusko, "Why don't we just call it what it is, a contribution to a political campaign?"

A I told them to take care of the reimbursement. And they are the accountants and the financial people, I am not an accountant, and I rely on them for what the proper way is to account for whatever we do.

Q What was your understanding of what would be done at that time?

9104088●9972

A I assumed it would probably be expensed.

Q What do you mean?

A Reimbursed those employees for their political contributions in the way we reimburse them for expenses.

Q When you say in the way in which you reimbursed them for expenses, what do you mean? By masquerading them?

A Masquerade?

Q By falsifying the records as something else?

A Not at all.

Q Was it your expectation Battison or Yusko could simply call these what these were?

A Yes, absolutely.

Q Do you recall speaking to either Mr. Battison or Mr. Yusko about the advisability of being honest about what these were?

A There was never a question. My assumption was they would be expensed as political contributions.

Q You didn't find out until after the complaint was filed years later that it wasn't done that way?

A That is correct.

Q Did you speak to Mr. Battison about it at that

9104088●973

point?

A We had quite -- at the time we became aware of the complaint and the nature of the complaint, I talked with Battison, I talked with Weiss.

Q Do you recall what you said to Mr. Battison after finding out about this?

A About finding out that the complaint had been filed?

Q Yes.

A I think I told him that the complaint had been filed. At the time I was informed of this complaint by a member of the press. I had not seen any complaint. I was informed about it by a member of the press who called me and told me.

Q Do you recall when that was?

A Not the date, but I know that it was -- you would have to jog my memory on exactly when it was. My sense was it was several months ago or a year ago or something like that. It was before the complaint -- shortly before the complaint was eventually filed. Maybe it preceded it, but two or three weeks. That is my guess.

9104088●974

Q You found out about something that had been filed or supposedly was going to be filed?

A Correct.

Q You found out from a reporter?

A Yes.

Q What did the reporter tell you?

A He said -- he asked if I had any comment on a complaint that was going to be filed by two former employees of Westwood One about secretly funneling campaign contributions to the Joe Biden campaign and what effect would this have on our FCC licenses and all kinds of stuff. It got my attention.

Q Did you later obtain a copy of this letter?

A Yes.

Q How did you get that?

A I think it was faxed to me by somebody -- I don't remember if it was this guy or somebody else in the press. Apparently it was distributed to several people in the press.

Q When you received a copy of this letter what did you do with it?

A I gave it to Eric Weiss. I don't think I gave

9104088975

it to Jerry Boltz. They're our corporate counsel. My recollection is for the first few days Boltz was out of town or something but I gave it to -- gave it to or showed it to Weiss and then we started to, you know, find out about what the FEC -- what a complaint with the FEC meant and where do you find FEC lawyers and how do we get ahold of Jerry Boltz. It is basically getting counsel and what is the proper way to handle this.

Q Do you recall being angry about it?

A Well, I think I was probably angry, among other things.

Q What are the other things?

A I was certainly very disappointed in somebody who used to be a friend of mine.

Q You mean Mark Kress?

A Sure.

Q Were you disappointed in Mr. Battison?

A No. You mean because of the way it was accounted for?

Q Yes.

A I am not sure at that point when I first found out how it was accounted for -- that may not have come up

9104088●9976

the first day. But I became aware of it and, yes, I think it -- it was a mistake.

Q Did you talk to him about it?

A Sure.

Q What did he say?

A I told him that I thought we ought to put this in the hands of the audit committee of the board, and I asked him why he did it, why he accounted for it the way he did, and he gave me his explanation and I remember being -- thinking it was -- it was not good judgment.

Q Had you ever instructed Bill Battison or anyone else at Westwood One to falsify a record involving payment to someone?

A Of course not. We are a publicly-held company. That would be -- that would be disastrous. The consequences of something like that would be disastrous.

Q Did you, after hearing about this complaint and getting a copy, of the letter written by Mr. Kress --

A The letter that I received had Kress' and Marion's signature, I mean their names. It was unsigned.

Q Did you try to reach Mr. Kress after that?

A I tried to reach Kress and Marion prior to

9104088●977

receiving a copy right after I heard from the guy in the press. I put in a call to Kress, who was not in, who later returned the call, and I put a call in to Marion, who I spoke with.

Q Do you recall what you said to Marion?

A I said I am hearing some very disturbing rumors that I cannot believe. I just called -- got called by somebody from the press that said there is a complaint out there with your signature, filed with the FEC. He said that is true, and I said why, and he said Kress was very unhappy with the way he was terminated and he was going to press this issue, and that Marion could either be a defendant or a complainant, and he preferred to be a complainant.

Q Did you suggest to him that if he kept quiet it would just have been a case of a disgruntled employee making a lot of noise?

A Absolutely not.

Q You can say that categorically?

A Yes. Certainly nothing with that kind of tone.

Q Can you think of any reason why Dean Marion would say something like that?

9104088●9978

A Say something like what?

Q Can you think of any reason Dean Marion would testify that you said to him that had he not signed the complaint, it would have just been a case of a disgruntled employee and the whole matter would go away?

A No, I don't recall any conversation like that. As far as speculating why he would do something like that, I cannot speculate on that. I don't know.

Q Did you ever talk to Mark Kress?

A Yes.

Q Can you tell me what -- can you tell me something about the conversation?

A He called me back and I said basically the same thing, that I was hearing disturbing rumors about a complaint that was filed and I was perplexed. He said that he felt that the complaint, that the complaint wasn't really officially filed because it had not been notarized or something, and that he was very unhappy about the way he was terminated and with financial arrangements, that he felt he was due additional money from the company, and that he called me 50 times and he called Eric Weiss and Tom Ferro a bunch of times and nobody returned his calls

9104088●9979

and he felt that he had to do this.

Q What did you say?

A Since he had start -- brought in the question of the way he was severed from the company and the fact that the company still owed him money and what have you, I said well -- I think I suggested that we have a meeting and discuss all of the issues that were, you know, a problem for him. And he said that he would like -- he said that would be fine, suggested having a meeting at, I think, a restaurant or a hotel or someplace that was close by, and he wanted to talk to his attorney and I said I want to talk to mine. And I went and talked to our attorney who said leave it in our hands, don't have a meeting with him directly, which is what I did.

Q Did you discuss with Mr. Kress the truthfulness of what was contained in his complaint?

A No, because I thought really what -- my feeling after talking to Kress was that he had a beef about the company owing him money and that is really what he wanted to talk about. So I -- at that point in time we just didn't discuss -- it was a very short conversation. We didn't say much.

9104088●9830

Q Was it a tense conversation?

A Probably. Probably.

Q When you talked to Marion was it around the same time you talked to Mr. Kress?

A Before. I placed the calls at the same time and I got somebody calling from the press saying this is going on and I called the guys to find out. I talked to Marion shortly before I talked to Kress, I believe on the same day.

Q Did Mr. Marion tell you during that conversation that he would no longer be a complainant?

A No.

Q Did you suggest that he should not be a complainant?

A No.

Q Did you talk to him about the truthfulness about what was said?

A I don't recall.

Q I want to be clear. You spoke to Marion shortly after you heard from the reporter?

A Correct.

Q Was that before or after you actually received

9104088●981

the letter that was -- with signature lines --

A Before.

Q Before you received the letter?

A Yes, before I knew what the specific nature of the complaint was, only that a complaint had been filed. My information from the reporter was that a complaint had been filed. So I didn't -- I could not really see to the nature of the complaint because -- I had not seen the nature of the complaint, but I was flabbergasted.

Q You are aware according to the complaint and letter that initially had Marion's name on it --

A Right.

Q -- that the charge was that you told both of them that you were doing this, raising the money in order to testify before Senator Inouye's subcommittee. They both said that. They both testified to that. Can I have your response?

A It is ridiculous. That certainly wasn't the case. I don't believe I ever spoke, talked directly to Marion about this. I don't have a recollection of talking directly to Marion about this. And the notion that had anything to do with this is false. That was set up by our

9104088 9882

FCC counsel and may have been set up before this fundraising dinner took place.

Q That is what I want to ask. I was curious when the arrangements were made for you to testify before the subcommittee.

A I believe it was well in advance of that. That is something we would have to confirm with the FCC counsel because they are the ones that set it up.

Q Would it be possible for you to go back and find that out and get back to us?

