In The Matter Of:

Benton Becker

Senate Committee on Governmental Affairs

Special Investigation

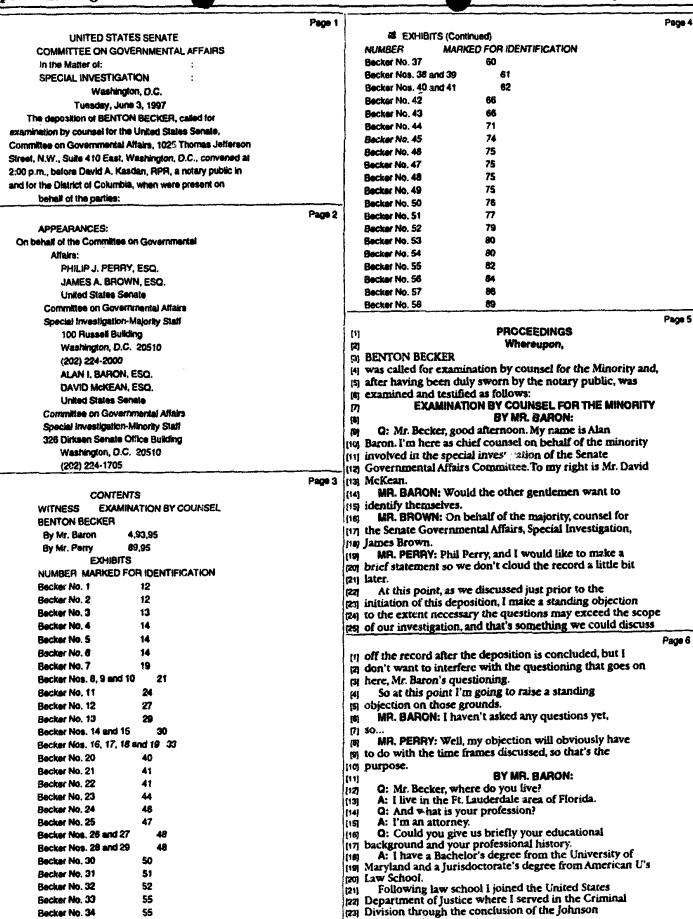
Deposition of Benton Becker June 3, 1997

CONFIDENTIAL

Miller Reporting Company 507 C Street, N.E. Washington, DC 20002 (202) 546-6666

> Original File 0603beck.asc, 98 Pages Min-U-Script® File ID: 1801134806

Word Index included with this Min-U-Script®



1231

Administration.

In January of '69, I opened a private practice of

55

57

59

Becker No. 34

Racker No. 35

Becker No. 36

Page 7 [1] law in Washington, D.C. and in Florida, and subsequently [2] merged that practice one year later with a pre-existing practice that resulted in the law firm of Cramer, Haber & Becker. That carried the practice of law in Washington, [5] D.C. at L'Enfant Plaza through-that firm's continued to practice law in Washington through March of '77, when I departed the Washington area and moved to Miami and took the professorship of law at the University of Miami School of Law. Continued there through approximately 1981, where

[11] became the senior trial attorney in her office. Thereafter, I left Ms. Reno's office and opened my [13] current practices of law in Coral Gables, Florida, where I continue to serve as a professor, an adjunct professor, at

tion I joined the then-State Attorney Janet Reno's office and

(15) the university. [16]

Q: Thank you. 1171 Mr. Becker, did there come a time when you became [18] affiliated in either a business or professional relationship with an entity known as Young Brothers (Hong Kong) or Young Brothers (USA)? [20]

A: Yes.

[21]

(22)

(23)

Q: When did that occur? What were the circumstances?

A: The Young Brothers (USA) was a-I was asked to [34] establish a Florida corporation with that name by Ambrous 25) Young, who was a member of a corporation in Hong Kong, the

[1] parent corporation of YBD (USA), named YBD (Hong Kong). Fig. Mr. Young instructed me to open or to create a Florida [3] corporation under the name of YBD (USA), which was done in October of 1991

G: And is it fa

Q: And is it fair to stay in your dealings with [[6] YBD (Hong Kong) that Mr. Ambrous Young is the spokesperson and has authority to speak on behalf of the corporation? , is Has that been your experience?

·--(9) A: With the exception of certain members of figig Mr. Young's family who are employed by YBD (Hong Kong) and [11] some other people, Mr. Chapman at times and Ms. Lee at times, the only person I have ever spoken to at YBD (Hong [13] Kong) would be Mr. Ambrous Young.

Q: And as far as you know, does he have the authority to speak on behalf of the corporation and instruct you on [15] [16] behalf to take actions on behalf of the corporation?

A: The corporation meaning... (17)

G: YBD (Hong Kong). 1193

A: Yes, that is my impression.

Q: Okay. When YBD (USA) was formed, who was involved (21) as officers of the company?

A: I was instructed to have Mr. Richard Richards as the President of the company, YBD (USA), and there was no (24) other instruction on that matter.

Subsequently, I have sought authorization to

(1) become the secretary/treasurer of the company because the [2] bank requirement that an officer be a signatory on the bank account, and the bank account would be in Florida where the bank was and where my law office was. [4]

Q: To your knowledge, did Mr. Richards have any connection to Mr. Ambrous Young in any business connections or any connections as far as you know? (7)

A: Prior to October of '91?

/91

A: Yes. We were talking about Richard Richards, and [10] [11] Richard Richards is an attorney. And Dick Richards represented Ambrous Young and/or YBD for several years, it [13] was my understanding, prior to '91. And it was also my [14] understanding that either Dick and/or his entities [15] established between Dick and his nephew, Steven Richards, had some business dealings with YBD (Hong Kong) prior to [16] (177 '91

MR. BARON: Before we proceed with the [16] questioning, I want to put something on the record that I [19] should have done right at the outset [20]

BY MR. BARON: [21] Q: First of all, based on conversations that you and [22] I have had, three conversations we have had in the past couple of weeks, you are here voluntarily-you have not [25] been served with any process-and you have produced a stack [1] of documents which we have reviewed earlier today. voluntarily in your capacity as counsel on behalf of Young

(USA); is that correct?

A: That's correct. I have done that at the direction **(5**1 of Mr. Ambrous Young.

MR. PERRY: Let me make a brief comment on the record. I understand that a subpoena did issue to Mr. Becker, and there is a matter to discuss between counsel on that issue, so that's it. So please go ahead.

THE WITNESS: May I say for the record that I have [11] not received any such subpoena, nor has YBD (USA). [12] BY MR. BARON:

Q: Let me direct your attention to the year 1991. [13] [14] Are you aware of any contact between Mr. Ambrous [15] Young and a Mr. Alex Courtelis?

A: I have been made aware of those contacts by [17] conversations with Mr. Young and Mr. Richards. I was not present during any of those contacts.

Q: And what is your understanding concerning the context of what developed between Mr. Courtelis and Mr. Ambrous Young? 1211

A: I'm informed that Mr. Courtelis and Mr. Young met, commenced meeting in early 1991, and Mr. Courtelis and [24] Mr. Young began discussing YBD (Hong Kong)'s purchase of [25] property, a shopping center in Orlando, Florida, owned by

Page 11

Page 12

[1] Mr. Courtelis from Mr. Courtelis's entities.

And further, Counsel, at the same time-and I'm m also informed that at the same time concurrent discussions were ongoing between Mr. Courtelis and Mr. Young regarding Mr. Young's becoming a member of an organization known as Team 100.

Q: What, if any, connection did Mr. Courtelis have with Team 100, and what is it as far as you know?

A: I am informed that Mr. Courtelis had-was the chairman of the organization known as Team 100, and [11] Mr. Courtelis had a business card and a letterhead that so (12) Stated

And more specifically, I'm informed that the [13] 144 letterhead and business card identified him as the chairman of Team 100 Republican National Finance Committee.

My understanding is that Team 100 is or was a group of individuals who contributed to the Republican [18] National Committee initially in an amount in excess of a [19] hundred-thousand dollars.

Q: And as far as you understand, even though you may 1201 not have observed this personally, was Mr. Courtelis seeking to have Mr. Ambrous Young join Team 100 or, in some

fashion, become a member of Team 100? 124 A: Yes. That is my understanding, that Mr. Young and

ps Mr. Courtelis discussed both the acquisition of the

[1] Courtelis-owned Orlando property and Mr. Young's [7] participation, contribution, involvement in Team 100. Q: Let me show you the first document that you had

available to us earlier today. Why don't we have this marked Becker Exhibit 1.

(Becker Exhibit No. 1 was marked for identification.)

Q: Could you look at what has been marked as [9] Exhibit 1.

A: I have it before me.

[[11]

Q: Briefly could you describe what it is.

A: This memorandum is dated October 11, 1991, [13] prepared by me to file with a copy to Richard Richards. It [14] is a five-page memorandum that was prepared following a lengthy conversation with Mr. Young and probably

[16] Mr. Richards as well, outlining instructions with respect 117) to the establishment of the-on the creation of a new

[18] corporation in the State of Florida called YBD (USA), a [19] subsidiary of the Hong Kong corporation, and it outlines a certain number of items that the corporation is to

undertake to do and in the future once created. 1211 MR. BARON: Let me have this marked as Exhibit 2.

(Becker Exhibit No. 2 was marked for [23] (24) identification.)

BY MR. BARON:

Page 13 Q: It's the document dated 28 October 1991, a

22 document dated October 26 is number three-document (3) October 26 as number two. Keep it chronological. Document dated November 12, 1991-let me go back.

There is a document dated October 9th, 1991, from is the stationery of the Law Offices of Benton Becker, and 77 keep it chronological order. Keep it as Exhibit Number 2. Can you describe what's been marked as Exhibit 2. [8]

A: Exhibit Number 2 is a memorandum to file prepared 1101 by me with a copy to Richard Richards, dated October 9, [11] 1991, and the subject matter is re: Young Brothers 12 Development, YBD, Investment with Courtelis Construction Company. [13]

Q: And that relates to the investment, the possible [14] (15) investment, in the shopping center?

A: A good portion of this memorandum relates to a [16] possible acquisition by YBD (USA) of a Courtelis shopping center. It seems to me that the third paragraph of this memorandum speaks to the subject of the Team 100. 1194

Q: Right. Let me have this marked as number three.

This is a document dated October 26th, 1991. [21] (Becker Exhibit No. 3 was marked for [22]

[23] identification.)

Q: October 28th document two pages. Why don't we [25] mark that as number four.

> Page 14 (Becker Exhibit No. 4 was marked for

[2] identification.)

Q: This will be number five, a document dated

[4] November 12, '91 (Becker Exhibit No. 5 was marked for

identification.) Q: Mark this one document dated November 25th, 1991,

as number six. (Becker Exhibit No. 6 was marked for

(10) identification.) Q: Mr. Becker, let me go to what has been marked as [11]

1121 Deposition Exhibits 3, 4, 5 and 6. Can you just describe briefly what those documents [13]

[14] are, what they relate to.
[15] A: Exhibit Number 3 is a one-page memorandum from [18] YBD (Hong Kong), dated October 26th, 1991, to me from Nancy

[17] Lec, L-E-E, again speaking of the possible investment of [18] the YBD (US) and a real estate holding of Mr. Courtelis. Exhibit Number 4 is a two-page memorandum from the (19)

[20] same person to me with a copy to Mr. Richards. This is (21) dated October 28, 1991. Ms. Lee is passing on YBD (Hong (22) Kong)'s thoughts and instructions with respect to the establishment of YBD (USA) number of directors,

(24) recordkeeping, et cetera (55)

She speaks-the memorandum speaks of the Courtelis

[1] investment, and the memorandum speaks of Team 100 as being 12) the one exception where the signature on checking account of YBD (USA) would not require a signature of Mr. Steven [4] Young or Nancy Lee, but it could have the signature of someone other than Steven Young and Nancy Lee. [5]

Exhibit Number 5 is a memorandum dated November 12, '91, from me to Nancy Lee in Hong Kong, [7] subject: Wire Transfer Instructions to YBD (USA) Savings Account at Foreign Net Bank, where I am notifying Ms. Lee [10] of the banking location and accounts of YBD (USA) for the [11] purposes of transferring money from YBD (Hong Kong) to

YBD (USA) [12] And Exhibit Number 6 is a two-page memorandum [13] [14] dated November 25, 1991, from me to Nancy Lee with copies [15] to Mr. Richard Richards and to Mr. Wilson Gee, an

(18) independent appraiser in Los Angeles, California. This memorandum addresses the continued interest in and its exploration of the possible purchase by YBD (USA) of [19] Mr. Courtelis's property identified as the River Walk

Shopping Center. Q: Okay. Now, did there come a time when funds were [51] transferred from Young Brothers Development Hong Kong to [22] Young Brothers Development (US)? [23]

A: Yes. [24] [25]

[20]

Q: Do you recall approximately when that was?

A: That would have been somewhere before November 19th, 1991.

Q: And do you remember about how much came in?

A: My review of the records reflect that

approximately \$2,800,000 was transferred from YBD (Hong

Kong) to YBD (USA) for the purpose of purchasing the

Courtelis property by YBD (USA).

Q: I take it YBD (USA) was newly created and didn't 191 have anything in the way of assets of its own at that (10) point; is that a fair statement?

A: That's correct.

Q: We had a lengthy interview this morning, so I will (12) (13) summarize a little bit of your testimony or your interview earlier today [14]

As I recall, 2.6 million of the 2.8 that was sent (15) from YBD (Hong Kong), as I understand it, was for a potential down payment on the shopping center? [18]

A: I believe that's correct. However, I think it was [19] somewhere around 2.6, 2.7 million was the amount of money that would have been paid as earnest money in the purchase.

It would have been a first trust on the property. 1211 Thereafter, the shopping the purchase was never

consummated. (23) Q: In Exhibit Number 4 there was a reference to [24]

[25] \$100,000 corporate membership in the republican

Page 17

Page 16

[1] organization known as Team 100. You see that in the middle (2) of the page?

A: Yes, sir.

131

(3)

[3]

[5]

[6]

7

[23]

Q: Were any monies allocated to fulfill that

membership obligation?

A: Let me try to answer it this way, Counsel: When the wire transfer arrived from YBD (Hong Kong) to YBD (USA)

with the instructions that preceded it to carry through with the due diligence of the purchase of the Courtelis

property, at the very same time or in early November of '91,1 also received instructions to expend \$100,000 of that money for the purchase of Team 100 membership for [12] YBD (USA). [13]

Q: And by whom were you instructed to do that? [14] 1151

A: Mr. Young.

Q: Ambrous Young? (16) [17]

A: Yes, sir.

Q: And are you aware, even if you don't know it [16] first-hand, of any discussions that Mr. Young may have had (191 with Mr. Courtelis as to how that money was to be expended? (501

A: I am. Mr. Young-[5:1

MR. PERRY: I don't want to do this often, but I [22] 1231 object to form to the extent that that question calls for (24) speculation. (25)

Please go ahead.

Page 18

MR, BARON: This is not for court.

MR. PERRY: That's the reason I prefaced that they wav í did

MR. BARON: Let's leave it at that. [4]

THE WITNESS: I can remember the question.

BY MR. BARON:

Q: Go ahead.

A: I'm aware of such conversation through conversation with Mr. Young and from Mr. Richards. Through those conversations I have been told that Mr. Young had several meetings and conversations with Mr. Courtelis in Hong Kong telephonically with respect to the joining of

[12] [13] Team 100. Mr. Young was agreeable to invest \$100,000 of

YBD (Hong Kong)'s money into Team 100, and it was at Mr. Courtelis's suggestion to Mr. Young that the member of [16] [17] Team 100 not being YBD (Hong Kong) but rather that the

[18] applicant member should be YBD (USA). Thus, Mr. Young instructed me as counsel to YBD (USA), when the funds [19]

[20] arrived from Hong Kong, to expend a hundred-thousand [21] dollars for purposes of having YBD (USA) become a member of [22] Team 100.

Q: Let me show you-

A: And furthermore, Counsel, let me also say, I was

also instructed in how to expend that money and to whom to

[1] make the checks payable.

Q: I'm going to show you the checks in a minute. MR. BARON: Let me have that marked as the next (3)

(4)

(Becker Exhibit No. 7 was marked for [5] identification.) [6]

BY MR. BARON:

7 Q: Mr. Becker, I'm going to show you what was marked (8) as Deposition Exhibit 7 which appears to be the fronts and 110] backs on the next page of two checks dated November 19th, [11] 1991.

(12) Q: Are those the checks that you referred to as the 113 [14] reflecting the disposition of the hundred-thousand dollars [15] to join Team 100?

A: These are copies of the checks, two checks, that were drawn at Mr. Young's instruction, at Mr. Courtelis's [17] [18] suggestion.

Q: Okay. And these are drawn respectively \$25,000 to [[19] the Republican Party of Florida, and \$75,000 to the my the Republican Party of Florida, and \$75,000 to Republican National State Election Committee.

Did you understand from Mr. Young that Mr. Courtelis had instructed that that is the way the two (24) checks should be made out?

A: That is precisely what my understanding is. Those

the checks are dated-both checks are dated November 19th, 1991

Q: Is that your signature on both checks? A: That's my signature below Dick Richards's.

Q: What was the purpose, as you understood it, having YBD (US) become the member of Team 100 as distinguished Fig YBD (US) become the member of Team 100 as dist [7] from, perhaps, Mr. Young himself, Ambrous Young?

A: I could only tell you what I was told.

Q: Correct.

131

[4]

[8]

1221

[25]

[19]

A: I was told by Mr. Young that Mr. Courtelis in suggested that in view of the activities, dinners, lunches, A: I was told by Mr. Young that Mr. Courtelis [12] programs, frequency of such activity by Team 100 and the [13] geographical absence of Mr. Ambrous Young from the United 114) States, Mr. Courtelis suggested that if YBD (USA) was the [15] member, then Mr. Richards, the President of YBD (USA), [18] and/or Mr. Young's sons would participate in those events more readily. That is what Mr. Young told me Mr. Courtelis (18) told him.

Q: Okay. Did there come a time when the shopping [19] center deal-[20]

A: Aborted? [21]

Q: Collapsed, cratered, whatever word.

A: Yes, it did. [24]

Q: And approximately when was that? Do you recall?

A: That was several months later, I think it was

Page 21

Page 20

[1] into March of '92 or in early '92. There was a lengthy [7] diligence undertaken, and it was sort of the witching hour when the contracts were about to be signed, sort of a last-minute appraisal was returned to YBD that Mr. Young is found to be inconsistent with the purchase price and instructed that the-that there be no purchase of the

(7) property Q: And you testified earlier that a substantial sum of money in excess of 2 million, almost \$3 million had been wired to YBD (USA), a hundred-thousand had been expended to

iti make this contribution to Team 100.

What happened to the remainder of the money? 1121 A: It was wired back to YBD (Hong Kong) by me. I [13]

[14] believe you have the records of that. Q: Let me show you the next document, number eight

[16] and number nine and number ten. All checks.

(Becker Exhibits No. 8, 9 and 10 117 were marked for identification.)

Q: Mr. Becker, I will show you what has been marked [19] as Deposition Exhibit Number 8. It's a check dated July [50] 20, 1992, payable to RNSEC in the amount of \$2400. There [21]

is a front and a back here Do you recognize that? A: Yes. [53]

(24)

Q: And could you just tell us briefly what that is

[1] about.

A: This ist check, a YBD (USA) check written in my [3] hand executed by along with Dick Richards, dated July, 20,

[4] 1992, in the amount of \$2400 payable to RNSEC, which was a

[5] designated payee I was instructed to write the check to. And that instruction either came from Mr. Young or

Mr. Richards.

Q: Let me show you what has been marked as-do you know what that money was for?

A: On the lower left corner of the check it says RNC Convention Registration, Team 100 member, Ambrous Young. [12] In conversation with Mr. Steven Richards, we believe it is

1131 the registration fee that Ambrous Young paid that YBD (USA)

[14] paid on behalf of Ambrous Young to attend the 1992 1151 Republican National Convention.

Q: Let me show you what's been marked as Deposition [17] Exhibit 9. It has on its face two checks dated June 14th,

[18] 1993, one for 20,000 payable to RNC, one for 5,000 payable (15) to RNSEC. 1201

Do you recognize those?

A: I recognize them as YBD (USA) checks written in (21) 122) the amounts you designated to the payees, and I recognize my signature as appearing on it under Dick Richards's (24) signature.

These are, by reconstruction, YBD (USA) checks

Page 23

(1) that were paid, it is believed, for 1993 dues for YBD (USA) (2) to Team 100. I didn't-they appear to be drafted elsewhere

other than in my office, but that is my signature.

Q: And where did the money come from to fund these

checks? Do you know? A: The money that honored these checks came from the 77 bank account of YBD (USA). YBD (USA) got its funds from

its parent company. Q: That is YBD (Hong Kong)?

A: YBD (Hong Kong).

[11] In June of 1993, YBD (USA) had no other source of (12) income other than minimal interest income from its bank

(13) accounts.

Q: Let me show you what's been marked as Deposition [15] Exhibit Number 10, two checks dated November 29th, '91, (16) payable to Rex-McGill, Inc.

A: Those are two YBD (USA) checks, one dated [16] November 29, 1991, in the amount of \$5,000; and the other

dated December 3, 1991, payable to an appraiser named Rex-McGill, Inc. that was engaged by YBD (USA) to appraise

the River Walk property that was being considered purchased 1211 (22) from Mr. Courtelis.

Q: Which you mentioned earlier? [23]

A: Yes

Q: Just so the record is complete, I have one other

[1] document that you had supplied and we might get it into the izi record. This is number 11.

(Becker Exhibit No. 11 was marked

for identification.) 141

MR. PERRY: Would you describe it so I could find

[8]

MR. BARON: It's the memorandum from Nancy Lee to Benton Becker, dated November 7, 1991, referring to itinerary to come to Florida.

[10]

BY MR. BARON:

Q: Mr. Becker, who is Nancy Lee, by the way? [11] A: Nancy Lee was one of the financial officers of YBD

(Hong Kong) at that time. She is not employed with YBD [14] (Hong Kong) any longer, I am told.