A We can certainly contact them and see if they have any records.

MR. BAUER: I have no objection.

BY MR. BLESSINGTON:

Q Why do you think Mark Kress would represent something like that that was untrue?

MR. BAUER: If I could interject, I am somewhat troubled as to speculating on Mr. Kress' motives because the only person that knows is Mr. Kress, and I don't want to compel Mr. Pattiz here to engage, particularly under these circumstances --

MR. BLESSINGTON: The only thing, the only

9104088●9883

reason I brought it up, it was suggested, at least in Mr. Pattiz' response filed by you, that the possible motivation, I mean it was hinted at in your response, was the personal enmity between the two of them.

MR. BAUER: I don't believe I used the term "enmity," but the point I want to make factually, this was an employee terminated from the company and that is a matter of record within the -- from the company, terminated from the company.

MR. BLESSINGTON: I will introduce this as Exhibit 2.

(Pattiz Exhibit 2 identified.)

MR. BAUER: If I may say, actually the word "enmity" does appear on top of page 2. We say grounded apparently and the footnote is factual. Mr. Kress was a long-time business associate of Mr. Pattiz, terminated on grounds of poor performance, and strongly objected to the termination and its terms. And those are facts. And there is, by counsel, some suggestion he may not have been happy over his termination, and I don't know that it is useful at this time to have anything more said by Mr. Pattiz because he can't know why Mr. Kress did what he

9104088●9984

did. With that reservation, if you want to address yourself to something specifically, I would be happy to let Mr. Pattiz address it.

MR. BLESSINGTON: Can you read back the request.

(The reporter read the record as requested.)

MR. BLESSINGTON: I still would like to have an answer to that, given counsel's statement for the record.

MR. BAUER: I will permit you to answer.

THE WITNESS: I cannot be sure why he would do something like that. It seems to me he was probably angry about the way he was terminated and the fact that he was terminated from the company.

BY MR. BLESSINGTON:

Q You indicated earlier, much earlier, that you yourself were terminated from KCOP prior to founding Westwood One?

A That is correct.

Q Were you angry when that happened?

A Yes.

Q Did that cause you to be untruthful about anything?

A No.

9104088●9985

Q Mr. Kress was also fired at the same time?

A That's right.

Q Was he angry?

A I don't know.

Q You were good friends at the time?

A Yes.

Q Did you discuss the matter with him?

A That was 15 years ago. We may have discussed the matter but it certainly is a blur now.

Q You don't remember any conversations with what the new management did to you guys?

A This was three days before I was getting married, so my state of mind at the time may have been significantly different than Mark's, but I don't remember. It was a long time ago.

Q Is there any reason that Dean Marion might have been angry with Westwood One or you?

A Well, Marion was hired by Kress. Marion and Kress were very good friends. I think they were very close friends. And although Marion certainly was not terminated, my recollection is that Marion resigned then to go someplace and then wanted to come back.

9104088●9886

My feeling was that Marion kind of resigned because he didn't think we were going to let him go, and we did. But, generally speaking, my feeling about Dean Marion is that he was a very competent guy who did a good job for the company and I didn't know him that well, and that is all that I can say about him.

Q Did he ask for more money?

A Not from me, but he would not have resigned through me but through the department head.

Q Who was?

A Jerry Sherrell.

Q Did Sherrell come on prior to the resignation?

A He was there for some time.

Q Did you ever host a fundraiser attended by Senator Edward Kennedy?

A Yes.

Q Can you tell me about that?

A I hosted a dinner, invited, I don't know, maybe there were 30 people there, about 30 people, and I was contacted by Senator Kennedy's office who told me he was going to be in Los Angeles, and when, and would I host a fundraiser.

9104088●9987

Q Did Jeff Wald contact you?

A No. It would have been -- my recollection is that it was probably Senator Kennedy's assistant who I mentioned on the record before and whose name escapes me -- Randy Cooper.

Q You recall Randy Cooper called you and said -- asked you to do some fundraising for the senator?

A Yes. To host -- they called up a couple times since that time and generally what they ask if -- they tell me what the senator's schedule is and he is available to do a cocktail party or a dinner or da, da, da, and would I do something, and I said yes on this occasion.

Q Had you met Senator Kennedy before?

A Yes.

Q How many times?

A I met him at the initial dinner that I went to that I mentioned that Jeff Wald invited me to, and then I met him on a number of different occasions because we acquired the Mutual Broadcasting System and he did a show for the Mutual Broadcast System. So I probably saw him on half a dozen different occasions.

Q Was this fundraiser for his Political Action

9104088809888

Committee?

A I don't remember. I don't remember. I don't know if it was for his Political Action Committee or re-election campaign. I don't remember what it was for.

Q Do you recall what month the dinner was held?

A It was over the summer. I think it was over the summer. But at this moment I don't remember the exact month.

Q Was it in April?

A It could have been April. Maybe. Yes. In Los Angeles, it is hard to tell when it is summer. I remember it was outdoors. We had dinner outside and the weather was nice.

Q Did you ask anybody from Westwood One to attend?

A I invited some people from the company, I believe, yes.

Q Who did you invite?

A I think I invited Bill Battison, I think Bob Wilson, who is the publisher of Radio and Records, I may have invited a couple others, but at the moment I don't recall. I am sure there is a list somewhere around that we supplied you with.

9104088●9889

Q Do you recall if Tom Ferro came?

A He may very well have.

Q Did the people that came at your invitation purchase a ticket?

A They made a contribution.

Q Do you recall how much the going price was?

A Not off the top of my head.

Q Okay.

A It was whatever -- generally speaking, when I talked to them, the senator's people, they suggested what the cost per plate should be.

Q Do you recall a price, as high as $5000?

A A plate?

Q Yes.

A To tell you the truth, I don't recall, but I am sure we have documentation that would indicate how much it was.

Q Maybe I can talk with counsel later.

MR. BAUER: Let's do that.

BY MR. BLESSINGTON:

Q Did the individuals you invited from Westwood One, or were the individuals that you invited from

9104088●990

Westwood One expected to make contributions if they were coming?

A If they came?

Q Yes.

A Yes. It was a fundraiser. It was clear. We sent out invitations and indicated it was a fundraiser and I am sure we indicated the contribution was -- what it was expected to be.

Q Did you indicate about 30 people were there?

A Yes, maybe 40. It was not huge.

Q Did you discuss the possibility of reimbursement with anyone?

A With the people that were invited to that dinner?

Q Yes.

A No.

Q Why not?

A Because it was not something that I had -- that I considered reimbursing anybody for.

Q You did consider reimbursing for an earlier function?

A The Biden function, wasn't that after that? I

9104088991

think it was after that. Maybe it was after. I think the Biden thing happened after the Kennedy dinner.

Q According to what you submitted to us there was -- we still have that chronological problem that we hope to resolve subsequent to the deposition -- but according to the submission that you made, you made a thousand-dollar contribution to Kennedy on the 19th of March 1987?

A Yes.

Q And you made a thousand-dollar contribution to Biden on the 27th of March 1987?

A Yes.

Q And you made a contribution to the Fund for Democratic Majority associated with Senator Kennedy on the 12th of April 1987?

A Yes. I think that was unrelated to the dinner that I had for him. As I recall, there was a fundraising gathering in Palm Beach, and I think that is what that was for, that the Kennedy campaign put together, but my recollection is that the Kennedy dinner that I had for the senator was after that but before the Biden thing. I could be wrong, but I think that is the chronology.

9104088●9992

MR. BAUER: Off the record?

MR. BLESSINGTON: Sure.

(Discussion off the record.)

MR. BLESSINGTON: On the record.

BY MR. BLESSINGTON:

Q Whether the Kennedy event was held before or after the Biden dinner that you helped fundraise for by purchasing a table in one case, in the case of Biden, you did provide for reimbursement to the people that you asked?

A Right.

Q You are testifying you didn't do it with respect to Senator Kennedy?

A In the case of the Biden thing, that was something that I had committed to, I forgot about it and it came up a few days before the event was happening. I asked several people that were there and were convenient if they would support it and, because of that, I said the company would reimburse them. It is not the company's policy to reimburse people for political contributions and we have not done it before and we have not done it since. It is what it is. And believe me, if I had it to do over

9104088●993

again, knowing what I know now, it certainly would not happen, but that was really just because of the expediency of it and because since I was asking people to do something that I would not normally ask them to do during the course of the business day, I thought the company should reimburse them for it. I didn't want them to go out-of-pocket themselves.

And in the case of the Kennedy dinner, which happened at my house, we sent invitations two or three weeks in advance and anybody who wanted to come could come, and I did not pigeonhole them in the corner and say do me a favor and the company will pay you back. Those were two different situations.

MR. BLESSINGTON: We will take a break.

(Recess.)

MR. BLESSINGTON: On the record. We took a very quick and final break for today. Before we adjourn, I note counsel wanted to pose some questions.

EXAMINATION

BY MR. BAUER:

Q I want to address a couple of the areas that you touched upon and I want to make certain that the record

9104088 9994

reflect a clear and full answer from his perspective on the part of the witness.

Mr. Blessington asked you some questions about the response of the board to recommendations that you had made over the years. You testified, if I remember correctly, that on no occasion did any member of the board to your recollection vote "no" on any one of your recommendations.

Is it your testimony that in connection with any significant recommendation that you made, you were never required to account in rigorous ~~action~~ fashion, revised proposals, answer systematic questions, change time tables or otherwise alter your recommendation to satisfy the requirements of the board members before they voted one way or the other?

A No. There was always significant discussion on issues that we brought to the board of directors. There were a number of instances where the types of decisions that were being made required -- required that the outside members of the board of directors have separate counsel, separate from the corporate counsel, Rogers & Wells.

There was, I think, always in the sense of our

9104088 0995

board meetings, there is a sense -- there is spirited conversation. I think our board people take their job seriously and I am certain that the outside board members recognize their fiduciary responsibility and take it very seriously.

Q Have you ever been required to take strongly-held views of any board member, views which you may not have yourself shared, and taken it into consideration in bringing a proposal to the table or revising it so that it satisfied that particular concern?

A Yes.

Q For the record, it is my understanding -- and I want to review this with you -- that the company has a regular outside counsel which is Rogers & Wells?

A That is correct.

Q Its regular outside accountant is Price Waterhouse?

A That is correct.

Q And it is my understanding that the board functions on certain issues, including those presented in this proceeding, with the support of an audit committee?

A Right. There is a subcommittee of the board

9104088●9996

which is the audit committee which includes the two outside directors, and I think Bill Battison sits on that committee.

Q But you are not a member of the audit committee?

A No.

Q Have you ever been a member of the committee?

A No.

Q Does Westwood One have a code of ethics which addresses various types of conduct, either legal, borderline illegal or ethical, that employees of the corporation or the corporation itself are prohibited from engaging in?

A Yes.

Q On whose recommendation was this code of ethics promulgated or approved by the board?

A I am sure I am the one who took it to the board. Management put it together and I am sure it was on my request.

Q Do you recall any board member who voted "no"?

A On the adoption of the code of ethics, no.

Q Has it since been revised in any material respect?

9104088●9997

A Yes.

Q In what respect?

A Because of the -- because of what took place in 1987 specifically regarding the Biden dinner, the audit committee of the board conducted an investigation into the circumstances surrounding that and also did a limited audit of the company's books and financial records. Because of the way that it was accounted for and --

Q What particularly was done to the code of ethics or the -- whatever ethical principles are reflected in the employees' handbook coming out of their proceeding?

A There were changes in the code of ethics that addressed specifically the company's position on employees, on contributions by employees, so that it is very clear upon reading the code of ethics what is proper and what is not proper.

Q I would like to ask you a couple clarifying questions about the funds that you had been asked to solicit, to raise for particular candidates or give to particular candidates beginning approximately in 1987 allowing for the possibility there may be some confusion about the chronology.

9104088099 8

When you were advised by Biden campaign representatives that the per seat ticket price for the dinner was $1000 you proceeded, I gather it is your testimony, to solicit a thousand-dollar contribution from the employees you approached?

A Correct.

Q If you had been advised that the ticket price had been $5000 per table would you have been prepared for some of the employees to solicit $5000 contributions per seat?

A That is correct.

MR. BLESSINGTON: I state my objection for the record to that question "if it had been." It calls for speculation.

MR. BAUER: I am calling for my witness to speculate.

MR. BLESSINGTON: I am objecting for the record.

BY MR. BAUER:

Q Is it therefore your testimony by and large in responding to solicitation of contributions that you take as the amount which will be contributed or that you will

9104088999

-- that you do agree to solicit the amount that is simply given to you by the campaign?

A You mean what they asked for?

Q That is correct.

A Yes.

Q Before 1987 had you ever heard of the Fair Political Practices Commission in California?

A No.

Q Before 1987 had you ever heard of the Federal Election Commission in Washington, D.C.?

A No.

Q I would like to ask questions about what was raised in the original examination about the explanation you gave to employees that you approached for why you would like to have them make contributions in connection with the Biden dinner.

It is my understanding of your testimony -- and I want you to confirm that for the record -- if asking them to do so you suggested in general terms that a company purpose would be served by this?

A Yes.

Q That is correct?

9104088 0000

A Yes.

Q And it was your view that a company purpose would be served in which respects?

A Well, I had talked with Biden in the past and I thought his views were good for business, for our business, and I also thought being able to support somebody where the CEO met the candidate and had a relationship with the candidate would certainly -- that was something that was good for the company.

Q Let me ask you a question with respect to the nature of the solicitations made. Is it your testimony -- I believe that you were not specific with the employees that you solicited that they should invite a friend or spouse to additional seats at the tables but you were not pairing people, asking Ferro to contribute in his name and also in his spouse's or Yusko's and also in his name and also in his spouse's.

Is that a fair summary of what you said to Mr. Blessington?

A I don't recall what I said to Mr. Blessington, but I may have said bring your wife or your girl friend. I have attended these things in the past and it is not

9104088 0001

unusual for people to come there as husband and wife and it would certainly be easier to fill a table that way. I don't recall specifically how I phrased it.

Q So you may have in general suggested that possibility?

A I may have.

Q I have a request about the responses to the solicitation. And, counsel, trust me, I will be over with in less than a minute.

At the time that you solicited these employees who were, at least as you defined them earlier in the proceeding, members of the senior management, Battison, for example, as a member of senior management, do you recall any one of them expressing an objection on grounds of company policy or law?

A Certainly not.

Q Does that answer include the response of Mr. Weiss who was, I gather, in your view, the only senior management employee with general responsibility for legal affairs within the company? Did he raise any objection or suggest additional research would be required?

A No.

9104088 0002

Q Did Mr. Kress express any objection on grounds of company policy or law?

A No.

Q Did Mr. Marion express any objection on the basis of company policy or law?

A Again, let me say I am not absolutely certain who I talked to directly. I don't -- I am not sure I talked to Marion.

Q You recall speaking to Mr. Kress?

A Yes.

Q And you recall soliciting him for the contribution?

A Yes.

Q And you don't recall any objection he made on grounds of personal policy or law?

A That is correct.

Q At any time prior to his departure did Mr. Kress suggest he was turning over sleepless in the night over making this contribution?

A No.

Q Did Mr. Kress ~~BLESSINGTON~~ express anxiety about accepting reimbursement?

9104088 0003

A Certainly not.

Q I want to clarify the question of Mr. Kress' -- grounds of Mr. Kress' termination. Were you the only member of senior management or any other employee of the company who took an adverse view of Mr. Kress' performance prior to his termination?

A No.

Q Would you say that there was any unanimity in the view taken of his performance?

A I was probably the last person who felt that, who became unhappy with Kress' performance.

Q Did views which were expressed about Mr. Kress' performance go only to the dollar result of his efforts or were there also some qualms about his conduct, personal conduct as a company employee?

A Yes, but I don't want to dwell on that. I made the decision to terminate Kress because of his performance in the area that he was assigned. His area of responsibility was clearly inadequate and I talked to him about it a number of times and he didn't seem to take me seriously.

And prior to that there was -- prior to his

9104088 0004

termination there was a major foul-up in his department that I again discussed with him and actually went so far as to put a letter of reprimand in his file, and that didn't get it turned around, and ultimately I just had to make the decision that was in the best interests of the company and as far as what other people felt about him.

Q Is it not a fact you heard the view expressed he was not a company man?

A I heard that expressed many times, yes.