Q: She's not with them any more?

[15] [16]

[17]

A: No, sir.
Q: Could you just identify this so the record is (16) complete.

A: It's a memorandum dated November 7, 1991, from Ms. Lee to me, describing her itinerary of travel to

[21] Florida and asked if we could make reservations for her at

a hotel. This, I believe, is the first of two visits

Ms. Lee made to Miami with regard to the Courtelis

(24) purchase.

Q: Okay And to refer you back to Deposition Exhibit

[14]

Page 25

[ii] 9, do you know or have you learned from some other source [2] why the two checks were made out to the RNC and the RNSEC in the manner they are made out here, 20,000 and 5,000 4) respectively?

A: I couldn't tell you directly. I have no direct information on that, except to say to you that someone instructed Mr. Young or Mr. Richards that that is the manner in which to make the checks payable, someone, i assumed, who-in the same nature as Mr. Courtelis did in [9] 1991 [10]

Q: Instructed how to make the checks out? A: To whom and what amounts, yes, sir.

[12] Q: When Mr. Ambrous Young instructed you to make out (13) [14] the two checks, the original \$100,000, based upon either your personal knowledge or discussions you had with [15] Mr. Young in this regard, do you know whether he had any 117) discussions with Mr. Courtelis or anyone else as to the (18) propriety of doing that?

A: Do I know?

[11]

[19]

Ü

: . ا

įŢ

a ang a carr

Q: Do you have any knowledge either personally or [21] based on discussions with Mr. Ambrous Young?

A: Well, I don't believe Mr. Young ever asked-used the word "propriety" in any conversations with [24] Mr. Courtelis because he never used that word with me. [25] Mr. Young made it clear to me that Mr. Courtelis knew that

[1] YBD (USA) had only recently been established, and primarily for purposes of purchasing property owned by Mr. Courtelis, that Mr. Courtelis knew that YBD (Hong Kong) was the parent [4] and establishing party of YBD (USA), and that YBD (USA) was is a pure subsidiary corporation of YBD (Hong Kong), and that is Mr. Courtelis, with that knowledge, recommended that YBD (USA) be the member of Team 100.

The only other thing I would add to that is that Mr. Young believed that, in fact, was-or I believe was [10] accurate that he was talking to and dealing with a high [11] official of the Republican National Committee and thus [12] concluded there was no impropriety at all.

And I'm certain-I would also just want to add [13] [14] parenthetically, from my very brief knowledge of Mr. Courtelis, I cannot believe that Mr. Courtelis would [15] have intentionally told anyone to do anything in violation (17) of the law.

Q: Mr. Courtelis was aware, as you said earlier, that [16] [19] YBD (USA) had just been formed as a potential purchaser his or an interest in his shopping center? [20]

A: That's right. [21]

Q: And that the funding for any of that would have 1221 come from Hong Kong? 1231

A: That's correct. [24] [25]

Q: I believe you told us earlier today-and correct

Page 27

[1] me if I'm wrong-that you said YBD (USA) had sources of income other than from the parent company, either interest (3) or a modest amount of interest from a bank account, and it [4] had some sort of leasehold interest from which it received [5] about \$1,200 a month net?

A: Later. Not in '91, of course, but in later years, [7] if undertook to manage a condominium property owned by YBD (Hong Kong), and for that retained the net income from-the rental income of that property was about \$1,200 a month. [9] [10]

Q: Okay. Let's move on to 1994.

A: Okay. [11]

[12]

Q: I will have this document dated July 20th, 1994, [13] from Steve Richards to Mr. Denning of the National Policy Forum.

[14] (Becker Exhibit No. 12 was marked [15]

[16] for identification.) Q: Let me show you what has been marked as Deposition [17] Exhibit Number 12. [18]

Do you recognize the document? Can you tell us [19] (20) something about it?

A: Well, this is the document that I have-did not see when it was created, and have only seen it recently 221 [23] It is a memorandum from Steve Richards to Mr. Dan Denning,

who was identified at the National Policy Forum. And [24] Mr. Steve Richards has described to me the circumstances [1] surreainding his preparation of this document.

Q: Can you tell us about that, please. A: Certainly, Mr. Steve Richards told me that he was

visited-I should say the document is dated July 20, 1994; I don't know if I did-that he was visited on or about that time by an individual known to Steve Richards named Fred Volcansek, V-O-L-C-A-N-S-E-K, and that Mr. Volcansek represented himself to Mr. Richards as being a representative of the republican party in some fashion, and that Mr. Steve Richards had known Mr. Volcansek prior to that first meeting as a republican fundraiser. 1111

[12] Mr. Volcansek told Mr. Richards that Mr. Volcansek (13) had been asked by the RNC chairman, Mr. Barbour-

Q: That's Haley Barbour?

f151 A: Haley Barbour, B-A-R-B-O-U-R.

-to initiate conversations with Mr. Ambrous Young [17] regarding a loan guarantee of the National Policy Forum.

Mr. Volcansek knew of Mr. Steve Richards and 1193 Mr. Richard Richards's association with Mr. Ambrous Young, and Steve Richards told me that Mr. Volcansek came to him [21] about this matter in order to kind of get his permission to speak to Mr. Ambrous Young about this loan guarantee that [22] Mr. Volcansek sought to discuss with Mr. Young. [23]

MR. PERRY: To clarify a point, that entire answer

related to conversations that were related to you by

Page 29

[1] Mr. Richards, Steve Richards; correct?

THE WITNESS: I really tried, Counsel, to make that clear on the record, but indeed, that is absolutely correct, sir.

BY MR. BARON:

Q: Let me show you the next document that is dated Thursday, July 28th, 1994.

(Becker Exhibit No. 13 was marked

for identification.)

A: Number 13 is a document that again I did not see at the time of its creation and only recently seen it. It [111] was shown to us and voluntarily produced by Steve Richards who did some-I should make clear Steve here in Washington acted as an intermediary and assisted in matters involving [14] YBD (Hong Kong) and YBD (USA).

But this document is a document prepared by Mr. Fred Volcansek. It's dated July 28th, 1994, and it (17) (18) appears to be a document that presented eight talking points to Mr. Haley Barbour in anticipation of Mr. Haley Barbour's apparent forthcoming meeting or conversation with Mr. Richard Richards. Mr. Volcansek is suggesting eight (21) things that Mr. Barbour should discuss with Mr. Richards. [22]

G: Now, Steve Richards is the nephew of Richard

Richards? [25]

(23)

A: Yes.

Page 30

Q: And can you describe for me what is the nature of the relationship, as best you know, between Ambrous Young and Richard Richards. I'm just not talking about-I'm talking about in terms of their personal relationship, if

you can.

A: I tried to describe that they had a business relationship. I think that there is a strong mutual trust and a friendship between the two gentlemen as well.

(Becker Exhibits No. 14 and 15 were

marked for identification.) [10]

Q: Let me show you what has been marked as Exhibits 4 and 15, and ask you if you could identify that. [12]

A: Exhibit Number 14 is a letter from Mr. Steve Richards to Mr. Ambrous Young, dated July 28th, 1994, (14) acknowledging his, Mr. Steve Richards's, recent visit to [15] [16] Hong Kong.

And the second paragraph reads, "following up on our conversation regarding the Republican National Committee and the National Policy Forum, I discussed the question of scheduling with the chairman of the RNC, [18] Mr. Haley Barbour, and a meeting followed by dinner on (21)

Monday, August 1, 1994, appears to be the best time, given [22] everyone's busy schedule." [23] Exhibit Number 15 is a memorandum from Steve [24]

[25] Richards to me, dated August 15th, 1994, attaching a

Paga 31

Page 32

(1) two-page description of the National Policy Forum's [2] proposal, which is, I believe-I have not studied the

[3] proposal-for items to do in the future. And the next to last paragraph of which speaks,

"the National Policy Forum needs from you"-I guess that [6] means the reader of this document-"a three-year loan [7] guarantee in the amount of \$3.5 million," and it goes on to [8] explain why the National Policy Forum needs that \$3.5 m million.

[10] Q: Do you have any understanding beyond this as to what Mr. Ambrous Young was told about the need for a [11] [12] guarantee as to whether, for example, whether the National [13] Policy Forum itself had assets which would be sufficient to [14] just make the loan themselves without a guarantor?

A: I have had several conversations of late with [15] [16] Ambrous Young regarding those initiating early [17] conversations directed at him with respect to the National [18] Policy Forum, and he has informed me that his recollection [19] is that Mr. Volcansek was the first to speak with him on izo that subject, and that Mr. Barbour followed and then [721] Mr. Richard Richards.

He also informed me that he was told by 1221 j23] Mr. Barbour that the National Policy Forum was not a part 24 of the Republican National Committee, that it, the National 25 Policy Forum, was not within the auspices of the Federal

(i) election laws since it, as an organization, was not involved with Federal elections, that it was a think tank, 🏥 (a) that it was a nonprofit organization, that it was new, and #4] that it was developing its own list of contributors, and [5] that the RNC had been providing loan money to it for some [6] time to sustain it, and that that loan money due the [][7] National Policy Forum now exceeded \$2 million, and the RNC [8] would have liked to have gotten that money paid back to it by the National Policy Forum, and the policy forum lacked fig the assets or the financial statement to acquire a loan in

in that amount on its own, and thus it needed a guarantor. Q: This document August 15, 1994, which is [13] Exhibit 15, appears to be the first time your name comes up [14] in this connection.

Is that the first time when you become aware of [16] this proposal to Mr. Ambrous Young about the guaranteeing [17] of the loan by National Policy Forum?

A: Well, I wouldn't say it that way. This is the [19] first time I became aware of anything with respect to the [20] National Policy Forum. And initially, I am given the [21] impression that Ambrous Young is not going to agree to [22] this, and so don't spend a lot of time on this matter, but this is the first time I have ever heard of it. I never [24] heard of the Forum, and I don't want to give you the [25] impression I have done a lot of research on it at that

Page 33 [1] stage. I did not.

Q: Why don's we mark these three documents. [2] (Becker Exhibits No. 16, 17, 18, and

19 were marked for identification.)

Q: First of all, I'm going to hand you what has been marked as Exhibits 16, 17, and 18. Do you recognize those 77 and can you tell us what they are.

A: Yes. Well, again, Exhibit Number 16, 17 and 18 are all exhibits that I have not seen at the time of their [10] creation and have only recently seen them. They are [11] provided by Steve Richards.

[12] Sixteen, it appears to be a one-page memorandum
[13] prepared on August 29, 1994, by Fred Volcansek directed to
[14] Mr. Donald Fierce, F-I-E-R-C-E, and to Mr. Dan Denning, [15] D-E-N-N-I-N-G. In Exhibit Number 16, Mr. Volcansek, in [16] three separately numbered items, appears to be describing his meetings with Mr. Young and a meeting that Mr. Barbour (17) [18] had with Mr. Young recently.

There is a reference to a quote, white paper that go is to be drafted by me. My name is there, Benton Becker, which appears to lay out the concepts for the issues which (22) we discussed Saturday evening.

Q: Did you ever prepare such a white paper?

A: No, sir.

[23]

Q: Let me show you what has been marked-

A: I haven't described the other two. [1]

A: Exhibit Number 17 appears to be something of a [4] redacted or shortened version of Exhibit 16, that's the same author, the same date, and the same persons directed,

and it seems to be the same subject matter, but it's a

shorter version. What Mr. Volcansek is saying in 17 he's able to say in two numbered items as opposed to three on

Exhibit 16

[10] Exhibit Number 18 is a third Volcansek memorandum dated the same day, August 29, 1994, to the same people.

[12] same two people as on 16 and 17. And that commences with, "I have here enclosed a breakdown of what Haley has said he wants to do as Dan Denning and I remember it from Saturday [14]

(15) night."

The third paragraph mentions Mr. Ambrous Young [16] [17] Mr. Volcansek writes, "I don't know what Haley thought he [18] was doing his letter to Ambrous, but my discussions both yesterday and today with Dick and Steve Richards,

20] timeliness is of the utmost."

The final paragraph again mentions my name and [21] [22] says, "because time is of the essence and we are working [23] with Benton in Florida and Ambrous in San Francisco, I'm [24] available as soon as you call me to get this going." As of

25] August 29th, 1994, I don't believe I have ever met or

Page 35

[1] spoken to Mr. Volcansek.

When he said "we were working", maybe he was [3] referring to Steve Richards's earlier communication to me on that subject.

Q: Now, the August 29th, 1994 memorandum which is

Deposition Exhibit 16, it says, "I was told by Steve

Richards last night that Ambrous was pleased by our dinner meeting.

Were you aware, in fact, that a dinner meeting took place the night before? (10)

A: I'm aware now of it. I wasn't aware then. I

don't know. I wasn't present at any such meeting. Q: Let me show you what has been marked as Deposition

[14] Exhibit 19-it's again the document that was produced to us this morning-dated August 30th, 1994, to Mr. Ambrous Young

(16) signed by Mr. Haley Barbour, with an attachment to it [17] concerning the National Policy Forum.

Do you recognize that document as one that you (19) produced this morning?

A: Yes. There is a document that again I did not see [21] at the time of its creation. This is a letter from

[22] Mr. Haley Barbour, written on stationery of the National

[23] Policy Forum, to Mr. Ambrous Young, discussing a [24] publication of the National Policy Forum entitled

[25] Commonsense, one word, and generally describing and

 discussing the National Policy Forum to Mr. Young, and then [2] encloses a two-page description of the National Policy [9] Forum.

Q: Okay.

A: This is what we in our briefing this morning speculated that this is the white paper that we referred to

7 carlier.

Q: That you did not prepare? [8] A: That I did not prepare.

Q: Around this time were you given the task to put the guarantee on the loan, the loan for the National Policy [12] Forum, together?

A: Yes, sir. [13]

Q: And did you have any discussions with Mr. Ambrous Young about whether he should do this or whether this was a [15]

[22]

A: Well, yes. I had discussions with Dick Richards [18] and Ambrous Young, but the fact of the matter is, at the time of my discussions with them on this subject, the

decision had already been made.

Q: By Ambrous Young?

A: By Mr. Young.

[23] And Mr. Young decided to proceed with this loan

[24] guarantee. And if you asked me-I shouldn't say-I should

25] hesitate a bit on that and say that there was some

(10)

Page 37

[1] hesitancy because he had asked me to go ahead and explore it, look into it, and try to make certain that any monies

(3) that would be used to collateralize a loan by the National [4] Policy Forum from a bank of any YBD (USA) monies that would 5) use as collateral for that, would be totally protected and

is secured, and Ambrous asked me to please make all efforts to m try to increase the security of that as much as possible.

Q: My notes from our discussions this morning said, "Ambrous Young said do all you can to secure against [10] potential loss." Is that a fair statement?

A: Sure. [11]

Q: Now, what did you do to carry out the directive to [12] [13] put this loan guarantee together?

A: Well, first I tried to determine how it was to be [14] [15] planned, to be implemented by the borrower and the lender. And what I understood to be the case was that the borrower, [16] [17] National Policy Forum, was going to borrow some 2.1, \$2.2 million from the Signet Bank in the Washington area, and [19] that the guarantor, YBD (USA), would be asked to place [20] YBD (USA)-owned Certificates of Deposit issued by the [21] Signet Bank to the Signet Bank as collateral for the loan

[22] of the National Policy Forum. My initial inquiry was what of this-and then I 124] should pause there and tell you that I also understood that is the funds, the borrowed funds, were going to flow from the

Page 38 [1] bank to the National Policy Forum, and that the National [2] Policy Forum would then repay its loan obligation to the [3] RNC, which had been represented to us was the purpose of [4] the loan. The National Policy Forum would then make the [5] quarterly payments on the \$2.2 million loan to the Signet

[8] Bank in a timely manner, and YBD (USA) would then, of course, be excused, have leave from any guarantorship obligation. [8]

The loss, the anticipated loss, by YBD (USA) was

. . . .

[10] nothing because we did not anticipate any breach or nonpayment by the National Policy Forum.

Q: Well, first of all, with whom were you negotiating [12] in terms of drawing up the papers that would carry out this [13] [14] guarantee?

A: The bank's counsel and David Norcross on behalf of [15] [16] the National Policy Forum.

Q: Was Mr. Norcross also General Counsel to the RNC [17] [18] as far as you know?

A: Yes. [19]

[20]

[21]

Q: As well as the National Policy Forum?

A: He was counsel to both, and I was aware of that.

Q: Did you make any efforts in your discussions with [23] Mr. Norcross to get the RNC to commit itself on the

(24) obligation?

A: Yes. Indeed, I did. Many years ago, some [25]

[1] significant First Amendment litigation, I represented the [2] Republican National Committee, and I was not unfamiliar with their holdings in the building and so forth, and I inquired why you need YBD (USA) when you got the Republican National Committee? Why wouldn't the Republican National Committee be the guarantor or at least step in and aide and assist YBD (USA) in the event of a breach by the National (7) Policy Forum. 181

Q: What, if any, response did you get from [10] Mr. Norcross?

A: I was told by Mr. Norcross, after he told me that he discussed that consideration with Mr. Barbour, that the [13] Republican National Committee was unable to undertake the [14] full guarantorship of that obligation of the National Policy Forum because of other loan obligations that the [15] [16] Republican National Committee had at that time that were (17) outstanding.

Q: In an effort to maximize the protection for your [18] client regarding this guarantee, did you ever obtain any kind of documentation from Mr. Barbour that spoke to that 201 (21) issue?

A: Well, if I could answer that question in this fashion, Counsel, when it was clear from my conversation [24] with David that the Republican National Committee would not [25] become a permanent or fixed or formal guarantor, secondary

[1] or paknary to the loan of the National Policy Forum, then I sought to at least involve the Republican National Committee in the role of intervenor on behalf of the

YBD (USA) in the event the National Policy Forum should breach its obligation with the Signet Bank. And I asked

Mr. Norcross to explore with Mr. Barbour whether the RNC would commit itself to, in effect, rescue YBD (USA) in the

event there was a breach by the party whom YBD (USA) was guaranteeing, the National Policy Forum, and I asked that

that be considered. 1101

[11] And what I received ultimately was a letter from [12] Mr. Barbour to me addressing that subject.

[13] Q: Let me stop you there.

MR. BARON: Could we have this marked as Exhibit [14] is 20.

[16] (Becker Exhibit No. 20 was marked [17] for identification.)

BY MR. BARON:

(19 Q: Let me show you what has been marked as Exhibit 20, a letter dated August 30th, 1994, from you to 1201 (21) Mr. Barbour.

Is that the letter you referred to a moment ago in 1221 [23] your testimony?

[24] A: Yes.

Q: I want to show you what should be marked as

Page 41

Exhibit 21. It's a fax transmission to you and to

[2] Mr. Richards from Mr. Ambrous Young. (Becker Exhibit No. 21 was marked

[4] for identification.) Q: Mr. Becker, let me show you a group of documents

that has been marked as Becker 21, deposition Exhibit 21.

It's a fax or purports to be a fax from Ambrous Young to you and Mr. Richards, three pages to Mr. Becker, nine pages

to Mr. Richards. Do you see that? (9) 1101 Are these the documents you provided to us this

morning? [11] [12]

A: Yes.

Q: I don't think it's necessary, in particular, to [13] explore the content of the documents. [14]

(15) A: Okay.

Q: They speak for themselves.

[17] The next document I would like to bring to your

attention is dated September 23rd, 1994, to Ambrous Young [19] from you, re: RNC matter.

[50]

Do you see that? (21)

A: Ýcs.

Q: Could you just tell us what that is. And again, [22]

it is one of the documents that you provided this morning? (23) A: Yes.

[24] [25]

Page 39

(Becker Exhibit No. 22 was marked

Page 42

[1] for identification.)

A: This is a memorandum I drafted on September 23, 1994, to Ambrous Young, and I captioned it "RNC matter". Mr. Young and I had a telephone conversation, as referenced in the memorandum, earlier in the evening on Thursday, September 22, and this memorandum is my effort to reduce to

writing those things that Mr. Young and I discussed, and 77

in the procedures that are anticipated to be employed in the manner of YBD (USA)'s possible guarantee of a \$2.1 million

loan made by the National Policy Forum from the Signet (10) 5111

Mr. Young had authorized me to proceed with these [13] procedures with respect to YBO (USA) in securing its loan guarantee and the collateral that it placed up on behalf of [14]

its loan guarantee for the National Policy Forum. I should indicate, Counsel, that the memorandum [16] dated September 23, 1994, the one I was just describing, 1171 [18] represents not only my telephone conversation with

Mr. Young, but some exploration and due diligence and conversations with the National Policy Forum people and [21] Mr. Norcross as to what their view was and sort of that as

1221 the procedures that would be employed in the implementation of this loan guarantee. [23]

Q: Is it also fair to say that the various numbered [25] paragraphs in this memorandum reflect an effort on your CONFIDENTIAL

[6]

[101

[53]

(1)

Page 44

Page 43 [1] part to do due diligence to make sure that the National [2] Policy Forum had either sufficient money in hand or money pledged to it so that when the obligation came due you felt [4] reasonably comfortable that they would be able to meet the [5] obligation, and therefore, your client's guarantee would is not have to be called?

A: That's true, but I would question your tense of some of the-many of the paragraphs represent things that p had been done already and were reduced to writing, too, for ing Mr. Young, reflecting certain assurances and [11] representations that have been made to us at the YBD (USA),

[12] as a guarantor, by the National Policy Forum.

Q: And indeed, it is fair to say that they, "they being representatives of the National Policy Forum, had [14] [15] indicated to you that they had lots of money committed, [16] lots of money coming in, and that, indeed, they expected to [17] pay off the bank obligation well in advance of the actual [10] amount of time that they had under the loan payout ુલાં arrangements. Is that a fair statement?

A: Yes. That's fair. Paragraph number five of my [20] (21) memorandum of this particular subject indicates that we gez were informed and shown documents reflecting the \$1.5 (23) million in pledges from contributors in hand by the [24] National Policy Forum And paragraph seven indicates that [25] the National Policy Forum had committed the first \$600,000,

[[[0]]] all of it, of monies received toward the Signet Bank loan.