Q At the time that you became aware Messrs. Battison and Yusko had elected a certain methodology to effect these reimbursements that included falsification of the purpose on the books, you testified that this was something that you were neither involved in, in directing it, nor happy about when you found out about it.

Can you explain why it was that you did not fire both of them at once?

A Well, first of all, there was a complete investigation into the accounting and there was limited audit into accounting as well, and what that showed was that this was an isolated instance and that the books and

9104088 0005

records of the company were in good operating order and were in good shape, and that was their primary responsibility, and although I certainly don't agree with the way that that was chosen to account for this, I was the guy -- if I had not gone out there and said, you know, buy a ticket to this dinner and reimburse these people, I mean they would not have gotten into this mess to begin with. I was hardly, I hardly felt like ripping their lungs for something I felt responsible for.

This was not a common practice at the company and if they chose something that was less than the best way of accounting for it, people make mistakes and I think they are aware of that, and I think the board, audit committee of the board of directors made them aware of that and made them conscious of the fact that this cannot happen again, and I think they are very conscious of it, but I think these are good guys and honest guys and I think they are competent people and I wish the hell the whole thing had not happened. But people make mistakes and I make mistakes and you make mistakes and probably everyone here made mistakes and the idea is not to repeat it.

9104088 0006

MR. BAUER: For the record, I don't believe Mr. Blessington has ever made a mistake.

(Laughter)

BY MR. BAUER:

Q I want to confirm for the record at the time you had the conversations with Mr. Marion and Kress about the complaints brought to your attention by a member of the press, you had not at that point received a copy of the complaint?

A That's right.

Q Nor is it therefore fair to assume you had legal advice assessing the accuracy or legal significance of the allegations they made in this complaint?

A That's right.

Q And Mr. Bolts, who is your regular contact at Rogers & Wells, was not available to you at that time?

A That is correct.

Q There was some discussion on the part of Mr. Blessington, questions directed to the reason for Mr. Kress' anger over his termination which could or could not have motivated him to take, shall we say, a controversial view, if not an untruthful view, of certain facts in the case, and Mr. Blessington made reference to

9104088 0007

your state of mind when both you and Mr. Kress were terminated from KCOP.

At the time that you and Mr. Kress were terminated from KCOP, did you only occupy similar positions within the company? In other words, in terms of financial structure or relationship to management, what was your respective position in the company?

A At KCOP, I was the local sales manager and he was a salesman.

Q Did you make substantially more money than Mr. Kress?

A I don't believe so.

Q Within the company itself you had regular, day-to-day contact that was not disrupted by hierarchal differences between the two of you?

A Not at all.

Q At the time both of you were dismissed from KCOP, I gather at that moment you were both unemployed?

A That's correct.

Q And both of you had careers to be refashioned in some way?

A Yes.

9104088 0008

Q At the time Mr. Kress was dismissed from Westwood One, I will repeat, it is obvious from the record this was a company which he was an employee that you had founded?

A Correct.

Q You were chairman of the board?

A That's right.

Q Is it fair to say you were very much separated from him by hierarchy?

A That is a fair statement.

Q You made substantially more money than he did?

A That is a fair statement.

Q It is also your testimony Mr. Marion and Mr. Kress were very good friends?

A I believe that was the case, yes.

Q The last question, for clarification, over the course of this deposition Mr. Blessington asked you when certain things happened, and I believe -- and who you spoke to at what times, and is it fair to say in answering these questions you are drawing on your best recollection about who you spoke to and when, but that there could be some chronological differences, some confusion over time

9104088 0009

frames similar to what we contend in the '86 versus '87 Kennedy contribution or are you quite clear about the time frames and when certain people were spoken to on what issues?

A I would beg this group's understanding on the flexibility of some of the dates in question, especially the recollections of what was happening back in 1987 and what have you. Simply because -- not to say that this isn't something that should be given a great deal of time and attention, it should, and it is, but there were a lot of other things going on in 1987 at the time, and this was not in any way something that was at the top of my list by virtue of the fact after I ~~marginally~~ NP made the commitment I forgot about it.

So again, I am not a hundred percent certain which of the people I talked to directly or which of the people I talked to and they talked to somebody else. I gave my best recollection.

MR. BLESSINGTON: I want to make a statement and ask a couple questions for clarification. Of course, we all know that Mr. Pattiz is testifying to his best recollection and that recollections are not perfect.

9104088 0010

In most cases you did not hesitate as to when something happened and there were several instances in which you did, and I understand you were not certain.

THE WITNESS: Yes.

MR. BLESSINGTON: Those are the points you were going to?

MR. BAUER: In fact, I always have at depositions a more growing concern as the deposition progresses and as questions are asked, there is sometimes a tendency on the witnesses to recall with great certainty something that in a less pressured moment they cannot be so clear about.

I am not talking about material events, whether he directed that the company's funds are used for reimbursement or intended to have company employees solicited for this purpose, but questions like whether he spoke to Mr. Yusko directly about making a contribution or Mr. Battison spoke to Mr. Yusko on Mr. Pattiz' behalf, or whether the commitment preceded, committment to raise the money preceded the fundraiser by five or 10 or 15 days. And those seem to me, without written records and passage of time, are issues that I am reluctant to have stated on

9104088011

the record with certainty.

MR. BLESSINGTON: I don't want to leave the record with everything uncertain.

MR. BAUER: I understand. I am happy to have the witness' testimony but when the word "few days" is used, that can mean anything from 10 days to 15 days --

MR. BLESSINGTON: I am sure we have clarified the record.

EXAMINATION

BY MR. BLESSINGTON:

Q There are one or two questions in further clarification based on counsel's questioning. One relates to what Mr. Weiss -- well, in 1987 while the events that we are here for were transpiring, was Mr. Weiss vice president for business and legal affairs?

A I am not certain that was his title. He always had a legal role within the company and I believe he was vice president for legal affairs, and he may not have had the title of business and legal affairs. I don't recall.

Q Is it possible that he could have had the title of vice president of business affairs?

A Yes. That is true. Yes. It may have been

9104088 0012

business affairs and not business and legal affairs. I don't recall.

Q The point that I am trying to make is I want to make certain that you are not recollecting that he was your legal counsel at the time that you discussed this matter with him in 1987.

A It is my recollection he served in the role as legal counsel for the company. He definitely oversaw legal matters for the company.

Q Even though he may not have the title?

A Yes. He is a lawyer and came out and was working in legal areas. My recollection is that he was the company's staff legal counsel.

Q With respect to what issues?

A Contracts, labor management negotiations, any issues that we would bring to him.

Q Did you have outside counsel at the time?

A And continue to.

Q You testified earlier, I believe, Mr. Weiss' role was generally involved with, I believe, artist relations and contracts and syndications?

A One clarification. Did you say in 1987?

9104088 0013

Q Yes.

A When the contribution was made?

Q Yes.

A Okay. I am misunderstanding. I am thinking in 1987 when the -- it is hard to get this chronology in shape because 1987 was a long time ago, but at the time we became aware of the complaint, which would have been 1988, he was definitely dealing with legal matters.

In 1987 I am not sure that -- at the time I am not absolutely sure I was dealing with him on legal issues. I believe I was, but that was three years ago. I don't recall. What I was responding to was when I went to him and told him what was going on when we became aware of the complaint, he was definitely involved as the company's legal counsel on staff.

Q I understand that. I was referring to counsel's question relative to your approach to make a contribution.

A He -- when we brought him over from Mutual he was a staff lawyer for Mutual. When we brought him out to the West Coast, I wasn't the one that was responsible for bringing him out to the West Coast, even though he

9104088014

approved it, but it is my recollection we brought him out to be -- to broaden his horizons, but he was functioning in legal areas and the company lawyer.

Q You recall he was the company lawyer when you asked him to make the contribution to the Biden for President campaign?

A I believe he was. It would not have made any difference.

Q Did you ask him for his legal advice with respect to this?

A No.

Q Counsel asked a question relative to the unanimity of the opinion among management relative to Mark Kress. You indicated that it was your decision to terminate him?

A That's right.

Q Counsel also reminded you, as I have, of you being terminated from KCOP?

A Yes.

Q Did you feel when you were terminated from KCOP that you deserved to be terminated?

A No.

9104088 0015

Q So sometimes there is a difference of opinion among management of a person being terminated?