_{3.5}(2) So it is fair to say that there may have been numerous conversations about acceleration, and that the :[3] " [4] loan would be paid off within a year or less. **(5)**

Q: Do you recall who those contributors were? Do you 🗓 👸 recall any particular names?

Eng (A) A: I don't know if I was ever shown a list. I was ign shown a spread sheet on a month-to-month basis and presented with-and informed that these are committed in pledges. [[11]

And I was also informed that all committed pledges [12] in the past had always been 100 percent honored, and then [13] it was vocalized who was some of the sources of these [14] pledges.

[15] If you're asking me if I could recollect who those

[16] parties were today, I do not.

MR. BARON: Let's mark the September 26, 1994 [17] [18] letter as Exhibit Number 23 from Mr. Young to Mr. Becker. [19]

(Becker Exhibit No. 23 was marked (20) for identification.)

BY MR. BARON: [21] Q: Mr. Becker, would you take a look at what has been 1221 23) marked as deposition Exhibit 23, and that is also, is it [24] not, one of the documents you furnished to us this morning?

A: That is the letter of September 26th?

Q: Right. You supplied that this morning? A: Yes, I did.

Q: And do you recall the circumstances of this letter [3]

(4) being sent to you?

[1]

[5]

[11]

[181]

A: Well, this is Mr. Young, I believe, responding to [6] my letter to him of September 23, 1994, and Mr. Young directs me to formally structure-I'm sorry-to proceed with the necessary procedure to-those are his words, p proceed with the necessary procedure, end of quote-to consummate the \$2.1 million loan guarantee.

Q: Okay

A: On behalf of the National Policy Forum.

[12] Q: Mr. Becker, I'm going to have a group of papers [14] marked for you. The top document is a memorandum to [15] Ambrous Young from you, dated October 7th, 1994, in which [18] you state you're transmitting recently received letters and records from the National Policy Forum.

Q: Why don't we have that marked as Exhibit 24. And [20] it's a group of papers, the last of which, I believe, I'm
[21] assuming, is an October 10, '94 letter to Mr. Young from [22] Mr. Barbour. If I put too many documents in there, you can

A: I think you have I don't think the October 10 [25] letter was part of my transmittal.

The reason I say that is, to my knowledge, I have

only ever received one correspondence from Mr. Barbour.

Q: I'm sorry. I see your transmittal was October 7. The last document here is October the 6th. (4)

[5] A: From Mr. Bredin, yes.

Q: Okay.

MR. BARON: Let's have that marked as 24.

(Becker Exhibit No. 24 was marked [8]

for identification.) [9]

BY MR. BARCN:

Q: Looking at this group of documents, I noticed there are spread sheets with projections of monies coming [12]

in, balance sheet for National Folicy Forum. [13] Is it fair to say that these reflect the due [14]

diligence you were doing, what you were shown, in an effort

[18] to try to see to it that your client would not end up

[17] having to lose its collateral?

Mr. Young from Mr. Barbour.

A: These are some of the records, documents and [18] [19] papers that were provided to me during that due-diligence [50] period by the National Policy Forum.

Q: Let me show you what has been marked as [21] Exhibit 25, which is the letter of October 10th, 1994, to

This again is a document which you provided to us

es; this morning?

Page 47

(Becker Exhibit No. 25 was marked

[3] for identification.)

A: This is a document from Mr. Barbour to Mr. Young written on National Policy Forum stationery, dated October

10, 1994, wherein Mr. Barbour is expressing his

appreciation to Mr. Young for his assistance in authorizing

YBD (USA) to act as a loan guarantor for the National

Policy Forum.

Q: Okay. Mr. Becker, the next document in the pile [10] is dated October 14, 1994. [11]

Do you see that? 1121

A: Yes, sir. i (131

Q: And it's from you to Steve Young with a copy to [14]

Richard Richards. [15]

(16) Steve Young is the son of Ambrous Young?

A: Yes [17]

Q: And it refers to bank loan records. (181

Would you just describe the-you are sending [19]

Mr. Steve Young various loan records pertaining to the Signet Bank loan and the national policy forum loan which 1211

YBD (USA) has guaranteed? [22]

A: By October 14, 1994, we made certain progress and 1231 [24] had many meetings with the forum's counsel and the bank's 25] counsel, and the records were beginning to fall in place in

Fage 45

[1] terms of the promissory notes and the CDs that were to be (2) owned by YBD (USA) and placed as collateral within Signet [3] Bank, plus other corporate resolutions required by the bank

[4] and other documentation.

I'm simply making Steven Young and Richard

[6] Richards aware of these documents and trying to keep them up to snuff on where we are in these records.

MR. BARON: Could we have this group of documents

marked as Exhibit 26, and mark this as Exhibit 27. (Becker Exhibit No. 26 and 27 were

marked for identification.)

THE WITNESS: Exhibit Number 27 is a letter from [13] me, as counsel, to YBD (USA) to the bank. The bank that provided certain formal requirements and notifications of [15] documentation and offices and so forth that had to be posed [16] in formal language to the bank, and the language actually was provided by the bank to me, and I provided it back to the bank on behalf of YBD (USA). [181]

The bank, of course, I'm referring to is Signet [19]

[20] Bank

Min-U-Script®

MR. BARON: Let me have these two marked as 28 and [21] [22]

(Becker Exhibits No. 28 and 29 were [24] marked for identification.)

BY MR. BARON:

June 3, 1997

Page 49

Q: Mr. Becker, I'm going to show you two articles (2) written on the United States and Greater China as authored [3] by Mr. Young. They have been marked respectively as Exhibits 28 and 29. [4] First of all, do you recognize them?

A: Well, I don't recognize them. I never really read both of these articles in any great detail. I'm told that [7] these are the copies of two articles that were written by Mr. Young and that were subsequently published in the [10] Commonsense publication of the National Policy Forum. Both [11] articles deal with the subject of the unification of the [12] two Chinas.

Q: Based upon your relationship with Mr. Ambrous [13] [14] Young or conversations you had with him, was this an issue about which you felt he had some feelings and views on? A: The unification of the People's Republic and the

[17] Republic of China?

Q: Yes. A: Yes.

[18]

1201

ft3i

[14]

•

Ėΰ

-2

.[]

77

÷

Υþ

نيوري)

Q: In some of the earlier correspondence there is (21) some references in being made periodically to him writing [22] an article. To your knowledge, are these the articles that [23] you have been referring to?

A: Yes, that's what I have been told. I have never

125] seen the publication Commonsense, but that's what I'm told.

interest on collateral that is in place, the bank would (2) then be authorized and directed to have that principal and [3] collateral reposed in separate Certificates of Deposit transmitted directly to YBD (Hong Kong). And all Mr. Killoren is doing is, in effect, passing that on to Steve Richards because Steve Richards was designated in my instruction letter to Mr. Killoren to carry out that on our behalf. MR. BARON: Let me have this document dated [10] July 31, 1995, to Mr. Steve Richards from Steven Walker, [11] Comptroller of National Policy Forum, with an 112) attachment-could we have that marked as Exhibit 32. [13] (Becker Exhibit No. 32 was marked [14] for identification.) BY MR. BARON: [15] Q: Could you describe that. 1163 A: Number 32 is a correspondence to Steve Richards

[18] from the Comptroller of the National Policy Forum, (19) identifying to Steve Richards that a payment has been made by the National Policy Forum to the Signet Bank on the National Policy Forum's loan, and thus triggering the (22) implementation of the procedures outlined in my prior letter to Mr. Killoren. Q: That is, to transfer the principal and CD

[25] to-well, both principal and the interest to Young Brothers

Page 53

Q: Again, just to wrap up the subject of the [2] articles, why don't we mark these as a group. There is a [3] fax transmission cover sheet from Ambrous Young to Steve [4] Richards and Richard Richards, re: Commonsense article.

The next document is Ambrous Young to Steve Richards regarding the article or second article. And the third document is a March 15, 1995 letter

[8] from John Bolton to Ambrous Young, again referring to a publication of the article in Commonsense. Why don't we [10] treat that as one group of documents.

(Becker Exhibit No. 30 was marked

[11] [12] for identification.)

A: Your description is accurate of those exhibits. I would like to repeat what I volunteered this [15] morning, Counsel, with respect to those articles, if I'm

[16] allowed to, and I would like to say that to my knowledge, and my knowledge based upon all my conversations with [18] Mr. Young and with Mr. Richards, to my knowledge, those

[19] articles and Mr. Young's participation and authorship of [20] those articles and publications of those articles by [21] Commonsense, a publication of the National Policy Forum, 122) were in no way, in my judgment, were ever to be considered

[23] as any quid pro quo or consideration or return for anything [24] that was done by YBD (USA) with respect to the loan

[25] guarantee.

Q: I believe this morning you characterized the writing of the articles by Mr. Young as, quote, an after [3]

A: That's the way I understood it. [4] Q: Let me show you a document dated May 2nd, 1995, to Mr. Steve Richards from Kevin Killoren, who is a commercial banking officer at Signet, which shows a copy to you. (7) MR. BARON: Could we have that marked as Exhibit [8]

[9] 31 (Becker Exhibit No. 31 was marked [10]

for identification.) BY MR. BARON:

(12) Q: Would you look at what has been marked as Exhibit [:3] [14] 31. And do you recognize that?

[11]

[15]

[16]

A: Yes.

Q: Would you tell us briefly what it is.

A: It's a letter dated May 2, '95 from Signet Bank's [17] (18) Commercial Bank Officer proposing to Steven Richards
[19] information that I, as General Counsel of YBD (USA), have communicated to Signet Bank with respect to the handling of [21] the loan guarantee of YBD (USA) on behalf of the National Policy Forum. (22)

I had informed the bank that it is the wishes of 1231 [24] the guarantor that when payments were made by the borrower, 25] the National Policy Forum, and thus freeing principal and

(1) (Hong Kong)?

A: That's correct.

And I note that Exhibit Number 32, something I never noted before, that Mr. Volcansek received a copy of

151 that. Q: Let's mark this number 33. This is dated

October 19th, 1995, Steve Richards from Ambrous Young.

Can you identify that. That is the document that

you made available this morning? 91

A: Yes. [10]

Q: And that reflects, does it not, Haley Barbour-I [11] take it that's who HB is-proposed itinerary to visit with [13] Mr. Young in Hong Kong and Beijing, apparently; is that [14] right?

A: Yes, I believe that's correct. (15)

Q: Do you know anything concerning that visit or what occurred when Mr. Barbour was in Hong Kong and Beijing with

[14] Mr. Ambrous Young? Do you have any knowledge of that? A: I have subsequently heard and recently heard that 1201 there was some discussion by Mr. Barbour directed to [21] Mr. Young, wherein Mr. Barbour raised the issue of

[22] Mr. Young's willingness or unwillingness to forgive the 1231 portion of the loan guarantee, which is sort of a fancy way 124) of saving allowing the National Policy Forum to default on

es portions of the loan and thus suffer that loss by

Page 54

[1] YBD (USA).

Page 51

Q: But you learned that later? 121

A: Much later.

And I was told that Mr. Barbour raised the issue

in a diplomatic way, or raised the question in a diplomatic way, but Mr. Young said absolutely no, that would not be even considered, that they would not consider anything-any further assistance to the party in any way until that loan

was fully satisfied and YBD and YBD (USA) were no longer obligated under the loan guarantee. [101]

MR. PERRY: Could you tell us who told you that. [11] THE WITNESS: That was told to us by Mr. Richards, 1121 Steven Richards, and Mr. Richard Richards on different [13] 5141

BY MR. SARON:

Q: Speaking of diplomacy-[16] A: I didn't mean to interrupt, Counsel. The word (17) "diplomatic" is my word. I was told that it was done in a warm or friendly way, not in a demanding manner. 1181 [19]

MR. PERRY: Ókay.

BY MR. BARON:

Q: It's been reported in the media that on this occasion Mr. Ambrous Young and Mr. Barbour visited a foreign minister of the People's Republic of China? Do you have any knowledge about that, or information concerning

[15]

(20)

[51]

[22]

Page 60

Page 5\$

Page 58

[4]

(1) that visit? A: I can't tell you who the foreign minister is it.

(3) No, I don't. (Becker Exhibit No. 33 was marked

[5] for identification.) Q: Let's go to 34.

(Becker Exhibit No. 34 was marked

for identification.) (8)

 \mathbf{n}

Q: Looking at what's been marked as Deposition 191 [10] Exhibit 34, it appears it be a fax from Dan Wilmot of the [11] National Policy Forum to Steve Richards, with an (12) attachment.

Are you familiar with what that refers to? It's [13] [14] part of the documentation you gave us this morning?

A: Yes. This document that Steve Richards provided to me in contemplation of this voluntary turnover. I [17] haven't read it-I have not read it until earlier this [18] Week.

[49] The attachments are copies of assignment of 20] deposit by Signet Bank, two pages of assignment of deposit, an dated November 1, '95.

Q: Mr. Becker, let's move, if we might, into 1996. 23 Did there come a time when you were advised by, I [24] believe the information you gave this morning was by izsi Mr. Norcross, that the National Policy Forum was unable to

make a bank payment in a timely or on a timely basis? Did [2] that come to your attention?

A: Yes. I believe it was Mr. Norcross had informed (4) me of that, that one of the payments that were then due-I is think it was the fourth payment-because of collection [6] failures and contributions had not come in as contemplated, [7] the forum would not be able to make such payment.

[9] something that was a one-time problem?
[10] A: Yes. I was And I Q: Were you told this was something of an anomaly,

A: Yes, I was. And I was asked if there is some way we could remedy this. And Mr. Richards, Mr. Steve [12] Richards, refreshes my memory on this subject this morning [13] in our briefing where one of the things that was asked was [14] one way of remedying this amount would be just allow Signet [15] Bank to cash in and keep the certificate of deposit of [16] YBD (USA). That would be a very pleasant way of remedying 1171 the situation, but it was not acceptable.

And what was then ultimately agreed to was that [18] [19] the payment that was due by the forum at that time would be simply pushed to the end and made the last-put behind the 1201 last scheduled payment. [21]

Q: You provided a series of documents this morning 1221 [23] that relates to the technical term is-well, it talks about [24] an amendment and then an allonge, A-L-L-O-N-G-E.

Does that refer to this pushing off of the

Page 57

obligation to the back end of the term?

A: Yes.

Q: In an effort to move things along and not to-

131 A: And that's what was done. That's what was done. Ultimately, the payment that the Forum was unable to make [5] to the bank was simply authorized by all the parties-the borrower, then there is the lender and the guarantor-to be (7) [8] continued as an obligation of the Forum toward the bank and continue to be as an obligation of the guarantor, and the [9] due date was just moved back some probably year, a year [10]

[11] Q: Now, the next document that I have-actually, I [13] have two copies of it, so let's just use one-is

[14] January 22nd, 1996, to Mr. Steve Richards from Clara [15] McElroy at Signet. That is one of the documents you

[18] provided this morning.

MR, BARON: Let's make that number 35.

(Becker Exhibit No. 35 was marked [18]

[19] for identification.)

[17]

[20]

[21]

[22]

[23]

[24]

BY MR. BARON:

Q: It's fair to say that that's routine advice by the bank to Mr. Richards that they had received a principal and interest payment from NPF. This is the norm.

A: That's correct.

Q: I want to hand you a group of documents begins

[1] with a letter dated April 26, 1996, from you to John Bredin [2] at Signet Bank, which makes reference to a first amendment

(3) to the Credit and Security Agreement, and then goes through a series of documents in the order in which you provided

[5] them.

And the last document I have is a letter to from

Mr. Bredin, dated June 4th, 1996. I'm sorry. It may be

back further. It's probably the Shea & Gardner letter M dated April 26, 1996. I'm trying to put all the documents

[10] that related to this allonge together as one package, so we

[11] don't have to go through it document by document. And then

[12] there is National Policy Forum Certification of Authority (131

signed by Mr. Bolton, dated April 30th, 1996.

Do you see that? [14] [15]

A: And then there is a letter dated April 30th, 1996,

from me to Mr. Bredin on the same subject. [18]

Q: Well, there is a letter from you to Mr. Bredin, (177 [18] dated April 30th. And in the order I have is it's on Shea (18) & Gardner stationery dated April 26th, and then right go behind that is a National Policy Forum Certification of [21] Authority, dated April 30th by John Bolton. A: Are you asking me if these were the documents

1221 (23) provided this morning?

Q: Indeed, they were provided this morning. I (25) believe they all deal with the paperwork relating to this

in extension of the credit to three months later than the

(2) original term.

A: I have done that, and I believe you are correct, Sir.

MR. BARON: Let's mark those as a group. [5] (Becker Exhibit No. 36 was marked [6]

for identification.)

BY MR. BARON:

G: Were there discussions that you were aware of during this time whereby representatives of the National [11] Policy Forum were continuing to suggest to Mr. Young that [12] he ought to make a gift or donation or contribution of the (13) monies that had been put up as collateral to guarantee the National Policy Forum loan? [141

A: That's the first time I ever heard those words, (15) (16) gift, donation, contribution. Those words are wrong. Those words were never used, to my knowledge, in any of [17] (18) those things.

Q: I stand corrected.

[19] A: There were conversations, I am told, that 1211 occurred-there were two relevant conversations that

occurred on or about that time both involving Mr. Barbour.

One was a conversation with Mr. Barbour and Richard

[24] Richards on this subject of a possible forgiveness of the portion of the loan guarantee, and then I believe there was

[1] a conversation with Mr. Barbour and Mr. Young on the same

When I use the term "forgiveness", as I understand that term in the context of what we were speaking of, the parties who were speaking of that subject at that time when-of course, I was not present, but I understand that

term to mean, in essence, that YBD (USA) would allow, [8] authorize the National Policy Forum to default on all or portions of the loan to the Signet Bank, and the National

Policy Forum would then surrender its collateral to the

[11] Signet Bank without protest or without recourse against the [12]

Forum or anyone eise. That is the context that word "forgiveness", I believe, is used in. (13] Q: Okay. Let me show you a document dated June 4th, [14]

1996. It's from John Bredin, B-R-E-D-I-N, Signet, to you. [15] [16]

(Becker Exhibit No. 37 was marked for identification.)

[17] A: That is a so-called 60-day-notice letter from the [19] bank.

Q: How did that arrive? [20]

[21]

A: That arrived by certified mail to my office.

Q: How did that issue arise?

A: That letter of nonpayment, April 30th, 1996 [24] payment, by the National Policy Forum to the Signet Bank of

25 a payment that was due at that time.

Q: This is a different event, as I understand it, [2] from the original event of nonpayment which resulted in the in moving of the obligation to the back end of the loan term.

A: You are correct, sir. This was a different event. This was nonpayment, and we, YBD (USA), as guarantors of ,) 16) the Forum's loan to the Signet Bank, received notice from the bank that in 60 days, in effect, they were going to 77 accelerate the entire obligation and take the collateral of (8) the YBD (USA). (91

[10] Q: Okay. Let me mark these next two documents 38 and [11] 39

(Becker Exhibits No. 38 and 39 were [12] [13] marked for identification.)

Q: They are a June 6, 1996 letter from Richard [14] [15] Richards to Haley Barbour, and a letter from John Bolton to Mr. Richard Richards, dated June 10th. [16]

A: I undoubtedly brought to Dick Richards's attention [17] Exhibit Number 37, the 60-day notice, and Dick Richards then, on his own, wrote a letter, Exhibit Number 38, to [20] Mr. Barbour, and where Mr. Richards apparently understood [21] that it was not a simple payment being missed and being moved to the back, but this was a potential default of the entire loan. [23]

And Dick writes to Mr. Barbour on June 6th, 1996, [24] [25] that Mr. Young is still "attempting to find a way to

faxed to Mr. Norcross a copy of the August 30, 1994 letter from Mr. Barbour to me. Q: That's a document we have seen earlier? A: Yes, sir. That contains assurances of the national party's willingness to stand behind the Forum's obligation to the Signet Bank I urged Mr. Young to discuss this matter with Mr. Barbour because, as I indicated in my memorandum to [11] [12] Mr. Young, Exhibit 41, that in my conversations with Mr. Norcross, the counsel for the RNC and the Forum, [14] Mr. Norcross, who was a very honorable man, and when he [15] says something to me I will accept it because I believe him [16] to be a very honorable man, says to me in very simple [17] candid words, "you know, Benton, I don't understand what (10) all this complaint is about and what all these problems are [19] about. I discussed this with Haley Barbour, and Haley [20] tells me"-this is Mr. Norcross-"Haley tells me that your client, YBD (USA), authorized the National Policy Forum, (211 the breach and to cease payments to the Signet Bank. [22] And where in the world they got that impression I [23] [24] don't know.

[1] exposure of YBD (USA) and out of my recent conversations

with Mr. David Norcross, I informed Mr. Young that I have

Q: Is that Norcross speaking? [25]

Page 65

Page 62 [1] accommodate you with some degree of forgiveness, but until he sees a way to do so, he expects you to be making payments in accordance with the contract."

This letter is written to Mr. Barbour in his [5] capacity as chairman of the Republican National Committee as designated in Exhibit 38 and the contract that, I think, Dick Richards is referring to as the loan guarantee. That letter is met, as you indicated, Counsel, by Exhibit 39. which is a letter dated June 10 from John Bolton of the [10] National Policy Forum, writing to Dick Richards, telling [11] Dick Richards that Mr. Barbour has asked him, Mr. Bolton,

112) to respond to Mr. Richards's letter of June 6th, 1996, and [13] that Mr. Bolton is hereby responding and advising that in [14] Mr. Bolton's view as expressed on Exhibit Number 39, quote, [15] the Republican National Committee is not a party to that [16] Ioan referenced to Signet Bank, National Policy Forum Ioan agreement, and has no payment obligation under that

Furthermore, Mr. Bolton goes on in his letter to [19] [20] Mr. Richards saying, you misunderstand, Mr. Richards, it's [21] not that we at the National Policy Forum have missed one obligation. We are not going to pay anything else any more 1221

[18] agreement and does not intend to make such payments.

at all. [53] (Becker Exhibits No. 40 and 41 were [24] marked for identification.)

[6]

---د <u>ک</u>ر د

Q: Let me direct your attention to what has been marked Exhibit 40. It's dated June 21, 1996, and it's from [3] Peter Chapman to you and Richard Richards.

Who is Mr. Chapman, by the way? A: Mr. Chapman was an employee at the Young Brothers YBD (Hong Kong).

I had apparently telephoned Mr. Young and (e) Mr. Young was not available and spoke with Mr. Chapman, a procedure that we have done many times, and spoke to him of the status of this loan and the threatened default by the [11] national policy forum.

Mr. Chapman then spoke to Mr. Young and sent me 112 [13] Exhibit Number 40, where Mr. Chapman reposes Mr. Young's [14] words in Exhibit Number 40, advising that he would like the [15] loan to be paid. He writes that they, meaning the National [16] Policy Forum, "first must satisfy the obligation they have [17] entered into," indicating that they, the Forum, must [18] satisfy all of its obligations to the Signet Bank and free YBD (USA) of its guarantorship exposure before Mr. Young [19] would entertain any forgiveness issues or other [21] contributions.

You handed me, Counsel, Exhibit 41, which is a [22] [23] copy of my memorandum dated June 25, 1996, to Mr. Ambrous [24] Young, wherein I advised Mr. Young of the status of the [25] Signet Bank loan of the National Policy Forum and the

A: That's me, me speaking, yes. RI And I communicated that confusion of issue to [3] Mr. Young and asked hith to make it clear to Mr. Barbour [4] When he speaks to Mr. Barbour that nobody has authorized [5] anybody to have the National Policy Forum cease making payments. And that, in fact, is to the contrary where we m insist that they continue to make the payments and satisfy

Q: You also include a letter of June 25th, 1996, from [10] you to Mr. Norcross, who you identified earlier, in which [11] again you say that the-

A: That's part of your Exhibit 41, I believe. [12]

Q: Right.

[13] A: That's a copy of my letter to Mr. Norcross that I [14] [15] sent to Mr. Young, wherein I am bringing to Mr. Norcross's attention a copy of Mr. Barbour's August 30, 1994

representations to YBD (USA), to stand behind the National [18] Policy Forum loan

And he asked Mr. Norcross to please do something [19] [20]

Q: Now, you had suggested that Mr. Young contact [21] Mr. Barbour. I'm going to take several documents and put them together which I think are exchange of memoranda and [24] correspondence relating to a letter from Mr. Young that was

[25] ultimately sent to Mr. Barbour.

Page 66

MR. BARON: Why don't we have this group of [2] documents marked as Exhibit 42. (Becker Exhibit No. 42 was marked for identification.) [4]

THE WITNESS: This is a letter or a memorandum from Mr. Young-this is Exhibit Number 42 I'm describing-to Mr. Richards Mr.-Exhibit Number 42 is a

memorandum from Mr. Ambrous Young, dated June 28th, 1996,

[8] directed to Richard Richards, Steve Richards and myself, ito wherein Mr. Ambrous Young attaches a copy of his,

(11) Mr. Ambrous Young's, proposed letter to Mr. Haley Barbour [12] regarding this confusion, this alleged confusion, on the

[13] issue of whether or not the National Policy Forum had ever [14] at any time authorized anyone to state that portions of the

115] loan may be forgiven. And these are some of the responses. [18] I respond that his tone is done well, and I suggest a

[17] little bit more detailed response. And then on June 28th, Mr. Young sends a fax to we (18) three again, advising that he had sent the enclosed letter [19] dated June 28th to Mr. Barbour. It's a three-paragraph [20] [21]

BY MR. BARON:

122 Q: Is it fair to say that the intent of this letter [23] [24] from Mr. Young to Mr. Barbour, to put to rest once and for [25] all, any notion that Mr. Barbour or any people connected

Page 63

CONFIDENTIAL

(i) with the National Policy Forum that Mr. Young is prepared 27 to forgive or walk away from the obligation that National Policy Forum had to pay the loan?

A: Yes. I think if you were to ask that of Mr. Young, I think that's what his answer would be. I

thought that was his intent. Q: Now, let me show you what is a document dated July [8]

10, 1996, on the letterhead of Mr. Volcansek, which will be

(Becker Exhibit No. 43 was marked [11] for identification.)

Q: During this period, you are now aware of the fact [13] that the National Policy Forum is not paying on the loan; [14] correct?

A: Yes, sir.

[10]

115)

Q: And you have invoked on several occasions the [17] August 30th, 1994 letter to you from Mr. Barbour which we have looked at earlier you referred to in your letter to [19] Mr. Norcross and others; correct?

12:1 Q: Throughout this, did you attempt to talk to Mr. Barbour to get him to acknowledge any obligation to (173) assist in this matter?

A: I spoke with Mr. Norcross to discuss these matters, and at times I asked Mr. Norcross, as I recollect,

figure if we could deal directly.

Q: With Mr. Barbour?

A: With Mr. Barbour, And I believe my recollection [4] is that Mr. Norcross said first do it this way.

G: Did you try to reach other people, Mr. Bolton, Mr. Dennings-for example, Mr. Bolton, I think, related or had expressed to you great confidence that the Maional in Policy Forum was going to have all these pledges and money my coming in, and there wasn't much to worry about on the payment being made on the obligation.

[11] Did you contact them and raise the r

Did you contact them and raise the problem with

[12] themi

1221

A: What I was trying to do was look for some sort of [13] [14] remedy. We were still in the 60-day period. The CDs had [15] not been totally-had not been lost, but they were [18] certainly threatened, and I wanted to act before they were surrendered by the bank. And I did speak to Mr. Bolton [18] about it and asked them about the representations that had [19] been made to me in advance, what happened to all of these [20] commitments and of contributions that had been represented [21] to us as sort of in the pocket.

Q: And what was his response?

A: His response was that you never know in this [24] business, or words to that effect, that the people just 25] change their mind, and I couldn't really find the response

[1] very convincing or particularly adequate. But Mr. Bolton, (2) during one of those conversations made, allusion to [3] Mr. Volcansek once again.

Q: What did he say?

A: And he said words to the effect that Mr. Volcansek [6] made a, quote, a large fee, unquote, suggested a finder's fee for finding the YBD (USA) loan guarantee through [8] Mr. Young, and that was the first I ever heard of that, and that was I was rather livid about that.

I called Dick Richards and asked him if he knew [11] anything about it, and he said no. Then I called Steve Richards who I knew knew Mr. Volcansek, and Steve said he [13] knew nothing about it. And he called and communicated to [14] Mr. Volcansek how upset and angry I was about all this,

[15] that Mr. Young had not only been approached by [16] Mr. Volcansek on behalf of Mr. Barbour and then Mr. Barbour (17) to do this, and then potentially could lose the money as a [18] result of the loan guarantee, was never told that the guy that was initially approaching him had a monetary interest (19 in the approach. 1201

Q: I believe you told us this morning that at least [22] Ambrous Young got the impression or was given the [23] impression that he was sort of being honored to be given (24) the opportunity to participate in making the loan [25] guarantee; is that accurate

A: Yeah. I think it's pretty clear to me, from my (2) conversation with Mr. Young, that Mr. Young felt that he was not a member of some Sears mailing list to try to find somebody in the world that would act as a guarantor for the National Policy Forum loan, that he had been, indeed, singled out.

Q: Did it ever come to your attention that others had is been approached, that Mr. Young was one of several people or entities approached about the possibility of making a loan guarantee?

A: With the revelation of my conversation with (12) Mr. Bolton that I just described to you and subsequent

[13] reporting it to Mr. Steve Richards and then Mr. Volcansek's [14] response as reposed in Exhibit Number 43, it became clear [15] that Ambrous Young was one of the names on the list that was being searched for a loan guarantee for this particular

[17] loan of the National Policy Forum. And it also became clear that there was some 11181

monetary interest by Mr. Volcansek. (19)

Q: I have a document dated July 12th, 1996, from

Mr. Bolton to Mr. Richard Richards. [21]

Do you recognize that as one of the documents you [23] provided to us this morning?

(24) A: Yes, sir.

(20)

1251

MR. BARON: Could we have it marked.

Page 71

Page 66 (Becker Exhibit No. 44 was marked

(2) for identification.)

BY MR. BARON:

Q: The next document is dated July 15, 1996, from you to David Norcross, and it refers to a scheduled meeting in August of 1996 of the RNC in which you seem to be asking

Mr. Norcross to get Mr. Barbour to get approval from the

RNC board to help out on the situation regarding the loan; is that correct?

A: Yes.

Q: How did that come about? [11]

A: July 15th, 1996, was approximately a few weeks before the forthcoming Republican National Convention in 1996, and I spoke with Dick Richards about the convention [15] and whether that would be an appropriate forum for (18) Mr. Barbour to seek and obtain authorization from the [17] national committee to, in effect, rescue the YBD (USA) from in its loss resulting from the National Policy Forum's breach

[19] of its loan transaction with the Signet Bank.

And Dick Richards told me, "that's a perfect [21] place, everybody will be there, and the committee will be there, the national committee men, the executives and so (23) forth." And so I wrote David Norcross, after discussing it

with Dick, to ask David to request that at the August

25] meeting at the Republican National Committee that Barbour Page 69

[1] seek and obtain the National Committee's authorization to [2] serve as the sole guarantor for the outstanding balance of

(3) the approximately million-and-a-half from the Signet Bank loan that was left by virtue of the Forum's failure to pay.

Q: Did you get any relief that way for YBD (USA)? A: I received a response from David Norcross,

thanking me for my letter, the response dated July 29th,

1996. And thereafter, on August 29th, 1996, I was informed what actually happened at the convention.

1101

Q: What was that?

A: With respect to the YBD (USA)'s request. 112 All I was requesting was for Haley Barbour to do

at the '96 connection what he said he would do in the [14] August 30th, '94 correspondence of YBD (USA)

And I wrote on August 29th, 1996, to Dave Norcross that we had been advised that this matter was brought before the convention and that the convention-and that the

committee simply tabled it.

Q: Before the Budget Committee of the RNC? [19]

A: Yes, brought before the Budget Committee of the RNC and it was tabled, and it was tabled at Mr. Bolton's (21) request.

And I commented to Mr. Norcross that

Mr. Richards-I should say, I believe my source of my

25 information there was Mr. Richards who was present at the

Page 73 [1] convention. [4] Q: Right. A: Mr. Richards-[3] MR. PERRY: Which? [4] THE WITNESS: Richard Richards was present at the e convention. And I commented to Mr. Norcross that Dick Richards, who was a former chairman, has informed me that 181 he has never ever heard of a situation where a chairman goes before a Budget Committee and asked for something and [11] the Budget Committee refused it. BY MR. BARON: [12] Q: You also make reference in your letter that on ten [13] [14] different times Mr. Dick Richards tried to telephonically contact Mr. Bolton without success. The tone of that paragraph, you seem rather irate; [16] [17] is that a fair statement? A: Well, that's not my charming self. [18] Q: Did you have any discussions with Mr. Richards [19] isol apont-A: You haven't marked this, Counsel. I don't know if you want to do that, but the 29th, and we have talked about [23] the July 29th, 1996 letter from Mr. Norcross and my [24] August 29th, '96 letter, but I don't believe that they have

Page 74 Q: I was going to put together as one group the July 15, '96 letter from you to Mr. Norcross, which raises (3) the issue of bringing this whole issue up; your memorandum 19 to Mr. Ambrous Young dated August 1, '96, which refers to isj that; and a letter dated July 29; 96, from David Norcross is to you, saying that he intends to suggest that Mr. Bolton raise the issue at the Budget Committee; and then your letter of August 29th to Mr. Norcross that you just [9] described. A: All 45? [10] Q: Yes. [11] (Becker Exhibit No. 45 was marked [12] (13) for identification.) Q: In your letter of August 29, you make a statement, [14] "given such unwarranted rudeness to a former chairman, this [15] matter has been turned over to me with instructions to take [17] those steps necessary to protect YBD's interest." Is it fair to state that you intended that as a [18] 1191 message to Mr. Norcross that you were prepared to institute

A: Yes, that and the final sentence in that same

(24) September 20, 1996, other individuals will be engaged to

[22] correspondence which reads, "should we fail"-Mr. Norcross and I fail-"to reach a satisfactory accord by the

201 suit on behalf of your client?

[21]

1221

[24]

[25]

September 11, 1996.

for identification.)

[25] proceed thereafter," and we would engage Washington counsel to proceed with the lawsuit. MR. BARON: Mark this as number 46. 12 (Becker Exhibit No. 46 was marked [4] for identification.) BY MR. BARON: [5] Q: Is that a document you provided this morning? [6] A: Yes. That \$1,527,000 is the balance, the unpaid balance, on the National Policy Forum loan with the Signet Bank, is also the amount of money that YBD (USA) lost in collateral to the Signet Bank. [10] MR. BARON: Let's mark the next document. It's a [11] fax transmission to Mr. Steve Richards from the secretary [12] to Mr. Ambrous Young. [13] (Becker Exhibit No. 47 was marked (15) for identification.) MR. BARON: Number 48 is a letter from Mr. Ambrous [16] Young to Haley Barbour, dated September 3rd, 1996. [16] (Becker Exhibit No. 48 was marked [19] for identification.) MR, BARON: Number 49 will be a letter to Mr. Bolton at the National Policy Forum from Mr. Timothy K. [21]

BY MR. BARON: [1] Q: You got a copy of that letter? [2] [3] Q: Could you characterize for the record. [4] is First of all, were all three documents supplied to us this morning? (61 A; Yes. Q: And the letter from Mr. Shuba, can you just [0] generally describe its contents. A: Exhibit Number 49 is a correspondence from the bank to National Policy Forum saying, in effect, the 60 123 days have come and gone, and the loan is now defaulted and the bank is going to accelerate and proceed.

Q: And Number 50 is a memorandum to Ambrous Young

[14] (15) from you, dated September 16th, 1996. (Becker Exhibit No. 50 was marked [16]

(17) for identification.)

(18) Q: That is a document you supplied today. And is it (19) fair to say that you are telling Mr. Young that the bank is calling the loan and you really don't have an argument or any claim to the bank's accelerating the loan and claiming [51] the collateral? [22]

A: That is said, and I say to Mr. Young because (23) Mr. Young-it would seem to me Mr. Young had to know at 25) that time what remedies, if any, he had in law, and I

Page 77 (1) understand he had no remedies against the bank, that he might have had some remedies against the National Policy

Forum based on fraudulent inducement and misrepresentations. He may have. But I wanted him to [5] focus really on the RNC because that's the way he always

And I said to him in the final paragraph of that, and i quote. 'unfortunately, under the terms of the loan agreement, Signet Bank is within its rights it take the

above action. Any remedy that YBD may have is dependent [11] upon the good will and good character of the RNC principals that initially proposed the National Policy Forum loan and YBD's guarantorship of it." And I was speaking, of course,

to Mr. Barbour. [14] Q: Exhibit 50 is both the cover memo and the attached

to is a copy of the September 11 letter from Mr. Shuba you referred to earlier that's Exhibit 29. A: Yes. [181

Q: Exhibit 51, it's a letter from the stationery of Richard Richards's Law Offices to Mr. Barbour, dated (20) September 17, 1996. 1211

(Becker Exhibit No. 51 was marked 1231 for identification.)

Q: Do you recognize that as a document you supplied? [25] A: Yes, sir.

Q: Did you participate in the drafting of that letter?

Q: Did you learn about the letter after it was sent?

A: Yes. I was copied, I believe. [5]

Q: Does it show it?

A: No.

/31

[4]

[14]

[15]

Q: But were you, in fact, copied?

A: I don't know if I was copied. I know I ultimately M [10] received a copy of this memo.

Q: Have you ever discussed the contents of this [11] (12)

letter with Mr. Richards? A: Yes.

[13]

Q: Could you tell us about that.
A: Well, I could tell you that Mr. Richardson intended-what he told me was he intended on

September 17th, 1996, when he wrote to Haley Barbour, to communicate to Mr. Barbour in very clear, unequivocal terms (19) what it is he and Mr. Richards said in their prior meetings 20) on the subject of forgiveness and what he, Mr. Richards, [21] meant when he said what he said to Mr. Barbour on those

prior occasions. I think that was Mr. Richards's [22] [23] intention.

Q: Okay. Now I want to have marked as Exhibit 52 a [24] [25] faxed transmission cover sheet from Mr. Ambrous Young dated

Page 78

(Becker Exnibit No. 49 was marked

Shuba, S-H-U-B-A, as counsel for Signet Bank, dated

Page 84

Page 79

[1] September 17, 1996 to Mr. Richard Richards, copy to you. [2] blind copy to Mr. Steve Richards. And what's being faxed is a letter from Mr. Young to Richard Richards; is that [4] correct?

A: That's right. 157

(Becker Exhibit No. 52 was marked

(7) for identification.)

Q: Is it fair to state that given that first

paragraph that Mr. Young is confirming the accuracy of the ing contents of the letter from Mr. Richard Richards to Haley

[11] Barbour that we just referred to in Exhibit 51?

A: Mr. Young said to Mr. Richards that Mr. Richards, 112 quote, stated accurately the history of events. But Mr. Young also requests Mr. Richards and myself in that [15] correspondence, 52, to act on the behalf of the YBD for [16] whatever is necessary and adequate to untangle the existing problem, end of quote. He wants us to try and still try to [18] resolve this matter.

MR. PERRY: Who wanted to?

[19] THE WITNESS: He, Mr. Young, wants Mr. Richards in and myself to still continue to expend energies to try to 22 untangle this effort.

BY MR. BARON:

Q: The next document is a letter dated September 19, 1996, from you to Mr. David Norcross, and you include a

🏥 copy of the bank's letter of September 11, 1996, to Mr. Bolton, claiming the loan is in default. Do you see m that? [4]

A: Yes.

[23] [24]

(52)

----(5) Q: Was that part of your ongoing effort to try to [6] resolve the situation?
A: Yes. And there

A: Yes. And there was some feeling that if in some (a) circles if Dick Richards and Haley Barbour could ever get my together and talk about this in person that maybe this matter could get resolved.
(11) (Becker Exhibit No. 52)

(Becker Exhibit No. 53 was marked

[12] for identification.)

A: And I'm urging David Norcross to help facilitate [13]

na that Q: All right. The next document is a document dated 1151 October 16, 1996 from Mr. Richards to Mr. Barber. [16]

A: Yes.

וליו

[18]

Q: I will mark this as Exhibit 54. (Becker Exhibit No. 54 was marked

[19] 1201 for identification.) Q: In that letter, Mr. Richards indicates he didn't [21]

[23] 17, 1996. Have you ever discussed that with Mr. Richards, [24]

127 get an answer from Mr. Barber to his letter of September

[25] the fact he didn't get an answer?

A: Yes. He told me he didn't get an answer.

Q: What were his feelings about that?

A: A little disappointed.

I think he also made some telephone calls, too, (4)

[5] that were not responded to.

Q: To Mr. Barbour?

[7] A: Yes, sir.

Q: Did there come a time when you engaged in py negotiations with Mr. Norcross or others in an effort to (10) reach some kind of a resolution of the outstanding problem [11] concerning the calling of the loan and the acceleration of (12) the loan and the loss of the collateral? [13]

A: Yes, sir. Sometime after October 16th and before [14] November 11th, Mr. Norcross and I got together and began to [15] negotiate this. I think, frankly, with speculation on my 116] part, but I believe that Mr. Norcross and his principals 1177 then began to believe that, indeed, we were not fooling and

were going to file suit.

But at any rate, sometime during that time period, [19] we meaning YBD (USA), we did meet and discuss some possible (201 [21] resolution, and that was ultimately reposed in a letter dated November 11, 1996, from me to Mr. Norcross, where I [23] describe and memorialize in written form those things we 231 agreed to by way of a resolution, and that is a resolution 231 whereby the RNC will cause \$800,000 to be paid to YBD (USA)

[2] National Policy Forum would be making the \$800,000 payment to YBD (USA) Q: And the amount that was owed to the bank was

[1] through an RNC loan to the National Policy Forum, and the

[4]

A: Yes, sir. Approximately \$740,000, even with the \$800,000, was the approximate amount lost to sustain as the lost from YBD (USA). [6]

Q: We have marked as Exhibit 55 the November 11th, [10] 1996 letter.

(Becker Exhibit No. 55 was marked [11]

(12) for identification.)

[14] not my or my client's desire to cause any problems for [15] anyone in regard to this, and we certainly are here to try no to be as frank and as truthful, but I want to repeat on the [17] record what I said to you when we had a telephone [18] conversation establishing this meeting, and that is you 119) asked me the question where did the \$800,000 figure come

A: I would like to say, Mr. Baron, that again it's

[20] from if there was a million-live lost?

And I want to go on the record and say, I had the [21] (22) very same question myself when I spoke to Mr. Norcross. [23] Why 800,000? We lost one-five. This is a computable

[24] number. This is not a speculative number. It's a very

[25] fixed number and you could see it in the records of the

Page 80

Page 81

[1] bank And the answer that we got did not make us very [2] happy, us meaning myself and Mr. Ambrous Young, but

[3] ultimately we accepted the 800,000.

Q: What was the answer you got? A: The 800,000 was 800,000 more than nothing and some

repayment of all we lost.

The answer was that was the most Mr. Barbour will

offer us.

Mr. Barbour knows we lost a million-five. Is not there some reason why he's not honoring the full loss? We [11] couldn't get an answer. It wasn't David's fault, in my

[12] view. David Norcross wasn't being evasive or anything of

[13] that nature, but he was a little embarrassed. He

[14] understood what I was asking, but he could not give me an

(15) adequate response.

MR. PERRY: I'm a little confused. You said (17) something about a telephone conversation. I'm not sure whether you're talking about a conversation prior to this deposition with Mr. Baron or something

THE WITNESS: Yes. I referred to a telephone [20]

conversation that I had with Mr. Baron in establishing this (21) meeting and wherein we speak in a very generalized way about this subject. 231

MR. PERRY: How long were those conversations?

MR. BARON: This is my deposition. If you want to [2<u>5]</u>

[1] take a deposition later, that's fine. This is not your [2] inquiry into the subject matter.