A Certainly. Difference of opinion and points of view.

MR. BLESSINGTON: I have nothing else. I will adjourn the deposition. I don't think we need to speak to you again but there are a couple of points you were going to check on.

MR. BAUER: Yes. We will confer by telephone, should there be any question what you want. I will call you.

MR. BLESSINGTON: So we may talk to you again but I don't think so. And I would like to present to you and your witness the mileage fee. This is to the courthouse in Los Angeles. $38.48.

THE WITNESS: Is this legal? I am so gun-shy.

MR. BLESSINGTON: You have, as you know, an opportunity to read and sign the deposition. We would encourage you to do that.

Are you going to do that?

THE WITNESS: To read and sign this --

MR. BAUER: On behalf of the witness, I will say

9104088016

that he will.

(Whereupon, at 2:45 p.m., the deposition was concluded.)

NORMAN JOEL PATTIZ

Subscribed and sworn to before me
this 11 day of June, 1990

Notary Public

My Commission Expires 11-19-90



9104088417

CERTIFICATE OF NOTARY PUBLIC & REPORTER

I, RONALD J. WILSON, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Notary Public in and for the
District of Columbia

My Commission Expires MARCH 14, 1991

9104088018

9104088 0019

MARY & NORMAN PATTIZ
% GOLDMAN, MACNOW, GRANT & TANI INC.
9348 CIVIC CENTER DRIVE
BEVERLY HILLS, CA 90210

DATE 03-25-87 CHECK NO. 2214

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10883 WILSHIRE BLVD
LOS ANGELES,CA 90024

ONE THOUSAND DOLLARS EXACTLY

PAY TO THE ORDER OF BIDEN FOR PRESIDENT

***$1,000.00

122016066 009 326375

"002214" :122016066: 009=326375" "0000100000"

0001

PAY TO THE ORDER OF
FIRST NATIONAL BANK
WILMINGTON, DE
FOR DEPOSIT ONLY
BPP INC.
48 29 50

DEPOSITION EXHIBIT

APR 87 31 AP 87 01
THE PROVIDENT
NATL BK. PHILA., PA
PAY ANY BANK
PAY ANY BANK, P.E.O.
BANK of AMERICA, NT & SA
LOS ANGELES, CA.

MARY & [redacted] PATTIZ — DATE [redacted]90 — CHECK NO. 5037

FOR INFORMATION
THE ATTACHED CHECK IS IN PAYMENT . . ITEMS DESCRIBED BELOW. IF NOT CORRECT PLEASE NO. US PROMPTLY. NO RECEIPT DESIRED.

FOR INTERNAL USE ONLY

[redacted]	DATE	INV#	DESCRIPTION	PAYMENT	CODE	DISTRIBUTION
	02-09-90	3552		13,000.00	1995	13,000.00

Sherry —
Please Send
Direct Lay to
Yusko I

EMPLOYEE

TOTAL EARNINGS	FED INC TAX	F.I.C.A.	STATE INC TAX	S.D.I.		NET PAY

DETACH AND RETAIN THIS STATEMENT

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

DATE 02-09-90 CHECK NO. 5037

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES, CA 90024

THIRTEEN THOUSAND DOLLARS EXACTLY

**$13,000.00

VOID AFTER 90 DAYS

PAY TO THE ORDER OF

WESTWOOD ONE
9540 WASHINGTON BLVD.
CULVER CITY, CA. 90232
ATTN: IDOLYS ASHFORD

122016066 009-326375

⑈005037⑈ ⑆122016066⑆ 009⑈326375⑈

9104088002

0002

WESTWOOD ONE
INCORPORATED

Mutual Broadcasting System
NBC Radio Networks
Westwood One Radio Networks
Radio & Records

9540 Washington Boulevard
Culver City, California 90232-1985
Tel: (213) 204-5000 Fax: (213) 204-4375
Telex: 4996015 WWONE

NORMAN J. PATTIZ
Chairman of the Board
Chief Executive Officer

February 9, 1990

Gerald E. Boltz
Rogers & Wells
201 North Figueroa Street
Los Angeles, California 90012-2638

Dear Gerry:

For the reasons set forth below, I am forwarding to you today a check in the amount of $13,000 reimbursing the corporation for corporate funds used in connection with certain contributions made by officers to Senator Joseph Biden's presidential campaign in June, 1987.

At the direction of counsel, I wish to emphasize that I am not by this action seeking to pre-judge in any way the outcome of the current proceeding pending before the Federal Election Commission, with respect to my liability or the liability of any of the affected officers or individuals. As Chairman of the Board and Chief Executive Officer of this company, I do have an obligation to assure that the Board has achieved full compliance with all of the steps approved to rectify the current situation and to safeguard against any possible future occurrences. This is an action that I am taking, therefore, as the Chief Executive Officer of the company and not in any manner which reflects on my own individual legal position as it may be presented to the Federal Election Commission or ultimately adjudicated by that agency.

Very truly yours,

Norman J. Pattiz

NJP/sec

cc: Robert F. Bauer, Esq.✓

9104088 0021

0003

MARY & NORMAN PORTZ 0 4 0 8 8 0 0 2 2

DATE 03-17-87 CHECK NO. 2206

% GOLDMAN, MALNOW, GRANT & TANI INC.
9348 CIVIC CENTER DRIVE
BEVERLY HILLS, CA 90210

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10883 WILSHIRE BLVD
LOS ANGELES,CA 90024

ONE THOUSAND DOLLARS EXACTLY

***$1,000.00

PAY TO THE ORDER OF COMMITTEE TO RE-ELECT
EDWARD M. KENNEDY

122016066 009 326375

"002206" :122016066: 009=326375" "0000100000"

FOR DEPOSIT ONLY
COMMITTEE TO RE-ELECT
SENATOR EDWARD M. KENNEDY '88

818-820

MY '87 15
PAY CITY BANK P.F.G.
BANK OF NEW ENGLAND, N.A.
BOSTON, MA

MY '87 18
P.F.G.
A.B. LOS ANGELES
1220-0016-6

MY '87 18
BY CNB

0004

MARY & NORMAN PATTI 0 4 0 8 8 0 2 3

% GOLDMAN, MACNOW, GRANT & TANI INC.
9348 CIVIC CENTER DRIVE
BEVERLY HILLS, CA 90210

DATE 03-24-87 CHECK NO. 2213

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10883 WILSHIRE BLVD
LOS ANGELES, CA 90024

FIVE THOUSAND DOLLARS EXACTLY

03-31-87 002 12 0103 501272802

***$5,000.00

PAY TO THE ORDER OF THE NATIONAL PAC

122016066 009 326375

"002213" "122016066" 009 326375" "0000500000"

PAY TO THE ORDER OF
NATIONAL CAPITAL BANK
OF WASHINGTON
WASHINGTON, D.C. 20008
FOR DEPOSIT ONLY
NATIONAL PAC FEDERAL ACCOUNT
1004761901

25012
15-5

AP 87 01
PAS. LOS ANGELES
120-0016-0

5000

MARY & NORMAN PATTI 54 0 4 0 8 8 0 2 4 DATE 04-02-87 CHECK NO. 2249
% GOLDMAN, MACNOW, GRANT & TANI INC.
9348 CIVIC CENTER DRIVE
BEVERLY HILLS, CA 90210

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10883 WILSHIRE BLVD
LOS ANGELES,CA 90024

FIVE THOUSAND DOLLARS EXACTLY

PAY TO THE ORDER OF FUND FOR A DEMOCRATIC MAJORITY

***$5,000.00

122016066 009-326375

"002249" :122016066: 009-326375" "0000500000"

PAY TO THE ORDER OF
NSCT BANK
WASHINGTON, D.C. 20001
FOR DEPOSIT ONLY
FUND FOR A DEMOCRATIC
MAJ
0041017946

MY '87 04
R.E.G.
F.R.B. LOS ANGELES
1220-0016-0

0510-0002-0

0006

MARY A. MORGAN 9731 0 4 0 8 8 0 0 2 5
% DOLPHIN, GRAD & TATE INC.
[illegible] PERFECTION DRIVE
[illegible], CA 90210

DATE [illegible] CHECK NO. 2763

[illegible]
CITY NATIONAL BANK
WESTWOOD OFFICE
[illegible]
LOS ANGELES, CA 90024

ONE [illegible] AND 00/100 EXACTLY

PAY TO THE ORDER OF MANAGETTA FOR SENATE

[illegible]