MR. PERRY: You don't want him to-

THE WITNESS: I'm going to answer it, if you don't [4] mind. [5]

MR. PERRY: I can't stop you.

THE WITNESS: I don't think that conversation was

more than ten minutes, much of which was I know the name

Baron and Becker, and we had met before in some Bar association somewhere, but that's a brief conversation

[11] about this, and it was brief. /121

(Becker Exhibit No. 56 was marked

[13] for identification.) (14)

BY MR. BARON:

Q: Mr. Becker, is it fair to say based on your (15) testimony earlier that it was Mr. Barbour who was instrumental in getting Mr. Ambrous Young to agree to (18) making the loan guarantee in the first place

A: I think that is what Mr. Young's testimony would [19] (20) be.

Q: And to your knowledge-well, you just testified that it was Mr. Barbour's decision that all the RNC would 23) agree to reimburse Young Brothers (USA) on the loss that it [24] would suffered from the million-five was approximately

A: That is what Mr. Norcross advised me. Incidentally, I will tell you as well, too, that

Mr. Volcansek appears again at this stage of the

[4] proceeding, urging Steve Richards to urge Benton, to urge

Ambrous to accept the 800,000.

Q: There was a credit-let's look at the next document dated November 14th, 1996. It's a letter to you [7] from John Bredin to you, dated November 14th, in which [6] there is reference made to a \$55,460.09 credit. What was [10]

A: Mr. John Bredin is the Vice President of Signet, [11] [12] and he's informing me that certain of the Certificates of Deposit that YBD (USA) had placed with Signet Bank had [14] earned interest on them but that interest had not been [15] paid, and that he was now forwarding to YBD (USA) the sum of \$55,460.09 as earned interest to YBD. I think a copy of [17] that letter, although it doesn't show, went to Mr. Norcross [18] or to the National Policy Forum.

Q: What effect did that advice from the bank go concerning the earning of this interest on this CDs have on (21) the amount of money that the National Policy Forum was then willing to pay to Young Brothers?

A: In my view it should have had no effect, but as a matter of fact, the following occurred. We, YBD (USA), was [25] informed after the \$800,000 resolution had been agreed upon

[1] that in view of the \$55,000 windfall, quote-unquote, from Signet Bank, that the National Policy Forum would not be giving \$800,000 to the YBD (USA) in settlement of this [4] matter, but they would be giving \$800,000 less the [5] 55,000-actually, the 45,000 in change. YBD (USA) got \$800,000, but we got it from two sources, one of which had a taxable implication. 7

Q: You would have to pay taxes on the 55 as earned interest. You would not have had to pay had there been (10) repayment of the loan?

A: Did not have to pay taxes on the 745, but had to 1113 [12] pay it on the 55,000.

Q: Right. There is a letter dated November 14, 1996, [13] [14] from you to Signet Bank. This also relates to the transfer of the \$55,000. I'm going to mark that Exhibit 57. [15]

(Becker Exhibit No. 57 was marked 1161 [17] for identification.)

[18]

Q: It's a document you gave us?

A: Yes, I did. [19]

442 25

15

Q: There is a series of documents thereafter relating [21] to the transmittal of the \$744,539.91, and the execution of copies of a mutual release; is that correct? [22]

Q: And does that take us through the documents down [24] [25] to December 19th, 1996?

A: What document?

[1] Q: There is a letter/memorandum from Benton Becker from Sanford McAllister. [3]

[4]

[23]

Q: So I would like to just mark as a group the (8) documents that begin with the draft, the handwritten notes, mutual release. There is a National Policy Forum repayment (8) Ambrous Young letter to you, Mr. Becker, saying he received 191 the 800,000; letter from you to Mr. Frye at Blank, Rome, [10] transmitting the mutual releases and requesting that the

[11] money be transferred, the 744,000; transmittal letter from [12] Mr. Frye to you; four copies of the mutual release, what [13] appears to be a copy of the mutual release.

A: Right. I would say the correspondence on the [14] [15] subject of mutual release go through December 30, 1996, [16] right up to the final draft letter dated December 30, 1996.

Q: I just want to stop for a minute. There is a [17] reference here to a letter that was going to go between 1181 [19] Haley Barbour and John Bolton. What's that about? This is 20) a document dated December 19th, 1996.

(Witness reviews document.) [21] A: Sanford McAllister is someone who is unknown to [22] me. I have never met Mr. McAllister, to my knowledge, but 7231 in the conversation-and I believe that this is what this 25] document deals with. In my conversations with Mr. Norcross 11) the assolution, the settlement conversations, the subject

was raised with respect to Mr. Barbour writing a letter at

is the conclusion of all of this matter and the repayment of

[4] the \$800,000, that Mr. Barbour would write a letter to

[5] Mr. Young in the nature of attempting to retain the

friendship and relationship. And that's what I think

Mr. McAllister is referring to.

I never wrote such a letter. I think Mr. Steve Richards drafted such a letter and submitted it to either

Mr. McAllister or Mr. Volcansek. Mr. Young-I asked him [11] about that, and he has never received any such letter.

Q: I'm going to mark the remainder of the documents up through the rest of 1996, and indeed there was a letter dated January 17, 1997, and a copy of the mutual release dated January 17, 1997. I want put all of these documents [15]

that relate together. [16]

A: Those are the documents I gave you this morning.

Q: There is one document dated January 29th that is a [19] memo from you to Ambrous Young. [19]

What is the New York Stone transmittal that you

referred to? [21]

[17]

(20)

[22]

[23]

[24]

[11]

[20]

[22]

A: That is a matter that has nothing to do with this. Q: And the D.C. check has cleared, the 775 YBD (USA)

wire transfer. That's referring to the settlement funds?

Page 89

Page 90

Q: Let's have those all marked as whatever is the next exhibit as a group, 58. [2]

(Becker Exhibit No. 58 was marked

[4] for identification.)

Q: And that takes me through all the documents.

Mr. Becker I will stop here. I'm greatly

appreciative of your voluntary appearance, and I don't have any more questions.

MR. PERRY: I have just a couple. I won't keep it (19 long.

EXAMINATION BY COUNSEL FOR THE MAJORITY BY MR. PERRY:

[12] [138 Q: We talked about a couple of different times-you talked a couple of different time periods with Mr. Baron

[15] beginning, I believe, in 1991. And if I understand [16] correctly, 1991 is the year when the relationship between Ambrous Young, on one hand, and Haley Barbour National

[18] Policy Forum, on the other, began? 119 A: That's not accurate.

Q: Would you please tell me when that relationship (21) began.

A: To my knowledge, it's '94.

Q: Can you describe the relationship between Ambrous [24] Young on the one hand and the National Policy Forum on the

25] other-excuse me, National Policy Forum or the RNC-prior

Page 87

[10]

A: I think I have, and that would be the contribution that I identified in this. That's all that I know of other than perhaps his or his son's attendance at any of the Team 100 functions.

Q: Okay. During that time period prior to 1994, was Mr. Ambrous Young an American citizen? 17)

A: He was.

[8] Q: At some point he ceased being an American citizen?

A: Yes, sir.

Q: And if I understand correctly, you declined-you [12] have indicated you will decline to answer questions based

[13] on that based on the attorney/client privilege? A: I don't think it's relevant, why someone decides not to return to his home land, to this proceeding, and I

[16] will respond to that, I will tell you and I have told you [17] informally at the time of all the contributions described in this deposition from 1991 through 1993, Mr. Young was a U.S. citizen. And 1994 at the time of the National Policy

Forum loan guarantee, Mr. Young was not. Q: And you are declining to answer certain questions regarding that on the basis of the attorney/client

(23) privilege? A: If you are going to ask me a question, ask me a 28] question and I will see if I will answer it. If I think

Deposition of Benton Becker CONFIDENTIAL June 3, 1997 Page 91 (1) the question invades on any of my attorney/client privilege THE WITNESS: And the Republican Party of Florida relationship with Mr. Young, it's not that I will decline, [2] returned the 25,000. You people have been given copies I am obligated to decline, as you know. earlier today of those transmittals and the letters Q: Could you tell me why Mr. Young renounced his evidenced in those transmittals. MR. BARON: I wanted to make it clear. United States citizenship? A: I would not be able to do that unless Mr. Young THE WITNESS: Before we went under oath, I wanted to make a comment that I would like to have a copy of this authorized me to do that. deposition and not only for myself, but with respect to any Q: And that's on the basis of the attorney/client other YBD witnesses that will be appearing voluntarily. I (9) privilege? would like to study it, not just to read it for purposes of [10] A: Yes. [11] signatory, when concluded. So I would make a specific Q: Did any other attorney, aside from yourself, work [11] (12) request of the majority, the same, and the minority, unless [12] with Mr. Young in terms of his citizenship issues with the there be some rule prohibiting that. (13) United States? MR. BARON: I want to state for the record on A: Well, I think your question presumes that I worked [15] behalf of the minority that in view of the fact that this with him on that matter, and I don't know where you have [15] [16] has been an utterly voluntary appearance which was arranged gotten that presumption from, so I think I would object to prior to the subpoenas being issued by the committee which that because the question assumes a fact not in evidence. have never been served, I would be prepared to honor that. Q: I don't mean to quibble with you here. MR. BROWN: Only thing I would say on behalf of A: Well, you are quibbling because I don't understand 1191 the majority is that until I could confirm that (29) why at this late hour you insist of going into a matter possibility, I can't let you know one way or other. None that is clearly irrelevant when you are informed of the subpoenas are public documents. I mean, none of the unequivocally that he was a citizen pre-1994. [23] depositions have been public documents. Q: I'm only trying to establish if you are asserting 1231 MR. PERRY: I have one further question.
FURTHER EXAMINATION BY COUNSEL FOR THE MAJORITY 1241 [24] the attorney/client privilege. I don't want to get into [25] matters that are privileged. That's the only thing I'm

Page 92

Page 93

[6]

7

[8]

attempting to establish. If you are asserting the attorney/client privilege, that's fine. I want to know (a) about it. [4]

Is that what you are, indeed, doing?

A: As to the question you asked me before with is respect to other lawyers, I don't know the answer to that m question. I don't know, would be my answer.

Q: Now, at some point Mr. Young elected not to bring ing a lawsuit regarding the subject matter of the loan ition guarantee; is that accurate?

A: That's correct.

1111

1101

[11]

(12)

[13]

[14]

Q: Could you describe the reason behind that [12] [13] decision.

A: Sure. I have been authorized by Mr. Young to [15] cooperate fully with this committee on all matters that are [16] relevant to this committee. Mr. Young was informed that the-he had no, quote, viable cause of action against the [18] bank. Any cause of action he had against the National [19] Policy Forum could be a useless judgment because they would [20] say the Forum was judgment-proof.

And that the action against the National Committee and after the August 30, 1994 letter from Mr. Barbour to myself as the only possible linkage, if that's the right [24] word, between the RNC and the YBD (USA), and that was

[25] described to him as being the kind of thing that

[1] Mr. Barbour, one, could say, "gee, we did what we tried to do at the convention, but they wouldn't do it," and we [3] would be left holding the bag with that score; or two, that [4] the verbiage of the August 30, '94 letter might be found [5] judicially did not obligate the RNC in any manner.

And based on those uncertainties with respect to the law with respect to any action against the RNC versus the guarantee of \$800,000 or pursuing a negotiated [8] settlement, Mr. Young could go forward. (9)

G: I understand.

A: And I think that's a fair answer.

MR. PERRY: Okay. That's all for now.
FURTHER EXAMINATION BY COUNSEL FOR THE MINORITY BY MR. BARON:

Q: Certain of the monies that had been contributed 1151 were returned to you, were they not, by the RNC and what 117 you described as the Florida State Republican Committee? A: Florida State Republican Party. J t Al

Q: Could you describe briefly what was returned, what monies were returned.

[50] A: The Republican National Committee returned the initial \$75,000 check that you have from 1991, the \$2400 [23] check that was in 1992, I believe; and another \$25,000. I

will get it for you.

MR. BROWN: That's my understanding.

BY MR. PERRY:

Q: Do you know if Ambrous Young or anybody else ever informed Haley Barbour, the National Policy Forum, the RNC, that Ambrous Young had renounced his United States citizenship? (5)

A: I don't know.

MR. PERRY: That's all for now.

MR. BARON: I have one question following that. FURTHER EXAMINATION BY COUNSEL FOR MINORITY

191 BY MR. BARON: [10] Q: Am I correct that none of the funds that were [11] [12] either contributed to any of the republican related

[13] political entities or the funds that were used to [14] collateralize the loan by the National Policy Forum and [15] Signet Bank came from Mr. Young personally? It's my [18] understanding from your testimony that all of those funds derived ultimately from Young Brothers Development (Hong [18] Kong)?

A: That's my understanding. 119

MR. PERRY: I have yet another question. I won't [20] [21] ask it.

[22] That's all right. I think it's already on the

[23]

[24]

[3]

4

[5] [6]

[7]

[8]

[9]

101

[11]

112

[13]

[14]

[15]

[16]

1117

[18]

[19]

[20]

[21]

1221

[53]

(24)

[25]

THE WITNESS: I will not waive signature. I will

[25] like to read it.

(Whereupon, at 4:40 p.m., the taking of the deposition was concluded.) (Signature not waived.)

Page 96

		Page 97
[1]		
	I have read the foregoing 95 pages, which contain	
	the correct transcript of the answers made by me to the	
	questions therein recorded.	
15]		
[6]		
[7]		
(8)		
(9]		
[10]		
[11]		
[12]		
[13]		
[14]		
[15]	St. has collected and account to bediene and the day of	
	Subscribed and sworn to before me this day of	
[17]	, 1997.	
[18]		
{1 9]	Notary Public, in and for	
	ranary rueme, as and for	
[20]		
(21)	My commission expires:	
	my Consission Supriso.	
[25] [24]		
(25)		Page 98
***	CERTIFICATE OF NOTARY PUBLIC	Ledia 20
[1] [2]	OCHIR IONIE OF HOTATT FOOCO	
(3)	I, David A. Kasden, RPR, the officer before whom	
	the foregoing deposition was taken, do hereby testify that	
• •	the witness whose testimony appears in the foregoing	
	deposition was duly sworn by me; that the testimony of said	
	witness was taken by me stenographically and thereafter	
	reduced to typewriting 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 the action.	
16)		
	DAVID A. KASDAN	
(17)	Notary Public in and for	
	The District of Columbia	
[18]		
19]	My commission expires: October 1, 1999	
201		
21]		
22]		
23)		
24)		

TO THE



\$1,200 27:5,9 \$1,527,000 75:7; 82:5 \$1.5 43:22 \$100,000 16:25; 17:11; 18:14: 25:14 \$2 32:7 \$2,800,000 16:5 \$2.1 42:9; 45:10 \$2.2 37:17:38:5 \$2400 21:21; 22:4; 93:22 **\$25,000** 19:19; 93:23; 94:2 \$3 21:9 \$3.5 31:7.8 \$5,000 23:18 \$55,000 86:1, 15 **\$55,460.09** 85:9, 16 \$600,000 43:25 **\$740,000** 82:6 \$744,539.91 86:21 **\$75,000** 19:20; 93:22 \$800,000 81:25:82:2.7.

Ē.

î.

۱Ĵ

Ò

z <u>f</u>r

ij

ريات الأمراع

27

1

19: 84:25; 85:25; 86:3, 4,

6; 88:4; 93:8

1 12:5, 6, 9; 30:22; 55:21: 74:4 10 21:17; 23:15; 45:21, 24: 47:6: 62:9: 67:8 100 11:6, 8, 10, 15, 16, 22, 23; 12:2; 13:19; 15:1; 17:1. 12; 18:13, 15, 17, 22; 19:15; 20:6, 12; 21:11; 22:11; 23:2; 26:7; 44:12; 10th 46:22; 61:16 11 12:12; 24:2, 3; 75:23; 77:16; 80:1; 81:22 11th 81:14:82:9 12 13:4; 14:4; 15:7; 27:15, 18 12th 70:20 13 29:8, 10 14 30:9, 12, 13; 47:11, 23; 86:13 14th 22:17; 85:7, 8 15 30:9, 12, 24; 32:12, 13; 50:7; 71:4; 74:2 15th 30:25: 71:12 16 33:3, 6, 8, 15; 34:4, 9, 12; 35:6; 80:16 16th 76:15; 81:13 17 33:3, 6, 8; 34:3, 7, 12; 77:21; 79:1; 80:23; 88:14, 15 17th 78:17 18 33:3, 6, 8; 34:10

19 33:4; 79:24

19-it's 35:14 1981 7:9 1991 8:4: 10:13, 23: 12:12; 13:1, 5, 11, 21; 14:7, 16, 21; 15:14; 16:2; 19:11: 20:2: 23:18, 19: 24:8, 19; 25:10; 89:15, 16; 90:18:93:22 1991-let 13:4 1992 21:21; 22:4, 14; 93:23 1993 22:18; 23:1, 11; 90-18 1994 27:10, 12; 28:4; 29:7, 17: 30:14, 22, 25: 32:12; 33:13; 34:11, 25; 35:5, 15: 40:20: 41:18; 42:3, 17; 44:17; 45:6, 15; 46:22:47:6.11.23:64:3: 65:16:67:17:90:1.6.19: 92:22 **1995** 50:7; 51:5; 52:10; 53:7 1996 55:22: 57:14: 58:1, 7. 9. 13. 15: 60:15, 23: 61:14, 24; 62:12; 63:2, 23; 65:9; 66:8; 67:8; 70:20; 71:4, 6, 12, 14; 72:8, 8, 15; 73:23: 74:24: 75:17, 23: 76:15; 77:21; 78:17; 79:1, 25; 80:1, 16, 23; 81:22; 82:10: 85:7: 86:13, 25: 87:15, 16, 20; 88:13

2

19th 16:2: 19:10: 20:1:

1997 88:14, 15

53:7; 86:25; 87:20

2 12:22, 23; 13:7, 8, 9; 21:9: 51:17 2.1 37:17 2.8 16:15, 19 2.7 16:19 2.8 16:15 20 21:21: 22:3: 28:4: 40:15, 16, 20; 74:24 20,000 22:18; 25:3 20th 27:12 21 41:1, 3, 6, 6; 63:2 22 41:25: 42:6 22nd 57:14 23 42:2, 17: 44:18, 19, 23: 23rd 41:18 **24 4**5:19; 46:7, 8 **25** 15:14; 46:22; 47:2; 63:23 25th 14:7; 65:9

26 13:2, 3; 44:17; 48:9,

26th 13:21; 14:16; 44:25;

28 13:1; 14:21; 48:21, 23;

10:58:1.9

27 48:9, 10, 12

58:19

49:4

28th 13:24; 29:7, 17; 30:14; 66:8, 18, 20

29 23:18; 33:13; 34:11; 48:22, 23; 49:4; 74:5, 14; 77:17

29th 23:15; 34:25; 35:5; 72:7, 8, 15; 73:22, 23, 24; 74:8; 88:18

2nd 51:5

3

3 13:22; 14:12, 15; 23:19 30 50:11; 64:3; 65:16; 87:15, 16; 92:22; 93:4 30th 35:15; 40:20; 58:13, 15, 18, 21; 60:23; 67:17; 72:14 31 51:9, 10, 14; 52:10 32 52:12, 13, 17; 53:3 33 53:6; 55:4 34 55:6, 7, 10 35 57:17, 18

4

36 59:6

3rd 75:17

37 60:16:61:18

38 61:10, 12, 19; 62:6

39 61:11, 12; 62:8, 14

4 14:1, 12, 19; 16:24

40 62:24; 63:2, 13, 14 41 62:24; 63:22; 64:12; 65:12 42 66:2, 3, 6, 7 43 67:9, 10; 70:14 44 71:1 45 74:10, 12 45,000 86:5 48 75:2, 3 47 75:14 48 75:16, 18 49 75:20, 24; 76:10 4:40 96:1

5

4th 58:7:60:14

5 14:5, 12: 15:6 ab: 55,000 22: 18; 25:3 ab: 50 76:14, 16; 77:15 ac: 51 77:19, 22; 79:11 ac: 52 78:24; 79:6, 15 ac: 53 80:11 ac: 54 80:18, 19 ac: 55 82:9, 11; 86:8 55,000 86:12 ac: 55,000—actually 86:5 ac: 55,000—actually 86:5

57 86:15, 16 **58** 89:2, 3

6

6 14:9, 12; 15:13; 61:14 60 61:7; 76:11 60-day 61:18; 68:14 60-day-notice 60:18 69 6:25 6th 46:4; 61:24; 62:12

7

7 19:5, 9; 24:8, 19; 46:3 744,000 87:11 745 86:11 77 7:6 775 88:23 7th 45:15

8

8 21:17, 20 **800,000** 82:23; 83:3, 5, 5; 85:5; 87:9

9

9 13:10; 21:17; 22:17; 25:1 91 9:8, 13, 17; 14:4; 15:7; 17:11; 23:15; 27:6 92 21:1, 1 94 45:21; 72:14; 89:22; 93:4 95 51:17; 55:21 96 72:13; 73:24; 74:2, 4, 5 9th 13:5

A

a-17:23

A-L-L-Q-N-G-E 56:24 able 34:8; 43:4; 56:7; 91:6 Aborted 20:21 about—I'm 30:3 above 77:10 absence 20:13 absolutely 29:3; 54:6 accelerate 61:8; 76:13 accelerating 76:21 acceleration 44:3; 81:11 accept 64:15; 85:5 acceptable 56:17 accepted 83:3 accommodate 62:1 accord 74:23

accordance 62:3

account 9:3, 3; 15:2, 9; 23:7: 27:3 accounts 15:10; 23:13 accuracy 79:9 accurate 26:10; 50:13; 69:25; 89:19; 92:10 accurately 79:13 acknowledge 67:22 acknowledging 30:15 acquire 32:10 acquisition 11:25; 13:17 act 47:8; 68:16; 70:4; 79-15 acted 29:14 action 77:10: 92:17, 18, 21:93:7 actions 8:16 activities 20:11 activity 20:12 actual 43:17 actually 48:16; 72:9 add 26:8, 13 addresses 15:17 addressing 40:12 adequate 69:1; 79:16; 83:15 adjunct 7:14 Administration 6:24 advance 43:17; 68:19 advice 57:21; 85:19 advised 55:23:63:24; 72:16:85:1 advising 62:13; 63:14; 66:19 Affairs 5:12, 17 affiliated 7:18 afternoon 5:9 again 14:17; 29:10; 33:8; 34:21; 35:14, 20; 41:22; 46:24; 50:1, 8; 65:11; 66:19; 69:3; 82:13; 85:3 against 37:9; 60:11; 77:1, 2; 92:17, 18, 21; 93:7 ago 38:25; 40:22 agree 32:21; 84:17, 23 agreeable 18:14 agreed 56:18;81:24; 85:25 Agreement 58:3; 62:17, 18:77:9 ahead 10:9; 17:25; 18:7; 34:2; 37:1 aide 39:6 Alan 5:9 Alex 10:15 alleged 66:12 allocated 17:4 allonge 56:24; 58:10 allow 56:14:60:7 allowed 50:16 allowing 53:24 allusion 69:2

56 84:12

almost 21:9

June 3, 1997 along 22:3: 57:3 aiready 36:20; 43:9; 95:22 although 85:17 always 44:12:77:5 Ambrous 7:24; 8:6, 13; 9:6, 12; 10:5, 14, 21; 11:22; 17:16; 20:7, 13; 22:11, 13, 14; 25:13, 21; 28:16, 19, 22; 30:2, 14; 31:11, 16; 32:16, 21; 34:16, 18, 23; 35:7, 15, 23; 36:14, 18, 21; 37:6, 9; 41:2, 7, 18; 42:3; 45:15; 47:16; 49:13; 50:3, 5, 8; 53:7, 18; 54:23; 63:23; 66:6, 10, 11; 69:22; 70:15; 74:4: 75:13, 16; 76:14; ·78:25; 83:2; 84:17; 85:5; 87:8: 88:19: 89:17, 23: 90:7; 95:2, 4 *Àmendment 39:1; 56:24; 58-2 American 6:19; 90:7, 9 amount 11:18; 16:19; (21:21; 22:4; 23:18; 27:3; 31:7: 32:11: 43:18: 56:14: 75:9; 82:4, 7; 85:21 amounts 22:22: 25:12 and/or 9:12, 14; 20:16 **Angeles** 15:16 angry 69:14 anomaly 56:8 anticipate 38:10 anticipated 38:9: 42:8 anticipation 29:19 anybody 65:5:95:2 anyone 25:17; 26:16; 60:12; 66:14; 82:15 anything-any 54:7 apparent 29:20 apparently 53:13; 61:20; 63:7

appear 23:2 appearance 89:7; 94:16 appearing 22:23; 94:9 appears 19:9; 29:18; 30:22; 32:13; 33:12, 16, 21; 34:3; 55:10; 85:3; 87:13 applicant 18:18 appraisal 21:4 appraise 23:20 appraiser 15:16; 23:19 appreciation 47:7 appreciative 89:7 approach 69:20 approached 69:15; 70:8, approaching 69:19 appropriate 71:15 approval 71:7 approximate 82:7 approximately 7:9;

72:3:82:6:84:24 April 58:1, 9, 13, 15, 18, 19, 21: 60:23 area 6:13; 7:7; 37:18 argument 76:20 arise 60:22 around 16:19; 36:10 arranged 94:16 arrangements 43:19 arrive 60:20 arrived 17:7: 18:20: 60:21 article 49:22; 50:4, 6, 6, 9 articles 49:1, 7, 8, 11, 22; 50:2, 15, 19, 20, 20, 51:2 as-do 22:8 aside 91:11 asked-used 25:22 asserting 91:23; 92:1 assets 16:9; 31:13; 32:10 assignment 55:19, 20 assist 39:7: 67:23 assistance 47:7: 54:8 assisted 29:14 association 28:19:84:10 assumed 25:9 assumes 91:17 assuming 45:21 assurances 43:10; 64:7 attached 77:15 attaches 66:10 attaching 30:25 attachment 35:16; 55:12 attachment-could 52:12 attachments 55:19 attempt 67:21 attempting 61:25; 88:5; 92:1 attend 22:14 attendance 90:4 attention 10:13; 41:18; 56:2; 61:17; 63:1; 65:16; 70:7 attorney 6:15; 7:10, 11; 9:11;91:11 attorney/client 90:13, 22; 91:1, 8, 24; 92:2 August 30:22, 25; 32:12; 33:13; 34:11, 25; 35:5, 15; 40:20; 64:3; 65:16; 67:17; 71:6, 24: 72:8, 14, 15; 73:24; 74:4, 8, 14; 92:22; auspices 31:25 author 34:5 authored 49:2 authority 8:7, 14; 58:12, authorization 8:25; 71:16:72:1 authorize 60:8

authorized 42:12; 52:2;

57:6; 64:21:65:4; 66:14; 91:7:92:14 authorizing 47:7 authorship 50:19 available 12:4: 34:24: 53:9:63:8 aware 10:14, 16; 17:18; 18:8; 26:18; 32:15, 19; 35:9, 11, 11; 38:21; 48:6; 59:9:67:12 away 67:2

B B-A-R-B-O-U-R 28:15 B-R-E-D-I-N 60:15 Bachelor's 6:18 back 13:4; 21:13, 22; 24:25; 32:8; 48:17; 57:1, 10; 58:8; 61:3, 22 background 6:17 backs 19:10 bag 93:3 balance 46:13; 72:2; 75:7.8 bank 9:2, 2, 3, 4; 15:9; 23:7, 12; 27:3; 37:4, 18, 21, 21; 38:1, 6; 40:5; 42:11; 43:17; 44:1; 47:18, 21; 48:3, 3, 13, 13, 16, 17. 18, 19, 20; 51:18, 20, 23; 52:1, 20; 55:20; 56:1, 15; 57:6, 8, 22; 58:2; 60:9, 11, 19, 24; 61:6, 7; 62:16; 63:18, 25; 64:9, 22; 68:17; 71:19; 72:3; 75:9, 10, 22; 76:11, 13, 19; 77:1, 9; 82:4: 83:1: 85:13, 19: 86:2, 14: 92:18: 95:15 bank's 38:15; 47:24; 51:17; 76:21; 80:1 banking 15:10; 51:7 79:15:94:15, 19 Bar 84:9 behind 56:20: 58:20: Barber 80:16, 22 64:8; 65:17; 92:12 Barbour 28:13, 14, 15: Beijing 53:13, 17 29:19, 22; 30:21; 31:20, believe 16:18: 21:14: 23; 33:17; 35:16, 22; 39:12, 20; 40:6, 12, 21; 22:12; 24:22; 25:22; 26:9, 15, 25; 34:25; 45:5, 20; 45:22; 46:2, 23; 47:4, 6; 53:17, 20, 21; 54:4, 23; 51:1; 53:15; 55:24; 56:3; 59:22, 23; 60:1; 61:15, 20, 58:25; 59:3, 25; 60:13; 64:15; 65:12; 68:3; 69:21: 24; 62:4, 11; 64:4, 11, 19; 65:3, 4, 22, 25, 66:11, 20, 72:24; 73:24; 78:5; 81:16, 24, 25; 67:17, 22; 68:2, 3; 17; 87:24; 89:15: 93:23 69:16, 16; 71:7, 16, 25; believe-1 31:2 72:12; 75:17; 77:14, 20; believed 23:1; 26:9 78:17, 18, 21; 79:11; 80:8; below 20:4 81:6; 83:7, 9; 84:16; 87:19; **BENTON** 5:3; 13:6; 24:8; 88:2, 4; 89:17; 92:22; 93:1; 33:20; 34:23; 64:17; 85:4; 95.3 87:2 Barbour's 29:20; 65:16; best 30:2, 22 84:22 **beyond** 31:10 Barbour-1 53:11 bit 5:20; 16:13; 36:25; BARON 5:8, 10, 14; 6:6, 66:17 11; 9:18, 21; 10:12; 12:22,

24:7, 10: 29:5 .14, 18: 44:17, 21; 46:7, 10; 48:8, 21, 25; 51:8, 12; 52:9, 15; 54:15, 21; 57:17, 20; 59:5, 8; 66:1, 22; 70:25; 71:3; 73:12:75:2.5, 11, 16, 20: 76:1; 79:23; 82:13; 83:19, 21, 25; 84:9, 14; 89:14; 93:14; 94:5, 14; 95:8, 10 Baron's 6:3 based 9:22: 25:14, 21: 49:13: 50:17: 77:3: 84:15: 90:12, 13: 93:6 basis 44:8; 56:1; 90:22; 91:8 became 7:11, 17; 32:19; 70:14, 18 **BECKER 5:3, 9; 6:12;** 7:4, 17; 10:8; 12:5, 6, 23; 13:6, 22; 14:1, 5, 9, 11; 19:5, 8; 21:17, 19; 24:3, 8, 11, 27:15; 29:8; 30:9; 33:3, 20; 40:16; 41:3, 5, 6, 8, 25; 44:18, 19, 22; 45:13; 46:8; 47:2, 10; 48:10, 23; 49:1; 50:11; 51:10; 52:13; 55:4, 7, 22; 57:18; 59:6; 60:16; 61:12:62:24;66:3;67:10; 71:1; 74:12; 75:3, 14, 18, 24; 76:16; 77:22; 79:6; 80:11, 19; 82:11; 84:9, 12, 15; 86:16; 87:2, 8; 89:3, 6 become 9:1; 11:23; 18:21; 20:6; 32:15; 39:25 becoming 11:5 began 10:24: 81:14, 17; 89:18.21 **begin** 87:6 beginning 47:25; 89:15 begins 57:25 behalf 5:10, 16; 8:7, 15, 16, 16; 10:2; 22:14; 38:15; 40:3; 42:14; 45:12; 48:18; 51:21: 52:8: 69:16: 74:20:

blind 79:2 board 71:8 Bolton 50:8; 58:13, 21: 61:15; 62:9, 11, 13, 19; 68:5, 6, 17; 69:1; 70:12, 21: 73:15: 74:6: 75:21: 80:2; 87:19 Bolton's 62:14:72:21 borrow 37:17 borrowed 37:25 borrower 37:15, 16; 51:24; 57:7 both 11:25; 20:3; 34:18; 38:21; 49:7, 10; 52:25; 59:22; 77:15 breach 38:10; 39:7; 40:5, 8:64:22;71:18 breakdown 34:13 **Bredin** 46:5; 58:1, 7, 16, 17:60:15:85:8, 11 brief 5:20: 10:6: 26:14: 84:10, 11 briefing 36:5; 56:13 **briefly** 6:16; 12:11; 14:13; 21:25; 51:16; 93:19 bring 41:17; 92:8 bringing 65:15; 74:3 **Brothers** 7:19, 20, 23; 10:3: 13:11: 15:22, 23; 52:25; 63:5; 84:23; 85:22; brought 61:17; 72:16, 20 **BROWN** 5:16, 18; 93:25; 94:19 Budget 72:19, 20; 73:10, 11:74:7 building 39:3 business 7:18: 9:6, 16: 11:11, 14; 30:6; 68:24 busy 30:23

California 15:16 call 34:24 called 5:4: 12:18: 43:6: 69:10, 11, 13 calling 76:20; 81:11 calls 17:23; 81:4 came 16:3; 22:6; 23:6: 28:20; 43:3; 95:15 Can 13:8; 14:13; 18:5; 27:19; 28:2; 30:1, 5: 33:7; 37:9; 45:22; 53:8; 76:8; candid 64:17 capacity 10:2; 62:5 captioned 42:3 card 11:11, 14 carried 7:4 carry 17:8; 37:12; 38:13; 52:8 case 37:16 cash 56:15

25; 18:1, 4, 6; 19:3, 7;

Blank 87:9

15:25; 16:5; 20:24; 71:12;

cause 81:25:82:14: 92:17, 18 CD 52:24 CDs 48:1; 68:14; 85:20 cease 64:22; 65:5 ceased 90:9 center 10:25; 13:15, 18; 15:20; 16:17; 20:20; 26:20 certain 8:9; 12:20; 37:2; 43:10; 47:23; 48:14; 85:12; 90:21; 93:15 certain-1 26:13 **Certainly 28:3; 68:16;** 82:15 certificate 56:15 Certificates 37:20: 52:3: 85-12 Certification 58:12, 20 certified 60:21 cetera 14:24 chairman 11:10, 14: 28:13: 30:20; 62:5; 73:8, 9; change 68:25; 86:5 Chapman 8:11:63:3.4. 5.8.12.13 character 77:11 characterize 76:4 characterized 51:1 charming 73:18 check 21:20; 22:2, 2, 5, 10; 88:23; 93:22, 23 checking 15:2 checks 19:1, 2, 10, 13, 16, 16, 24; 20:1, 1, 3; 21:16; 22:17, 21, 25; 23:5, 6, 15, 17; 25:2, 8, 11, 14 chief 5:10 China 49:2, 17; 54:24 Chinas 49:12 chronological 13:3.7 circles 80:8 circumstances 7:22: 27:25:45:3 citizen 90:7, 9, 19; 91:22 citizenship 91:5, 12; 95:5 claim 76:21 claiming 76:21; 80:2 Clara 57:14 clarify 28:24 clear 25:25; 29:3, 13; 39:23; 65:3; 70:1, 14, 18; 78:18:94:5 cleared 88:23 clearly 91:21 client 39:19:46:16; 64:21:74:20 client's 43:5; 82:14 cloud 5:20 Collapsed 20:22 collateral 37:5, 21; 42:14; 46:17; 48:2; 52:1, 3; 59:13; 60:10; 61:8; 75:10;

Senate Committee on Governmental Affairs 76:22:81:12 collateralize 37:3; 95:14 collection 56:5 comfortable 43:4 coming 43:16; 46:12; 68:9 commenced 10:23 commences 34:12 comment 10:6: 94:7 commented 72:23; 73:7 commercial 51:6, 18 commit 38:23; 40:7 commitments 68:20 committed 43:15, 25; 44:9, 11 Committee 5:12; 11:15, 18; 19:21; 26:11; 30:19; 31:24; 39:2, 5, 6, 13, 16, 24; 40:3; 62:5, 15; 71:17, 21, 22, 25; 72:18, 19, 20; 73:10, 11; 74:7; 92:15, 16, 21; 93:17, 21; 94:17 Committee's 72:1 Commonsense 35:25: 49:10, 25; 50:4, 9, 21 communicate 78:18 communicated 51:20; 65:2:69:13 communication 35:3 company 8:21, 23; 9:1; 13:13; 23:8; 27:2 complaint 64:18 complete 23:25; 24:18 Comptroller 52:11, 18 computable 82:23 concepts 33:21 concerning 10:19; 35:17; 53:16; 54:25; 81:11:85:20 concluded 6:1; 26:12; 94:11; 96:2 conclusion 6:23; 88:3 concurrent 11:3 condominium 27:7 confidence 68:7 confirm 94:20 confirming 79:9 confused 83:16 confusion 65:2; 66:12, connected 66:25 connection 9:6: 11:7: 32:14:72:13 connections 9:6.7 consider 54:7 consideration 39:12;

68:11;73:15 contacts 10:16, 18 contains 64:7 contemplated 56:6 contemplation 55:16 content 41:14 contents 76:9; 78:11; 79:10 context 10:20; 60:4, 12 continue 7:14; 57:9; 65:7:79:21 continued 7:5, 9; 15:17; 57:8 continuina 59:11 contract 62:3, 6 contracts 21:3 contrary 65:6 contributed 11:17: 93:15:95:12 contribution 12:2: 21:11: 59:12, 16; 90:2 contributions 56:6; 63:21; 68:20; 90:17 contributors 32:4; 43:23; 44:5 Convention 22:11, 15; 71:13, 14; 72:9, 17; 73:1, 6;93:2 convention—and 72:17 conversation 12:15: 18:8, 9; 22:12; 29:20; 30:18; 39:23; 42:4, 18; 59:23; 60:1; 70:2, 11; 82:18; 83:17, 18, 21; 84:7, conversation-and 87:24 conversations 9:22, 23; 10:17; 18:10, 11; 25:23; 28:16, 25; 31:15, 17; 42:20; 44:3; 49:14; 50:17; 59:20, 21; 64:1, 12; 69:2; 83:24; 87:25; 88:1 convincing 69:1 cooperate 92:15 copied 78:5, 8, 9 copies 15:14; 19:16; 49:8; 55:19; 57:13; 86:22; 87:12;94:2 copy 12:13; 13:10; 14:20; 47:14; 51:7; 53:4; 63:23; 64:3; 65:14, 16; 66:10; 76:2: 77:16: 78:10: 79:1. 2: 80:1; 85:16; 87:13; 88:14; 94:7 Coral 7:13 **corner 22:10** corporate 16:25; 48:3 corporation 7:24, 25; 8:1, 3, 7, 15, 16, 17; 12:18,

72:14; 74:22; 76:10; 79:15; 87:14 couldn't 25:5; 68:25; counsel 5:4, 7, 10, 16; 10:2, 9; 11:2; 17:6; 18:19, 24; 29:2; 38:15, 17, 21; 39:23: 42:16: 47:24, 25: 48:13; 50:15; 51:19; 54:17; 62:8; 63:22; 64:13; 73:21; 74:25; 75:22; 89:11; 93:13; 94:25; 95:9 couple 9:24; 89:9, 13, 14 course 27:6; 38:7; 48:19; 60:6; 77:13 **court** 18:1 Courtelis 10:15, 20, 22, 23; 11:1, 4, 7, 9, 11, 21, 25; 13:12, 17; 14:18, 25; 16:7; 17:9, 20; 18:11; 19:23; 20:10, 14, 17; 23:22; 24:23; 25:9, 17, 24, 25; 26:2, 3, 6, 15, 15, 18 Courtelis's 11:1; 15:19; 18:16:19:17 Courtelis-owned 12:1 cover 50:3; 77:15: 78:25 Cramer 7:3 cratered 20:22 create 8:2 created 12:21; 16:8; 27:22 creation 12:17; 29:11; 33:10; 35:21 Credit 58:3; 59:1; 85:9 credit-let's 85:6 Criminal 6:22 current 7:13

n

D-E-N-N-I-N-G 33:15 D.C 7:1, 5; 88:23 Dan 27:23; 33:14; 34:14; 55:10 date 34:5: 57:10 dated 12:12: 13:1, 2, 4, 5, 10, 21; 14:3, 7, 16, 21; 15:6, 14; 19:10; 20:1; 21:20; 22:3, 17; 23:15, 17, 19; 24:8, 19; 27:12; 28:4; 29:6, 17; 30:14, 25; 34:11; 40:20; 41:18; 42:17; 45:15; 47:5, 11; 51:5, 17; 52:9: 53:6: 55:21: 58:1,7, 9, 13, 15, 18, 19, 21; 60:14; 61:16; 62:9; 63:2, 23; 66:8, 20; 67:7; 70:20; 71:4: 72:7: 74:4, 5: 75:17, 22; 76:15; 77:20; 78:25; 79:24; 80:15; 81:22; 85:7. 8; 86:13; 87:16, 20; 88:14, 15, 18 dated-both 20:1 Dave 72:15 David 5:12; 38:15; 39:24;

64:2; 71:5, 23, 24; 72:6; 74:5; 79:25; 80:13; 83:12 David's 83:11 day 34:11 days 61:7: 76:12 deal 20:20; 49:11; 58:25; 68:1 dealing 26:10 dealings 8:5; 9:16 deals 87:25 December 23:19; 86:25; 87:15, 16, 20 decided 36:23 decides 90:14 decision 36:20; 84:22; 92:13 decline 90:12; 91:2, 3 declined-you 90:11 declining 90:21 default 53:24:60:8: 61:22; 63:10; 80:2 defaulted 76:12 degree 6:18, 19; 62:1 demanding 54:19 Denning 27:13, 23: 33:14; 34:14 Dennings-for 68:6 departed 7:7 Department 6:22 dependent 77:10 Deposit 37:20; 52:3; 55:20, 20; 56:15; 85:13 deposition 5:23: 6:1; 14:12; 19:9; 21:20; 22:16; 23:14: 24:25: 27:17: 35:6. 13; 41:6; 44:23; 55:9; 83:19, 25; 84:1; 90:18; 94:8; 96:2 depositions 94:23 derived 95:17 describe 12:11:13:8; 14:13; 24:5; 30:1, 6; 47:19; 52:16: 76:9; 81:23; 89:23; 92:12:93:19 described 27:25; 34:1; 70:12; 74:9; 90:17; 92:25; 93:17 describing 24:20; 33:16; 35:25; 42:17 describing-to 66:7 description 31:1; 36:2; 50:13 designated 22:5, 22; 52:7; 62:6 desire 82:14 detail 49:7 detailed 66:17 determine 37:14 developed 10:20 developing 32:4 Development 10:3; 13:12; 15:22, 23; 95:17 Dick 9:11, 14, 15; 20:4; 22:3, 23; 34:19; 36:17;

50:23

considered 23:21;

Construction 13:12

consummate 45:10

consummated 16:23

contact 10:14; 65:21;

40:10; 50:22; 54:7

19, 20; 26:5

corrected 59:19

correctly 89:16; 90:11

correspondence 46:2;

49:20; 52:17; 65:24;

86:15, 16: 89

existing 79:16

expects 62:2

79:21

expected 43:16

experience 8:8

explain 31:8

Exhibits 14:12: 21:17:

30:9, 11; 33:3, 6, 9; 48:23;