12201 0666 002-326375

"002703" "122016066" 009-326375" "0000600000"

[illegible]

OCT 30 REC. FRB. LOS ANGELES 1220-0016-6

OCT 29 PAY ANY BANK P.O. PICA-SP PROCESSED

FOR DEPOSIT ONLY MANAGETTA FOR SENATE - PRIMARY

0007

9104088026

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

#325

DATE 04-11-88 CHECK NO. 3176

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES, CA 90024

ONE THOUSAND DOLLARS EXACTLY

PAY TO THE ORDER OF CITIZENS FOR JOE KENNEDY

***$,000.00

122016066 009-326375

"003176" "122016066" 009-326375" "0000100000"

FOR DEPOSIT ONLY
CITIZENS FOR JOE KENNEDY
[illegible] 05725 3452

8000

9104088 0027

MARY & NORMAN FATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

DATE 07-13-88 CHECK NO. 3414

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES,CA 90024

ONE THOUSAND DOLLARS EXACTLY

***$1,000.00

PAY TO THE ORDER OF

CALIFORNIAN FOR SENATOR
PETE WILSON

122016066 009-326375

⑈0034144⑈ ⑆122016066⑆ 009-326375⑈ ⑈00001000000⑈

PROCESSED BY CNB
AG 87 02
075

BANK OF COMMERCE
FOR DEPOSIT ONLY
CALIFORNIANS FOR SENATOR
PETE WILSON
ID #C00165720
004304063

PAY ANY BANK, P.O.
BANK of AMERICA, ET A
LOS ANGELES, CA.
AG 87 02

0009

91040888 0028

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

DATE 08-02-88 CHECK NO. 3471

16-1606
CITY NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES,CA 90024

FIVE THOUSAND DOLLARS EXACTLY

***$5,000.00

PAY TO THE ORDER OF NATPAC

122016066 009-326375

"003471" :122016066: 004=326375"

PAY TO THE ORDER OF
THE NATIONAL CAPITAL BANK
OF WASHINGTON
WASHINGTON, D.C. 20005
FOR DEPOSIT ONLY
NATIONAL PAC FEDERAL ACCOUNT
1004761901

PAY TO THE ORDER OF ANY
BANK, B... COMPANY
ALL PRIOR ENDORSEMENTS GUARANTEED
8-22-88
FEE NO. ... BANK
185 WASHINGTON, D.C. 1548
48522

010

9104088 0029

MARY & NORMAN PATTIZ
% GOLDMAN, GRANT, & TANI INC.
10960 WILSHIRE BLVD., SUITE 938
LOS ANGELES, CA 90024

DATE 03-23-89 CHECK NO 4095

16-1606
CITY.NATIONAL BANK
WESTWOOD OFFICE
10889 WILSHIRE BLVD
LOS ANGELES,CA 90024

ONE THOUSAND DOLLARS EXACTLY

PAY TO THE ORDER OF

PETE WILSON FOR GOVERNOR 1990
I.D.#89-0351
832 5TH AVE, SUITE 11
SAN DIEGO, CA 92101

122016066 009-326375

***$1,000.00

VOID AFTER 60 DAYS

"004095" :122016066: 009-326375" "0000100000"

Pete Wilson for Governor
02200001133

1100

90.

DOC 3741

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1110 VERMONT AVENUE N.W. • WASHINGTON D.C. 20005 • (202) 861-3000

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 AUG 11 PM 4:41



August 11, 1989

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

Attention: Daniel J. Blessington, Esq.
Office of General Counsel

Re: MUR 2893

Dear Mr. Noble:

This is the response of Norman J. Pattiz to the Commission's notification that a complaint had been filed by Mark Kress alleging violations of the Federal Election Campaign Act of 1971 as amended (the "Act"). Also submitted in support of this response is a sworn affidavit of Mr. Pattiz.

INTRODUCTION

Mr. Kress accurately states that Mr. Pattiz asked him to make a contribution to the presidential campaign of Senator Joe Biden and that Mr. Pattiz suggested that the contribution would be reimbursed by Westwood One, Inc. (the "Company"). Mr. Pattiz did not then understand that the corporate reimbursement was impermissible, and indeed he received no advice to this effect until the Kress complaint was brought to his attention and he sought assistance of counsel.

Moreover, as set out below, Mr. Pattiz asked other employees of the Company for contributions to the Biden campaign, also with the suggestion that the Company would provide reimbursement. In all cases, he proposed and then authorized these reimbursements without knowledge that they violated the Act.

At all times Mr. Pattiz acted in good faith, unaware in the first instance that his actions violated the law and then, upon being advised of the violation, initiating an internal corporate review of the facts and legal consequences. Mr. Kress' complaint offers a different, sinister, view of Mr. Pattiz's motivation which is grounded apparently in his

9104088030

enmity toward Mr. Pattiz over his termination from the Company in 1988.1/ The facts do not support the Kress account in these respects, and this, too, will be demonstrated in the factual account which follows.

Mr. Pattiz commits to full cooperation with the agency and is looking toward pre-probable cause conciliation on the apparent violation of the Act.

BACKGROUND

Norman Pattiz founded Westwood One in 1974. Now, 13 years later, it is a publicly held corporation which manages the second largest radio network in the United States and is a leading producer and distributor of syndicated radio programming. It owns stations in New York and Los Angeles, and its programs reach 6,000 stations across the country, or an estimated 60 million listeners, weekly.

Thus, these 13 years from the organization of Westwood One to its current position in the radio industry have been a period of extraordinary growth. In this time, Norman Pattiz has taken considerable care with the organization and management of the Company and, of particular importance to this matter, with its legal affairs. Westwood One has retained the nationally recognized law firm of Rogers & Wells as its outside General Counsel, and its independent auditor is Price Waterhouse. Its Board of Directors, consisting of six directors, includes three who are outside independent directors. The Board has also established an Audit Committee to review corporate finances in consultation with counsel and auditors. In place of the annual full scale audit common to many larger companies, the Westwood Board has seen fit to add the requirement of quarterly reviews. A Code of Ethics adopted by the Company to guide the conduct of its officers and employees further reflects the care in these matters which has characterized the management of the corporation under Mr. Pattiz's Chairmanship. Westwood One has adopted a thorough-going approach to the product management of its business and legal affairs.

1/ Mr. Kress, a longtime friend and business associate of Mr. Pattiz, was terminated from the Company on grounds of poor performance in 1988. Kress objected strongly to both the termination and its terms.

9104080031

9104088 0032

EVENTS OF JUNE 1987

Norman Pattiz has never participated in political life as a contributor or campaign worker on a large scale. Most of his civic activities have been charitable in nature.2/ The purely political experience of Mr. Pattiz has consisted of contributions to a limited number of federal and local candidates.

In early 1987 Mr. Pattiz became interested in the presidential candidacy of Senator Biden. He and his wife participated in a fundraising event, in the home of a Biden supporter, in late spring. After this event, representatives of the Biden campaign approached Mr. Pattiz about participating in yet another event. These Biden representatives requested specifically that Mr. Pattiz lend his fundraising assistance to that event, by contacting business contacts and friends within the Los Angeles and entertainment community for contributions to Senator Biden. Mr. Pattiz agreed.

Mr. Pattiz did not act promptly or with much energy on the commitment that he made to raise these contributions. There were several reasons. In part Mr. Pattiz was reluctant to approach friends and acquaintances for political contributions. He had little experience with fundraising, and this limited experience had not been altogether attractive to him.

But the overriding reason that Norman Pattiz found himself on the eve of the Biden event with no money at hand and no immediate means for fulfilling his commitment lies in the affairs of the Company at the time. In 1987 Westwood One acquired the NBC Radio network and this followed two years after the station's acquisition of the Mutual Broadcasting System Radio Network. This was the most active period of company growth. Mr. Pattiz's attention was substantially pre-occupied with his business affairs, not with the fundraising commitment that he had made.

Accordingly, in some haste and without consultation with counsel, Mr. Pattiz decided to ask officers and employees with the Company to make contributions and to arrange for them to be reimbursed with company funds. He decided upon this plan as a simplest way to raise a minimum amount to meet his commitment. But at the same time he recognized that the burden of his fundraising obligations and perhaps, too, the difficulties that he faced with his last minute efforts should not fall on the Company employees; and he resolved, therefore, to have them reimbursed.