49:4; 50:13; 61:12; 62:24

expend 17:11; 18:20, 25;

expended 17:20: 21:10

exploration 15:18; 42:19

explore 37:1: 40:6: 41:14

exposure 63:19; 64:1

expressed 62:14:68:7

expressing 47:6

extent 5:24; 17:23

extension 59:1

CONFIDENTIAL

61:17, 18, 24: 62:7, 10, 11: Donald 33:14 69:10:71:14, 20, 24:73:7. donation 59:12, 16 14:80:8 done 8:3; 9:20; 10:4; did-that 28:5 32:25; 43:9; 50:24; 54:18; didn't-they 23:2 57:4, 4; 59:3; 63:9; 66:16 different 54:13:61:1, 4: down 16:17:86:24 73:14:89:13, 14 draft 87:6, 16 diligence 17:9; 21:2; drafted 23:2; 33:20; 42:2; 42:19; 43:1; 46:15 88:9 dinner 30:21:35:7.9 drafting 78:1 dinners 20:11 drawing 38:13 diplomacy 54:16 drawn 19:17, 19 diplomatic 54:5, 5, 18 due 17:9: 32:6; 42:19; direct 10:13; 25:5; 63:1 43:1. 3: 46:14: 56:19: directed 31:17:33:13: 57:10:60:25 #**34:5; 52:2; 53:20; 66:9** due-- | 56:4 direction 10:4 due-diligence 46:19 directive 37:12 dues 23:1 directly 25:5; 52:4; 68:1 duly 5:5 directors 14:23 during 10:18:46:19: directs 45:7 59:10; 67:12; 69:2; 81:19; 90:6 disappointed 81:3 discuss 5:25; 10:8; 28:23: 29:22: 64:10:

67:24:81:20

236:1:71:23

59:9:73:19

Division 6:23

**discussed 5:22; 6:9;

·11:25; 30:19; 33:22;

discussion 53:20

25:15, 17, 21; 34:18;

disposition 19:14

distinguished 20:6

document 12:3: 13:1, 2,

24:1; 27:12, 19, 21; 28:1,

4; 29:6, 10, 16, 16, 18;

41:17; 45:14; 46:4, 24;

47:4, 10; 50:5, 7; 51:5;

76:18; 77:24; 79:24;

80:15, 15; 85:7; 86:18;

87:1, 20, 21, 25; 88:18

documentation 39:20;

documents 10:1; 14:13;

46:11, 18; 48:6, 8; 50:10;

56:22; 57:15, 25; 58:4, 9,

87:6; 88:12, 15, 17; 89:5;

22; 61:10; 65:22; 66:2;

70:22; 76:5; 86:20, 24;

dollars 11:19; 18:21;

94:22, 23

19:14

33:2; 41:5, 10, 14, 23;

43:22; 44:24; 45:22;

document-"a 31:6

48:4, 15; 55:14

52:9; 53:8; 55:15; 57:12;

58:6, 11, 11; 60:14; 64:5;

67:7; 70:20; 71:4; 75:6, 11;

32:12: 35:14, 18, 20;

3, 5, 21, 24; 14:3, 7; 21:15;

39:12; 42:7; 64:19; 78:11;

discussing 10:24, 35:23;

discussions 11:3: 17:19:

36:14, 17, 19; 37:8; 38:22;

E

2.4 events 20:16; 79:13 earlier 10:1: 12:4; 16:14; everybody 71:21 21:8: 23:23; 26:18, 25; everyone's 30:23 35:3; 36:7; 42:5; 49:20; evidence 91:17 55:17; 64:5; 65:10; 67:18; evidenced 94:4 77:17:84:16:94:3 examination 5:4,7; early 10:23: 17:10; 21:1; 89:11; 93:13; 94:25; 95:9 31:16 examined 5:6 earned 85:14, 16; 86:8 example 31:12; 68:6 marmost 16:20 exceed 5:24 earning 85:20 exceeded 32:7 educational 6:16 except 25:6 effect 40:7; 52:5; 61:7; exception 8:9; 15:2 68:24; 69:5; 71:17; 76:11; excess 11:18: 21:9 85:19, 23 exchange 65:23 effort 39:18; 42:6, 25; 46:15; 57:3; 79:22; 80:5; excused 38:7 81:9 executed 22:3 efforts 37:6; 38:22 execution 86:21 eight 21:15; 29:18, 21 executives 71:22 either 7:18: 9:14: 22:6; Exhibit 12:5, 6, 9, 22, 23; 25:14, 20: 27:2; 43:2; 88:9; 13:7, 8, 9, 22; 14:1, 5, 9, 95:12 15, 19; 15:6, 13; 16:24; elected 92:8 19:4, 5, 9; 21:20; 22:17; Election 19:21:32:1 23:15; 24:3, 25; 27:15, 18; 29:8: 30:13, 24: 32:13: elections 32:2 33:8, 15; 34:3, 4, 9, 10; else 25:17; 60:12; 62:22; 35:6, 14; 40:14, 16, 20; 41:1, 3, 6, 25; 44:18, 19. elsewhere 23:2 23: 45:19: 46:8, 22: 47:2; embarrassed 83:13 48:9, 9, 10, 12; 50:11; employed 8:10; 24:13; 51:8, 10, 13; 52:12, 13; 53:3; 55:4, 7, 10; 57:18; 42:8. 22 59:6: 60:16: 61:18. 19: employee 63:5 62:6, 8, 14; 63:2, 13, 14, enclosed 34:13; 66:19 22; 64:12; 65:12; 66:2, 3. encloses 36:2 6; 67:10; 70:14; 71:1; end 45:9: 46:16; 56:20; 74:12; 75:3, 14, 18, 24; 57:1:61:3:79:17 76:10, 16; 77:15, 17, 19,

energies 79:21

engage 74:25 \

engaged 23:20; 74:24; 81:8 entered 63:17 entertain 63:20 entire 28:24: 61:8, 23 entities 9:14; 11:1; 70:9; 95:13 entitled 35:24 **entity** 7:19 essence 34:22; 60:7 establish 7:24:91:23: 92:1 established 9:15: 26:1 establishing 26:4; 82:18; 83:21 establishment 12:17: 14:23 estate 14:18 et 14:24 evesive 83:12 even 11:20; 17:18; 54:7; 82:6 evening 33:22; 42:5

event 39:7: 40:4, 8; 61:1,

F-I-E-R-C-E 33:14 face 22:17 facilitate 80:13 fact 26:9; 35:9; 36:18; 65:6; 67:12; 78:8; 80:25; 85:24: 91:17: 94:15 fail"--Mr 74:22 fail-"to 74:23 failure 72:4 tailures 56:6 fair 8:5; 16:10; 37:10; 42:24; 43:13, 19, 20; 44:2; 46:14; 57:21; 66:23; 73:17; 74:18; 76:19; 79:8; 84:15:93:11 tall 47:25 familiar 55:13 **tamily 8:10** fancy 53:23 far 8:14; 9:7; 11:8, 20; 38:18 tashion 11:23; 28:9; 39:23 fault 83:1 L

fax 41:1, 7, 7; 50:3; 55:10;

faxed 64:3; 78:25; 79:2

Federal 31:25; 32:2

feelings 49:15; 81:2

fait 43:3: 49:15: 70:2

file 12:13; 13:9; 81:18

final 34:21; 74:21; 77:7;

financial 24:12; 32:10

fee 22:13; 69:6, 7

66:18; 75:12

feeling 80:7

few 71:12

87:16

Fierce 33:14

figure 82:19

Finance 11:15

find 24:5; 61:25; 68:25; 70:3 finder's 69:6 finding 69:7 fine 84:1:92:2 firm 7:3 firm's 7:5 First 9:22; 12:3; 16:21; 24:22; 28:11; 31:19; 32:13, 15, 19, 23; 33:5; 37:14: 38:12: 39:1: 43:25: 49:5: 58:2: 59:15: 63:16; 68:4; 69:8; 76:5; 79:8; 84:18 first-hand 17:19 five 14:3; 43:20 five-page 12:14 fixed 39:25; 82:25 Florida 6:13; 7:1, 13, 24; 8:2; 9:3; 10:25; 12:18; 19:20; 24:9, 21; 34:23; 93:17, 18:94:1 flow 37:25 focus 77:5 focused 77:6 followed 30:21; 31:20 Following 6:21; 12:14; 30:17; 85:24; 95:8 follows 5:6 fooling 81:17 Foreign 15:9; 54:24; 55:2 forgive 53:22; 67:2 torgiven 66:15 forgiveness 59:24; 60:3. 13; 62:1; 63:20; 78:20 form 17:23; 81:23 formal 39:25: 48:14, 16 formally 45:7 formed 8:20; 26:19 former 73:8; 74:15 forth 39:3: 48:15: 71:23 forthcoming 29:20; 71:13 Forum 27:14, 24; 28:17; 30:19; 31:5, 8, 13, 18, 23, 25; 32:7, 9, 9, 17, 20, 24; 35:17, 23, 24; 36:1, 3, 12; 37:4, 17, 22; 38:1, 2, 4, 11. 16, 20; 39:8, 15; 40:1, 4.9; 42:10, 15, 20: 43:2, 12, 14, 24, 25; 45:12, 17; 46:13, 20; 47:5, 9, 21; 49:10; 50:21: 51:22, 25: 52:11, 18, 20; 53:24; 55:11, 25; 56:7, 19; 57:5, 8; 58:12, 20; 59:11, 14; 60:8, 10, 12, 24; 62:10, 16, 21; 63:11, 16, 17, 25; 64:13, 21; 65:5, 18; 66:13; 67:1, 3, 13; 68:8; 70:5, 17; 71:15; 75:8, 21:76:11:77:3, 12:82:1. 2: 85:18, 21: 86:2; 87:7: 89:18, 24, 25; 90:20; 92:19, 20; 95:3, 14

F

Forum's 31:1: 47:24; 52:21; 61:6; 64:8; 71:18;

22: 78:24: 79:6, 11; 80:11,

18, 19; 82:9, 11: 84:12;

inducement 77:3

informally 90:17

54:25: 55:24: 72:25

information 25:6: 51:19:

72.4 forward 93:9 forwarding 85:15 found 21:5:93:4 four 13:25:87:12 fourth 56:5 frames 6:9 Francisco 34:23 frank 82:16 frankly 81:15 traudulent 77:3 Fred 28:6: 29:17: 33:13 free 63:18 freeina 51:25 frequency 20:12 friendly 54:19 from-the 27:8 front 21:22

friendship 30:8; 88:6 fronts 19:9 Frve 87:9, 12 Ft 6:13 fulfill 17:4 full 39:14:83:10 fully 54:9: 92:15 functions 90:5 fund 23:4 fundina 26:22 fundraiser 28:11 funds 15:21: 18:19: 23:7; 37:25, 25: 88:24: 95:11. 13, 16 furnished 44:24

G

further 11:2; 54:8; 58:8;

93:13:94:24, 25:95:9

furthermore 18:24:

future 12:21:31:3

62:19

Gables 7:13 Gardner 58:8, 19 gave 55:14, 24; 86:18; 88:17 Gee 15:15:93:1 General 38:17; 51:19 generalized 83:22 generally 35:25; 76:9 gentlemen 5:14; 30:8 geographical 20:13 gift 59:12, 16 given 30:22: 32:20: 36:10; 69:22, 23; 74:15; 79:8; 94:2 giving 86:3, 4 goes 6:2; 31:7; 58:3; 62:19:73:10 good 5:9; 13:16; 36:16; 77:11, 11

Governmental 5:12, 17

great 49:7: 68:7 Greater 49:2 greatly 89:6 grounds 6:5 group 11:17:41:5:45:13. 20: 46:11: 48:8: 50:2, 10: 57:25: 59:5:66:1:74:1: 87:5:89:2 quarantee 28:17, 22: 31:7, 12: 36:11, 24: 37:13: 38:14: 39:19: 42:9, 14, 15, 23: 43:5: 45:10: 50:25; 51:21: 53:23: 54:10: 59:13. 25: 62:7: 69:7. 18. 25: 70:10. 16: 84:18: 90:20:92:10:93:8 quaranteed 47:22 guaranteeing 32:16; 40:9 quarantor 31:14: 32:11; 37:19: 39:6, 25: 43:12:

H

47:8: 51:24; 57:9; 70:4;

querentor-to 57:7

guerentorship 38:7;

39:14:63:19:77:13

quess 31:5

guy 69:18

Haber 7:3

quarantors 61:5

72:2

had-was 11:9 Haley 28:14, 15; 29:19, 19: 30:21: 34:13. 17: 35:16, 22; 53:11; 61:15; 64:19, 19:66:11:72:12; 75:17: 78:17; 79:10; 80:8; 87:19:89:17:95:3 hand 22:3: 33:5: 43:2, 23: 57:25:89:17.24 handed 63:22 handling 51:20 handwritten 87:6 happened 21:12; 68:19; 72:9 happy 83:2 have-actually 57:12 have-did 27:21 haven't 6:6; 34:1; 55:17; 73:21 HB 53:12 heard 32:23, 24; 53:19, 19: 59:15: 69:8: 73:9 help 71:8: 80:13 hereby 62:13 hasitancy 37:1 hesitate 36:25 high 26:10 himself 20:7; 28:8 history 6:17; 79:13

holding 14:18; 93:3

holdings 39:3

home 90:15 Hong 7:19, 25; 8:1, 6, 10. 12. 18: 9:16: 10:24: 12:19: 14:16, 21:15:7, 11, 22: 16:5, 16; 17:7; 18:12.15. 17, 20: 21:13: 23:9, 10: 24:13, 14: 26:3, 5, 23: 27:8: 29:15: 30:16: 52:4: 53:1, 13, 17; 63:6; 95:17 honor 94:18 honorable 64:14, 16 honored 23:6: 44:12: 69:23 honorina 83:10 hotel 24:22 hour 21:2:91:20 hundred-thousand 11:19:18:20:19:14:21:10

T

idea 36:16 identification 12:7, 24: 13:23: 14:2. 6. 10: 19:6: 21:18: 24:4: 27:16: 29:9: 30:10; 33:4; 40:17; 41:4; 42:1: 44:20: 46:9: 47:3: 48:11, 24; 50:12; 51:11; 52:14; 55:5, 8; 57:19; 59:7; 60:17:61:13:62:25:66:4: 67:11:71:2:74:13:75:4. 15, 19, 25, 76:17; 77:23; 79:7: 80:12, 20: 82:12; 84:13:86:17:89:4 identified 11:14: 15:19; 27:24: 65:10: 90:3 identify 5:15; 24:17; 30:12:53:8 identifying 52:19 implementation 42:22: implemented 37:15 implication 86:7 impression 8:19:32:21. 25: 64:23: 69:22. 23 impropriety 26:12 Inc 23:16, 20 incidentally 85:2 include 65:9: 79:25 income 23:12, 12; 27:2, 8.9 inconsistent 21:5 increase 37:7 Indeed 29:3; 38:25; 43:13, 16; 58:24; 70:5; 81:17; 88:13; 92:4 independent 15:16 Indicate 42:16 indicated 43:15:62:8: 64:11;90:12 indicates 43:21, 24; 80:21 indicating 63:17

informed 10:22:11:3.9. 13: 31:18, 22: 43:22: 44:9. 11: 51:23: 56:3: 64:2: 72:8: 73:8: 85:25: 91:21: 92:16: 95:3 informing 85:12 initial 37:23:93:22 initially 11:18; 32:20; 69:19:77:12 initiate 28:16 initiating 31:16 initiation 5:23 inquired 39:4 inquiry 37:23: 84:2 insist 65:7: 91:20 institute 74:19 instruct 8:15 instructed 8:2, 22: 17:14: 18:19, 25: 19:23: 21:6: 22:5; 25:7, 11, 13 instruction 8:24: 19:17: 22:6: 52:7 instructions 12:16: 14:22: 15:8: 17:8, 11: 74:16 instrumental 84:17 intend 62:18 intended 74:18:78:16 intended-what 78:16 intends 74:6 intent 66:23:67:6 intention 78:23 intentionally 26:16 interest 15:17: 23:12: 26:20; 27:2, 3, 4; 52:1, 25; 57:23; 69:19; 70:19; 74:17; 85:14, 14, 16, 20; 86:9 interfere 6:2 intermediary 29:14 interrupt 54:17 intervenor 40:3 interview 16:12, 13 into 18:15: 21:1: 24:1; 37:2: 55:22: 63:17: 84:2; 91:20, 24 invades 91:1 invest 18:14 investigation 5:11, 17, Investment 13:12, 14, 15; 14:17; 15:1 invoked 67:16 involve 40:2 involved 5:11; 8:20; 32:2 involvement 12:2 involving 29:14; 59:22 irate 73:16 irrelevant 91:21

is-proposed 53:12 is-well 56:23 issue 10:7, 9: 39:21: 49:14; 53:21; 54:4; 60:22; 65:2; 66:13; 74:3, 3, 7 issued 37:20:94:17 issues 33:21:63:20: 91:12 it-4 55:17 items 12:20: 31:3; 33:16; itinerary 24:9, 20: 53:12 itseff 31:13: 38:23; 40:7

I

James 5:18 Janet 7:10 January 6:25: 57:14: 88:14, 15, 18 John 50:8: 58:1, 21: 60:15; 61:15; 62:9; 85:8, 11:87:19 Johnson 6:23 join 11:22; 19:15 loined 6:21:7:10 ioining 18:12 ludament 50:22; 92:19 judgment-proof 92:20 judicially 93:5 July 21:20: 22:3: 27:12: 28:4: 29:7, 17: 30:14: 52:10:67:7:70:20:71:4, 12: 72:7: 73:23: 74:2.5 June 22:17; 23:11; 58:7; 60:14; 61:14, 16, 24; 62:9, 12: 63:2, 23: 65:9: 66:8, 18, 20 Jurisdoctorate's 6:19 Justice 6:22

K

K 75:21 Keep 13:3, 7, 7; 48:6; 56:15:89:9 Kevin 51:6 Killoren 51:6: 52:5, 7, 23 kind 28:21; 39:20; 81:10; 92:25 knew 25:25; 26:3; 28:18; 69:10, 12, 12, 13 knowledge 9:5; 25:15, 20; 26:6, 14; 46:1; 49:22; 50:16, 17, 18; 53:18; 54:25; 59:17; 87:23; 89:22 knowledge-well 84:21 known 7:19: 11:5, 10: 17:1; 28:6, 10 knows 83:9 Kong 7:20, 25; 8:1, 6, 10, 13, 18; 9:16; 12:19; 14:16; 15:7, 11, 22; 16:6, 16;

individual 28:6

-:3:76:14

64:11:66:5.8

17:7; 18:12, 17, 20; 21:13; 23:9, 10; 24:13, 14: 26:3, 5, 23; 27:8; 29:15; 30:16; 52:4; 53:1, 13, 17; 63:6; 95:18

Kong)'s 10:24; 14:22;

18:15

L L'Enfant 7:5 L-E-E 14:17 lacked 32:9 land 90:15 language 48:16, 16 large 69:6 Mast 31:4; 35:7; 45:20; 46:4; 56:21; 58:6 last-put 56:20 last-minute 21:4 late 31:15; 91:20 ater 5:21: 7:2; 20:25; ¹27:6, 6; 54:2, 3; 57:11; 59:1; 84:1 Lauderdale 6:13 #Law 6:20, 21; 7:1, 3, 4, 6, 8, 9, 13; 9:4; 13:6; 26:17; 76:25; 77:20; 93:7 _laws 32:1 " lawsult 75:1; 92:9 lawyers 92:6 lay 33:21 learn 78:4 learned 25:1: 54:2 leasehold 27:4 least 39:6; 40:2; 69:21 leave 18:4: 38:7 Lee 8:11: 14:17. 21: 15:4. 5, 7, 9, 14; 24:7, 11, 12, 20, 23 left 7:12; 22:10; 72:4; 93:3 lender 37:15: 57:7 lengthy 12:15; 16:12; 21:1 less 44:4; 86:4 letter 30:13; 34:18; 35:21; 40:11, 20, 22; 44:18, 25; 45:3, 6, 21, 25; 46:22; 48:12; 50:7; 51:17; 52:7, 23; 58:1, 6, 8, 15, 17; 60:18, 23:61:14, 15, 19: 62:4, 8, 9, 12, 19; 64:3; 65:9, 14, 24; 66:5, 11, 19, 21, 23; 67:17, 18; 72:7; 73:13, 23, 24; 74:2, 5, 8, 14; 75:16, 20; 76:2, 8; 77:16, 19; 78:2, 4, 12; 79:3, 10, 24; 80:1, 21, 22; 81:21; 82:10; 85:7, 17; 86:13; 87:8, 9, 11, 16, 18; 88:2, 4, 8, 9, 11, 13; 92:22; 93:4 letter/memorandum 87:2 letterhead 11:11, 14;

67:8 letters 45:16:94:3 liked 32:8 linkage 92:23 list 32:4; 44:7; 70:3. 15 litigation 39:1 little 5:20; 16:13; 66:17; 81:3; 83:13, 16 live 6:12, 13 livid 69:9 loan 28:17, 22; 31:6, 14; 32:5, 6, 10, 17; 36:11, 11, 23: 37:3, 13, 21; 38:2, 4, 5; 39:15: 40:1: 42:10, 13, 15, 23; 43:18; 44:1, 4; 45:10; 47:8, 18, 20, 21, 21; 50:24; 51:21; 52:21; 53:23, 25; 54:8, 10; 59:14, 25; 60:9; 61:3, 6, 23; 62:7, 16, 16; 63:10, 15, 25; 65:18; 66:15; 67:3, 13; 69:7, 18, 24: 70:5, 10, 16, 17; 71:8, 19; 72:4; 75:8; 76:12, 20, 21: 77:8, 12; 80:2; 81:11, 12; 82:1; 84:18; 86:10; 90:20:92:9:95:14 location 15:10 long 83:24; 89:10 longer 24:14; 54:9 look 12:8: 37:2; 44:22; 51:13; 68:13; 85:6 looked 67:18 **Looking** 46:11; 55:9 Los 15:16 lose 46:17; 69:17 loss 37:10: 38:9, 9: 53:25: 71:18; 81:12; 83:10; 84:23 lost 68:15; 75:9; 82:7, 8, 20, 23; 83:6, 9 lat 32:22, 25 lots 43:15, 16 lower 22:10 lunches 20:11

M

mail 60:21 mailing 70:3 majority 5:16; 89:11; 94:12, 20, 25 makes 58:2 making 48:5; 62:2; 65:5; 69:24: 70:9: 82:2: 84:18 man 64:14, 16 manage 27:7 manner 25:3, 8; 38:6; 42:9; 54:19; 93:5 Many 38:25; 45:22; 47:24;63:9 Merch 7:6; 21:1; 50:7 mark 13:25; 14:7; 33:2; 44:17: 48:9: 50:2: 53:6; 59:5: 61:10: 75:2, 11;