2/ These have included substantial donations to Cedar Sinai Hospital, Hebrew Union College and a local "magnet" high school.

9104088 0033

REQUEST FOR CONTRIBUTIONS

Pattiz put this request to Mr. William Battison, the President and Chief Financial Officer; Mr. Gary Yusko, the Vice President for Financial Operations (previously, the Comptroller); Mr. Eric Weiss, Director of Business Affairs (now Vice President for Business and Legal Affairs); Mr. Mark Kress, Director of Music Marketing; Mr. Thomas Ferro, Executive Vice President and General Manager of Westwood One Radio Network; and Miss Debra Sevler, Vice President. All of these individuals agreed to this request.

Pattiz does not recall whether or how specifically he stated his intentions to have the Company reimburse these employees. At a minimum he knows that he would have discussed reimbursement with Messrs. Battison and/or Yusko, and possibly also, with more or less specificity, with one or the others. He did intend in all cases to arrange for company reimbursement. Pattiz Affid. ¶ 4. At no time in his conversations with these employees -- not when the contributions were first proposed nor when reimbursements were actually effected -- did any of these employees raise a question or register an objection. Pattiz Affid. ¶ 4. Like Pattiz, these employees apparently concurred in this request without knowledge that it would result in a violation of the Federal Election Campaign Act. The apparent lack of knowledge of the legal consequences extended to even those officers most likely by background and training to raise the relevant questions, then the Director of Business Affairs and now the Vice President for Business and Legal Affairs (Mr. Weiss) and the Vice President for Financial Operations (Mr. Yusko).

Kress was among the employees to whom a contribution was proposed and who agreed to make it with subsequent reimbursement. He admits this. At some time, though it is not clear when, Kress concluded that this transaction was illegal. He did not appear to have held this view at the time that the contribution was proposed, or later when he accepted reimbursement. Kress does not claim that he knowingly violated the law in agreeing to this proposal. He does not suggest that as a responsible company employee he raised any question about the proposed reimbursement with Pattiz. In fact Kress' understanding of the legal consequences of his action remains flawed to this date, for he suggests that the Company did not violate the law by making <u>any</u> contribution at all but rather a contribution in excess of some imagined statutory limit ($1,000 per election). Kress reflects in this fashion the ignorance about the Federal Election Campaign Act of all of the concerned employees.

9104080034

BOOKING OF CONTRIBUTIONS AS "EXPENSES"

The Company had never made political contributions, by reimbursements or otherwise, and Mr. Yusko was apparently uncertain about how to treat them on the books. He and Mr. Battison apparently analyzed the problem from a purely cost control and accounting perspective. The alternative first considered for making the reimbursement, that of paying a "bonus," raised these issues because it would have required the company to pay a larger bonus than the original contribution to account for withholding obligations. They brought this matter to the attention of Pattiz who recalls generally his concern with the prudent use of corporate resources and a suggestion that as an alternative, treatment of the reimbursements as expenses be considered.

In the end, the reimbursements were treated as reimbursements of "expenses." Moreover, the supporting entries for these recorded expenses were false. Messrs. Battison and Yusko apparently did not want to encourage other employees to request company support for their own political contributions. Westwood One is a small company within which news travels fast and employee concern over equitable treatment is common. Because the Company had not previously made contributions or provided for their reimbursement, there was a concern not to foster the impression that a precedent had been created, or that an exception had been made for some employees which was not available to others.

Of course this treatment of the expenses on the books has encouraged Complainant Kress to believe that the reimbursement was made to him with knowledge that it was unlawful. To the contrary, these false entries are a product of the same ignorance which caused the law to be violated in the first instance. Because it was not known that the corporation could not reimburse these contributions under the FECA, it was apparently not known that this manner of recording the expenses would aggravate the appearances of these actions.

PATTIZ TESTIMONY BEFORE THE SENATE

Kress argues also that Pattiz presented the contributions as useful in arranging for testimony before a communications subcommittee chaired by Senator Daniel Inouye, the Co-Chair of Mr. Biden's presidential campaign. The contributions to Biden had no part in Pattiz's testimony which was arranged by Westwood One's regular FCC counsel. Counsel has assured this office and company's counsel that he made all the necessary arrangements for Pattiz's appearance before the Subcommittee and that those

arrangements did not involve in any way a contribution, even the suggestion of a contribution, to Senator Biden. Mr. Pattiz has never met Senator Inouye, and he had no conversation with anyone representing Senator Inouye about a contribution to the Biden campaign.

RESPONSE TO NEWS OF KRESS COMPLAINT

The suggestion that these reimbursements were illegal first came to the attention of Norman Pattiz through an inquiry from a representative of the trade press. This individual had in hand a copy, in draft, of the Kress complaint and he sought comment upon it. Pattiz immediately referred the matter to Mr. Eric Weiss. Mr. Weiss in turn consulted a counsel in Washington, D.C. Mr. Weiss later reported to Mr. Pattiz, for the first time, the legal conclusion that the reimbursements authorized by Mr. Pattiz violated the Federal Election Campaign Act.

Subsequently Mr. Pattiz contacted the Company's Audit Committee and the company's outside counsel, Rogers & Wells. The Company conducted a thoroughgoing internal review. Corporate counsel conducted extensive interviews of the employees involved in the matter and reviewed company records to determine whether there existed other instances where corporate funds were used to make a contribution by reimbursement or directly. Company counsel has reported to this office that it found no evidence, on examination of company records and in interviews with the employees, of other contributions. The Audit Committee has reported to the Board on recommendations of company counsel to establish a clear policy against contributions of any kind, federal, state or local, and other procedures to assure that uses of corporate funds are properly and accurately recorded on its books. The Board has adopted these new policies and procedures.

Mr. Pattiz anticipates that he will seek to enter into pre-probable cause conciliation. He readily concedes the error as it was previously conceded to the Company, thoroughly investigated and addressed through new policies and procedures.

If you have any questions, please do not hesitate to contact me at (202) 956-5419.

Sincerely,

Robert F. Bauer, Jr.

Robert F. Bauer
Counsel to Norman J. Pattiz

1140E

9104088 0035

OGC 6563

ACE-FEDERAL REPORTERS, INC.

STENOTYPE REPORTERS

444 North Capitol Street
Washington, D.C. 20001
(202) 347-3700
(800) 336-6646

FAX 202/737-3638

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

90 JUN 14 AM 10:57

12 June 1990

Federal Election Commission
ATTN: Daniel J. Blessington, Esquire
Office of General Counsel
999 E Street, Northwest
Washington, DC 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

90 JUN 14 AM 11:44

Re: Deposition of NORMAN JOEL PATTIZ,
Washington DC, 11 April 1990.
M U R 2893.

Dear Mr. Blessington:

Enclosed is the Original copy of the above-entitled deposition, which has been read and signed by the Deponent. Changes in this transcript are noted on the list of corrections prepared by the Deponent.

Sincerely,

Edwin G. Crowley
Deposition Supervisor

9104088403 6

CORRECTIONS TO DEPOSITION

Page	Line	Correction:
6	15	NBC
8	13	included
11	2	KGFJ
11	17	KGFJ
11	22	KGFJ
14	2	of
15	18	Battison
16	3	delete BLESSINGTON
18	17	Senate or House
22	14	was not
27	16	grown
36	4	Seyler
48	15	delete "What"
54	17	animated
58	4	delete "half"
58	12	delete BLESSINGTON
59	15	Ranny
63	3	Caddell
63	4	white
64	20	Marshall
66	5	Caddell
67	2	Caddell
67	10	Caddell
74	11	Senator's
84	14	delete BLESSINGTON
86	1	FCC
106	14	Did
107	5	Ranny

86

9104088403 7

CORRECTIONS TO DEPOSITION

Page	Line	Correction:
107	6	Ranny
114	1	reflects
114	11	fashion, revise
122	21	delete BLESSINGTON
126	2	has ever made
126	2.5	[Laughter]
126	14	Boltz
127	14	hierarchical
16	16	Add NETWORK
18	2	Change "the" to "our"
18	4	Change "Syte" to "Sikes"
40	8	Change "Chrisno" to "Krasnow"
40	13	Change "Brien" to "Brian"
40	17	Change "Brien" to "Brian"
50	14	Change "Wierdo" to "Guido"
14	14	Delete "industry"
76	3	Change "going" to "doing"
94	18	Change "by" to "to"
101	21	Add "testifying"
129	13	Delete "marginalty

9104088400338

DGC68316

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 JUL -3 AM 11:05

July 3, 1990

Daniel J. Blessington
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2893 - Norman J. Pattiz

Dear Dan:

In reviewing the transcript of Norman Pattiz's April 11 deposition, we found one question which, consistent with the ongoing confusion regarding the chronology of the events in this case, misstates a date. Because there is no reason to believe it was inaccurately transcribed by the court reporter, we could not simply change the date on the transcript. However, in the context of the rest of the deposition, it is clear that this statement is erroneous. Therefore, we wanted to bring it to your attention immediately to avoid any additional confusion during subsequent proceedings.

The question at issue is transcribed on page 91 of the transcript, beginning at line 8:

Q. So it was not until 1987 that you were aware of the methodology involved.

A. I believe so, yes.

(Emphasis added.) This question refers to the precise time at which Mr. Pattiz became aware of "the methodology for reimbursing" Westwood One employees that was used to reimburse those who attended the Biden fundraiser.

As is clear from the rest of Mr. Pattiz's testimony, and as is, in fact, made clear from the question immediately following this one, Mr. Pattiz had no knowledge of the fact that records were falsified until he looked into the matter upon learning that the complaint was filed. As he explains, this was not

9104088403 9

until "years later," in 1988. See e.g., transcript at p. 92, lines 19-20; transcript at p. 133, lines 6-8.1/

We did not want to leave the record with the false impression that Mr. Pattiz's failure to correct this date during the deposition meant that he acquiesced to this as "fact." Because we could not correct the transcript itself, we decided that bringing this matter to your immediate attention was the best course of action.

Please do not hesitate to call me or Melissa H. Maxman if you would like to discuss this matter further.

Very truly yours,

Robert F. Bauer /mhm

Robert F. Bauer
Counsel to Norman J. Pattiz

Enclosure: Page 91 of Transcript
of Pattiz Deposition

1/ The Biden dinner itself took place in 1987.

9104088404O

Q Are you aware of the methodology for reimbursing that was finally adopted?

A I became aware of it because of this proceeding.

Q It was only after hearing that a complaint had been filed?

A Right.

Q So it was not until 1987 that you were aware of the methodology involved?

A I believe so, yes.

Q Were you aware that the records were falsified?

A I became aware when I found out about the complaint.

Q Did you ever mention to either Mr. Battison or Mr. Yusko, "Why don't we just call it what it is, a contribution to a political campaign?"

A I told them to take care of the reimbursement. And they are the accountants and the financial people, I am not an accountant, and I rely on them for what the proper way is to account for whatever we do.

Q What was your understanding of what would be done at that time?

9104088404 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2223

DATE FILMED 12/24/91 CAMERA NO. 2

CAMERAMAN AS

9104088400 42

FEDERAL ELECTION COMMISSION
WASHINGTON D(20461

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 2893.

1/6/92

92040891407

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CLOSED

Dec. 18, 1991

TWO WAY MEMORANDUM

TO: Fabrae Brunson
OGC, Docket

FROM: Philomena Brooks PB
Accounting Technician

SUBJECt: Account Determination for Funds Received

We recently received a check from Westwood One, check number 2145, dated August 2, 1991, and in the amount of $ 26,000.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

TO: Philomena Brooks
Accounting Technician

FROM: Fabrae Brunson FB
OGC, Docket

In reference to the above check in the amount of $ 26,000, the MUR number is 2893 and in the name of Westwood One Inc. The account into which it should be deposited is indicated below:

__ Budget Clearing Account (OGC), 95F3875.16

✓ Civil Penalties Account, 95-1099.160

__ Other: _____

Fabrae D. Brunson
Signature

Dec. 19, 1991
Date

9204039 1408

MUR 3839

CLOSED

Rogers & Wells

Fifteenth Floor
201 North Figueroa Street
Los Angeles, California 90012-2638

TELEPHONE (213) 580-1000
TELECOPIER (213) 580-1234
(213) 580-1070
TELEX 194758 RWLSA

200 PARK AVENUE
NEW YORK, N.Y. 10166
TELEPHONE (212) 878-8000
TELECOPIER (212) 878-8180
(212) 878-8375
TELEX 234493 RKWUR

1737 H STREET, N.W.
WASHINGTON, D.C. 20006
TELEPHONE (202) 331-7760
TELECOPIER (202) 331-0463
TELEX 248439 WASHUR

47, AVENUE HOCHE
75008-PARIS, FRANCE
TELEPHONE 47-63-11-00
TELECOPIER 33-1-4267-5081
TELEX 290617 EURLAW

58 COLEMAN STREET
LONDON EC2R 5BE, ENGLAND
TELEPHONE 01.628.0101
TELECOPIER 441-638-2008
TELEX 884964 USLAW

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

91 DEC 17 AM 9:29

December 12, 1991

91 DEC 18 PM 12:12

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

Lawrence M. Noble
General Counsel
Federal Election Commission
Washington, D.C. 20463
Attention: Jeffrey Long

Re: MUR2893/Westwood One, Inc.

Dear Mr. Noble:

Thank you for your letter of November 20, 1991, in the above-captioned matter. I am enclosing herewith the check of our client Westwood One, Inc. in the amount of $26,000.00 representing the civil penalty assessed pursuant to the Conciliation Agreement in this matter.

Sincerely yours,

Gerald E. Boltz

GEB:nb

2204039214309



WESTWOOD ONE
9540 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA 90232-1985
(213) 840-4000

Drawn On Mount Sterling Office
BANK ONE, COLUMBUS, NA
100 East Broad Street, Columbus, Ohio 43215

56-1368
441

In Cooperation with
SECURITY PACIFIC NATIONAL BANK

NO. 2145

DATE	AMOUNT
08/02/91	$26,000.00

PAY TO THE ORDER OF TWENTY SIX THOUSAND and 00/100

FEDERAL ELECTIONS COMMISSIONS

WESTWOOD ONE

Gary J. Yuhas

⑈002145⑈ ⑆044113681⑆ 07⑈04606⑈





92040391410

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20461

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 2893.

1/14/92

The attached should be substituted for pp 8 and 9 of the 10/25/91 GC Report which already appears on the Public Record.

2204039141

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 2893.

1/14/92

The attached should be substituted for pp 8 and 9 of the 10/25/91 GC Report which already appears on the Public Record.

9204080141 2

Therefore, the General Counsel recommends that the Commission accept the signed agreements from Norman J. Pattiz, William J. Battison, Gary J. Yusko, and Westwood One, Inc.

In addition, the General Counsel recommends that the Commission take no further action against Robert D. Kress and close the file. Mr. Kress presently resides in Brazil. This Office attempted to contact him by mailing him a copy of the Commission's reason to believe findings against him, but no response was ever received. There is no guarantee that Kress even received the findings made against him. Given this lack of communication with a respondent living outside the United States, it would be impractical to proceed further against him. Additionally, Kress was one of the initial complainants in this matter. He signed the complaint knowing that it would likely result in a reason to believe finding being made against him. Kress was not one of the corporate officers or employees involved in the scheme to disguise corporate reimbursements; rather, he was merely the brother of an employee who made a contribution to the Biden fundraiser and was then reimbursed, in violation of § 441f. The advantages of placing this matter on the public record at this time outweigh the use of additional resources in attempting to locate Robert Kress. Therefore, the General

2204039141 3

Counsel recommends that the Commission take no further action against Robert D. Kress and close the file.

III. RECOMMENDATIONS

1. Accept the signed conciliation agreements and civil penalties with Norman J. Pattiz, William J. Battison, Gary J. Yusko, and Westwood One, Inc.

2. Take no further action against Robert D. Kress.

3. Close the file.

4. Approve the appropriate letters.

Date 10/25/91

Lawrence M. Noble
General Counsel

Attachments

1. Westwood One agreement
2. Pattiz agreement
3. Battison agreement
4. Yusko agreement

Staff member: George F. Rishel
Jeffrey D. Long

2240891414