80:18; 86:15; 87:5; 88:12

marked 12:5, 6, 8, 22, 23; 13:8, 20, 22; 14:1, 5, 9, 11; 19:3, 5, 8; 21:18, 19; 22:8. 16; 23:14; 24:3; 27:15, 17; 29:8: 30:10, 11: 33:4, 6, 25: 35:13: 40:14, 16, 19, 25: 41:3, 6, 25: 44:19, 23: 45:14, 19; 46:7, 8, 21; 47:2; 48:9, 11, 21, 24; 49:3; 50:11; 51:8, 10, 13; 52:12, 13; 55:4, 7, 9; 57:18; 59:6; 60:16; 61:13; 62:25; 63:2; 66:2, 3; 67:9, 10; 70:25; 71:1; 73:21, 25; 74:12; 75:3, 14, 18, 24; 76:16: 77:22: 78:24: 79:6; 80:11, 19; 82:9, 11; 84:12; 86:16; 89:1, 3 Maryland 6:19 matter 8:24; 10:8; 13:11; 28:21; 32:22; 34:6; 36:18; 41:19; 42:3; 64:10; 67:23; 72:16; 74:16; 79:18; 80:10; 84:2; 85:24; 86:4; 88:3, 22; 91:15, 20; 92:9 matters 29:14; 67:25; 91:25:92:15 maximize 39:18 may 5:24; 10:10; 11:20; 17:19; 44:2; 51:5, 17; 58:7; 66:15; 77:4, 10 maybe 35:2; 80:9 McAllister 87:3, 22, 23: 88:7, 10 McElroy 57:15 McKean 5:13 me"-this 64:20 me-1 36:24 mean 54:17; 60:7; 91:18; 94:22 meaning 8:17; 63:15; 81:20:83:2 means 31:6 meant 78:21 media 54:22 meet 43:4; 81:20 meeting 10:23; 28:11; 29:20; 30:21; 33:17; 35:8, 9, 12; 71:5, 25; 82:18; meetings 18:11:33:17: 47:24: 78:19 member 7:25; 11:5, 23; 18:16, 18, 21; 20:6, 15; 22:11; 26:7; 70:3 members 8:9 membership 16:25: 17:5, 12 memo 77:15; 78:10; 88:19 memoranda 65:23 memorandum 12:12, 14: 13:9, 16, 19: 14:15, 19, 25: 15:1, 6, 13, 17; 24:7, 19; 27:23; 30:24; 33:12; 34:10: 35:5: 42:2, 5, 6, 16, 25; 43:21; 45:14; 63:23;

memorialize 81:23 memory 56:12 men 71:22 mentioned 23:23 mentions 34:16, 21 merged 7:2 message 74:19 met 10:22; 34:25; 62:8; 84:9; 87:23 Miami 7:7, 8; 24:23 **middle 17:1** might 24:1; 55:22; 77:2; 93.4 million 16:15, 19; 21:9, 9; 31:7, 9; 32:7; 37:18; 38:5; 42:9: 43:23: 45:10 million-and-a-half 72:3 million-five 82:20:83:9: 84:24 mind 68:25: 84:5 minimai 23:12 minister 54:24: 55:2 Minority 5:4, 7, 10; 93:13; 94:12, 15; 95:9 minute 19:2: 87:17 minutes 84:8 misrepresentations 77:4 missed 61:21:62:21 misunderstand 62:20 modest 27:3 moment 40:22 Monday 30:22 monetary 69:19; 70:19 money 15:11; 16:19, 20; 17:12, 20; 18:15, 25; 21:9. 12; 22:9; 23:4, 6; 32:5, 6, 8; 43:2, 2, 15, 16; 68:8; 69:17; 75:9; 85:21; 87:11 monies 17:4; 37:2, 4; 44:1; 46:12; 59:13; 93:15. month 27:5, 9 month-to-month 44:8 months 20:25; 59:1 more 11:13; 20:17; 24:15; 62:22; 66:17; 83:5; 84:8; 89:8 morning 16:12; 35:19; 36:5; 37:8; 41:11, 23; 44:24; 45:1; 46:25; 50:15; 51:1: 53:9: 55:14, 24; 56:12, 22; 57:16; 58:23, 24; 69:21; 70:23; 75:6; 76:6: 88:17 morning-dated 35:15 most 83:7 move 27:10; 55:22; 57:3 moved 7:7; 57:10; 61:22 movina 61:3 Mr.-Exhibit 66:7 much 16:3: 37:7: 54:3;

must 63:16, 17 mutual 30:7; 86:22; 87:7, 10, 12, 13, 15; 88:14 myself 66:9; 79:14, 21; 82:22; 83:2; 92:23; 94:8

N

name 5:9; 7:24; 8:3; 32:13; 33:20; 34:21; 84:8 named 8:1: 23:19: 28:6 names 44:6:70:15 Nancy 14:16; 15:4, 5, 7, 14; 24:7, 11, 12 National 11:15, 18: 19:21: 22:15: 26:11: 27:13, 24; 28:17; 30:18, 19; 31:1, 5, 8, 12, 17, 23, 24, 24; 32:7, 9, 17, 20; 35:17, 22, 24; 36:1, 2, 11; 37:3, 17, 22; 38:1, 1, 4, 11, 16, 20; 39:2, 5, 5, 7, 13, 14, 16, 24; 40:1, 2, 4, 9; 42:10, 15, 20; 43:1, 12, 14, 24. 25; 45:12, 17; 46:13, 20; 47:5, 8, 21; 49:10; 50:21; 51:21, 25; 52:11, 18, 20, 21; 53:24; 55:11, 25; 58:12, 20: 59:10, 14; 60:8, 9, 24; 62:5, 10, 15, 16, 21; 63:11, 15, 25; 64:7, 21; 65:5, 17; 66:13; 67:1, 2, 13: 68:7; 70:5, 17; 71:13, 17, 18, 22, 25, 72:1, 75:8, 21; 76:11; 77:2, 12; 82:1, 2; 85:18, 21; 86:2; 87:7; 89:17, 24, 25; 90:19; 92:18, 21: 93:21: 95:3, 14 nature 25:9; 30:1; 83:13; 88:5 necessary 5:24; 41:13; 45:8,9;74:17;79:16 need 31:11:39:4 needed 32:11 needs 31:5,8 negotiate 81:15 negotiated 93:8 negotiating 38:12 negotiations 81:9 nephew 9:15; 29:23 Net 15:9: 27:5, 8 new 12:17; 32:3; 88:20 newly 16:8 next 19:3, 10; 21:15; 29:6; 31:4; 41:17; 47:10; 50:5; 57:12:61:10:71:4:75:11; 79:24; 80:15; 85:6; 89:2 night 34:15; 35:7, 10 nine 21:16; 41:8 nobody 65:4 None 94:21, 22; 95:11 nonpayment 38:11; 60:23; 61:2, 5 nonprofit 32:3 nor 10:11

68:9; 84:8

Norcross 38:15, 17, 23: 39:10, 11; 40:6; 42:21; 55:25; 56:3; 64:2, 3, 13, 14, 25; 65: 10, 14, 19; 67:19, 24, 25; 68:4; 71:5, 7, 23; 72:6, 15, 23; 73:7, 23; 74:2, 5, 8, 19, 22; 79:25; 80:13; 81:9, 14, 16, 22: 82:22: 83:12: 85:1. 17:

Norcross's 65:15 Norcross-"Haley 64:20 norm 57:23 notary 5:5 note 53:3

noted 53:4 notes 37:8; 48:1; 87:6 nothing 38:10; 69:13; 83:5: 88:22 notice 61:6, 18 noticed 46:11

notifications 48:14

notifying 15:9

<u>ن</u>ائة الله

fli

Ü

.2

Ü

[]

17

= 4= n 2

Ö

ź.

Ü

Ťij.

notion 66:25 November 13:4: 14:4. 7: 15:7, 14: 16:2; 17:10; 19:10: 20:1; 23:15, 18; 24:8, 19; 55:21; 81:14, 22;

82:9; 85:7, 8; 86:13 NPF 57:23 number 12:20; 13:2, 3, 7,

9, 20, 25; 14:3, 8, 15, 19, 23; 15:6, 13; 16:24; 21:15, 16, 16, 20; 23:15; 24:2; 27:18; 29:10; 30:13, 24; 33:8, 15; 34:3, 10; 43:20; 44:18: 48:12: 52:17: 53:3. 6: 57:17: 61:18, 19: 62:14: 63:13, 14: 66:6, 7: 70:14: 75:2, 16, 20; 76:10, 14; 82:24, 24, 25

numbered 33:16: 34:8: 42:24

numerous 44:3

O

oath 94:6 object 17:23:91:16 objection 5:23; 6:5, 8 obligate 93:5 obligated 54:10; 91:3 obligation 17:5: 38:2.8. 24; 39:14; 40:5; 43:3, 5, 17; 57:1, 8, 9; 61:3, 8; 62:17, 22; 63:16; 64:8; 65:8; 67:2, 22; 68:10 obligations 39:15; 63:18 observed 11:21 obtain 39:19; 71:16; 72:1 obviously 6:8 occasion 54:23 occasions 54:14:67:16; 78:22 оссиг 7:22

occurred 53:17; 59:22; 85:24 occurred-there 59:21 October 8:4: 9:8: 12:12: 13:1, 2, 3, 5, 10, 21, 24; 14:16, 21; 45:15, 21, 24; 46:3, 4, 22; 47:5, 11, 23; 53:7; 80:16; 81:13 off 6:1; 43:17; 44:4; 56:25 offer 83:8

office 7:10, 11, 12: 9:4: 23:3:60:21 officer 9:2: 51:7, 18 officers 8:21: 24:12 Offices 13:6: 48:15: 77:20 official 26:11 often 17:22 once 12:21; 66:24; 69:3 one 7:2; 14:7; 15:2; 22:18.

59:23; 62:21; 69:2; 70:8. 15, 22; 74:1; 86:6; 88:18: 89:17, 24; 93:1; 94:21, 24; one-is 57:13 one-five 82:23 one-page 14:15; 33:12 one-time 56:9 ongoing 11:4; 80:5

18; 23:17, 25; 24:12;

13, 14; 57:15; 58:10;

35:18, 25; 41:23; 42:17;

44:24: 46:2: 50:10: 56:4.

only 8:12: 20:8; 26:1, 8: 27:22: 29:11: 33:10: 42:18: 46:2; 69:15; 91:23, 25; 92:23; 94:8, 19 open 8:2

opened 6:25:7:12 opportunity 69:24 opposed 34:8 order 13:7; 28:21; 58:4,

organization 11:5, 10; 17:1; 32:1, 3

original 25:14; 59:2; 61:2 Orlando 10:25: 12:1

other-excuse 89:25 others 67:19; 70:7; 81:9 ought 59:12

out 19:24; 25:2, 3, 11, 13; 33:21: 37:12; 38:13; 52:8; 64:1:70:6:71:8

outlined 52:22 outlines 12:19 outlining 12:16 **outset** 9:20

outstanding 39:17; 72:2; 81:10

over 74:16 owed 82:4 own 16:9; 32:4, 11; 61:19 owned 10:25; 26:2; 27:7; 48:2

P

进 p.m 96:1 package,so 58:10 page 17:2; 19:10 pages 13:24; 41:8, 8; 55:20 paid 16:20; 22:13, 14; 23:1; 32:8; 44:4; 63:15; 81:25:85:15 paper 33:19, 23: 36:6 papers 38:13; 45:13, 20; 46:19 paperwork 58:25 peragraph 13:18; 30:17; 31:4; 34:16, 21; 43:20, 24; 73:16:77:7:79:9 paragraphs 42:25; 43:8 parent 8:1; 23:8; 26:3; 27:2 parenthetically 26:14 part 31:23; 43:1; 45:25; 55:14:65:12:80:5:81:16 participate 20:16; 69:24; participation 12:2; 50:19 particular 41:13; 43:21; 44:6; 70:16 particularly 69:1 parties 44:16; 60:5 parties-the 57:6 Party 19:20; 26:4; 28:9; 40:8; 54:8; 62:15; 93:18; party's 64:7 passing 14:21; 52:6 past 9:23; 44:12 pause 37:24 pay 43:17; 62:22; 67:3: 72:4: 85:22; 86:8, 9, 11, 12 payable 19:1; 21:21; 22:4, 18, 18; 23:16, 19: 25:R payee 22:5 payees 22:22 paying 67:13 payment 16:17; 52:19; 56:1, 7, 19, 21; 57:5, 23; 60:24, 25; 61:21; 62:17; 68:10:82:2 payment-because 56:5

68:14: 81:19: 90:6 periodically 49:21 periods 89:14 permanent 39:25 permission 28:21 PERRY 5:19, 19; 6:8; 10:6; 17:22; 18:2; 24:5; 28:24; 54:11, 20; 73:4; 79:19:83:16.24:84:3.6: 89:9, 12: 93:12: 94:24: 95:1, 7, 20 person 8:12: 14:20: 80:9 personal 25:15: 30:4 personally 11:21; 25:20; 95:15 persons 34:5 pertaining 47:20 Peter 63:3 Phil 5:19 pile 47:10 place 35:10; 37:19: 47:25: 52:1: 71:21: 84:18 placed 42:14; 48:2; 85:13 planned 37:15 Plaza 7:5 piessant 56:16 please 10:9; 17:25; 28:2; 37:6: 65:19: 89:20 pleased 35:7 pledged 43:3 piedges 43:23; 44:10, 11, 14:68:8 pius 48:3 pocket 68:21 point 5:22: 6:4: 16:10: 28:24; 90:9; 92:8 points 29:19 Policy 27:13, 24; 28:17; 30:19; 31:1, 5, 8, 13, 18, 23, 25; 32:7, 9, 9, 17, 20; 35:17, 23, 24; 36:1, 2, 11; 37:4, 17, 22; 38:1, 2, 4, 11. 16, 20; 39:8, 15; 40:1, 4, 9; 42:10, 15, 20; 43:2, 12, 14, 24, 25; 45:12, 17; 46:13, 20; 47:5, 9, 21; 49:10; 50:21; 51:22, 25; 52:11, 18, 20, 21; 53:24; 55:11, 25; 58:12, 20; 59:11, 14;

60:8, 10, 24; 62:10, 16, 21; 63:11, 16, 25; 64:21; 65:5, 18: 66:13: 67:1.3.13: 68:8; 70:5, 17; 71:18; 75:8**,** 21; 76:11; 77:2, 12; 82:1, 2; 85:18, 21; 86:2; 87:7; 89:18, 24, 25; 90:19; 92:19:95:3, 14 political 95:13 portion 13:16:53:23: 59:25 portions 53:25:60:9: 66:14

posed 48:15

possibility 70:9; 94:21

June 3, 1997 14:17: 15:18: 37:7: 42:9: 59:24: 81:20: 92:23 potentiai 16:17: 26:19: 37:10:61:22 potentially 69:17 practice 6:25: 7:2, 3, 4, 6 practices 7:13 pre-1994 91:22 pre-existing 7:2 preceded 17:8 precisely 19:25 prefaced 18:2 preparation 28:1 prepare 33:23; 36:8, 9 prepared 12:13, 14; 13:9; 29:16; 33:13; 67:1; 74:19: 94:18 present 10:18; 35:12: 60:6: 72:25: 73:5 presented 29:18:44:9 President 8:23: 20:15: 85:11 presumes 91:14 presumption 91:16 pretty 70:1 price 21:5 primarily 26:1 primery 40:1 principal 51:25; 52:2, 24, 25: 57:22 principals 77:11; 81:16 prior 5:22: 9:8, 13, 16: 28:10; 52:22; 78:19, 22; 83:18; 90:6; 94:17 private 6:25 privilege 90:13, 23; 91:1,

possible 13:14, 17; (7) Norcross - projections

9, 24; 92:2

pro 50:23

79:17:81:10

52:22

76:13

35:14, 19

privileged 91:25

probably 12:15; 57:10;

problem 56:9; 68:11;

problems 64:18; 82:14

procedure 45:8, 9; 63:9

proceed 9:18; 36:23;

procedures 42:8, 13, 22;

42:12:45:7,9;74:25;75:1;

proceeding 85:4; 90:15

PROCEEDINGS 5:1

process-and 9:25

profession 6:14

professor 7:14, 14

protessorship 7:8

programs 20:12

progress 47:23

prohibiting 94:13

projections 46:12

produced 9:25; 29:12;

professional 6:17; 7:18

payments 38:5; 51:24;

people 8:11; 34:11, 12;

42:20; 66:25; 68:5, 24;

People's 49:16:54:24

perhaps 20:7; 90:4

period 46:20; 67:12;

payout 43:18

percent 44:12

perfect 71:20

70:8: 94:2

56:4; 67 3, 18; 64:22; 65:6,

require 15:3

gequired 48:3

promissory 48:1 property 10:25; 12:1; 15:19: 16:7, 21: 17:10: 21:7; 23:21; 26:2; 27:7, 9 proposal 31:2; 32:16 proposal-for 31:3 proposed 66:11; 77:12 proposing 51:18 propriety 25:18, 23 protect 74:17 protected 37:5 protection 39:18 protest 60:11 provided 33:11; 41:10, 23; 46:19, 24; 48:14, 17, £17; 55:15; 56:22; 57:16; § 58:4, 23, 24; 70:23; 75:6 providing 32:5 public 5:5; 94:22, 23 publication 35:24; 49:10, 25: 50:9, 21 Dublications 50:20 published 49:9 durchase 10:24; 15:18; Ĩ6:20, 22; 17:9, 12; 21:5, 5; 24:24 Durchased 23:21 purchaser 26:19 purchasing 16:6; 26:2 pure 26:5 purports 41:7 purpose 6:10; 16:6; 20:5; purposes 15:11; 18:21; 26:2:94:10 pursuing 93:8 pushed 56:20 pushing 56:25 put 9:19; 36:10; 37:13; 45:22; 58:9; 59:13; 65:22; 66:24; 74:1; 88:15

Q

quarterly 38:5 questioning 6:2, 3; 9:19 quibble 91:18 quibbling 91:19 quid 50:23 quo 50:23 quote 33:19; 51:2; 62:14; 69:6; 77:8; 79:13, 17; 92:17 quote-to 45:9 quote-unquote 86:1

R

raise 6:4; 68:11; 74:7 raised 53:21; 54:4, 5; 88:2 raises 74:2

rate 81:19 rather 18:17; 69:9; 73:16 re 13:11; 41:19; 50:4 reach 68:5: 74:23: 81:10 read 49:6; 55:17, 17; 94:10; 95:25 reader 31:6 readily 20:17 reads 30:17:74:22 real 14:18 really 29:2; 49:6; 68:25; 76:20:77:5 reason 18:2; 46:1; 83:10; 92:12 reasonably 43:4 recall 15:25; 16:15; 20:24; 44:5, 6; 45:3 received 10:11; 17:11; 27:4; 40:11; 44:1; 45:16; 46:2; 53:4; 57:22; 61:6; 72:6; 78:10; 87:8; 88:11 recent 30:15; 64:1 recently 26:1; 27:22; 29:11; 33:10, 18; 45:16; 53:19 recognize 21:23; 22:20, 21, 22; 27:19; 33:6; 35:18; 49:5, 6; 51:14; 70:22; recollect 44:15:67:25 recollection 31:18; 68:3 recommended 26:6 reconstruction 22:25 record 5:20:6:1:9:19: 10:7, 10; 23:25; 24:2, 17; 29:3; 76:4; 82:17, 21; 94:14:95:23 recordkeeping 14:24 records 16:4; 21:14; 45:17; 46:18; 47:18, 20, 25; 48:7; 82:25 recourse 60:11 redacted 34:4 reduce 42:6 reduced 43:9 refer 24:25; 56:25 reference 16:24: 33:19: 58:2; 73:13; 85:9; 87:18 referenced 42:4: 62:16 references 49:21 referred 19:13; 36:6; 40:22:67:18:77:17: 79:11; 83:20; 88:21 referring 24:8:35:3: 48:19; 49:23; 50:8; 62:7; 88:7, 24 refers 47:18; 55:13; 71:5; 74:4 reflect 16:4; 42:25; 46:14 reflecting 19:14; 43:10, reflects 53:11

CONFIDENTIAL regard 24:23; 25:16; 82:15 regarding 11:4; 28:17; 30:18: 31:16: 39:19: 50:6: 66:12:71:8:90:22:92:9 Registration 22:11, 13 reimburse 84:23 relate 14:14; 88:16 related 28:25, 25; 58:10; 68:6; 95:12 relates 13:14, 16; 56:23; 86:14 relating 58:25; 65:24; relationship 7:19; 30:2, 4, 7; 49:13; 88:6; 89:16, 20, 23; 91:2 release 86:22: 87:7, 12. 13, 15; 88:14 releases 87:10 relevant 59:21:90:14: 92:16 reflef 72:5 remainder 21:12:88:12 remedies 76:25; 77:1, 2 remedy 56:11; 68:14; 77:10 remedying 56:14, 16 remember 16:3; 18:5; 34:14 Reno's 7:10, 12 renounced 91:4; 95:4 rental 27:9 repay 38:2 repayment 83:6; 86:10; 87:7; 88:3 repeat 50:14; 82:16 reported 54:22 reporting 70:13 reposed 52:3; 70:14; 81:21 reposes 63:13 represent 43:8 representations 43:11; 65:17:68:18 representative 28:9 representatives 43:14; 59:10 represented 9:12: 28:8: 38:3; 39:1; 68:20 represents 42:18 Republic 49:16, 17; 54:24 Republican 11:15, 17; 16:25; 19:20, 21; 22:15; 26:11; 28:9, 11; 30:18; 31:24; 39:2, 4, 5, 13, 16, 24; 40:2; 62:5, 15; 71:13, 25: 93:17. 18. 21: 94:1; 95:12

requirement 9:2 requirements 48:14 rescue 40:7:71:17 research 32:25 reservations 24:21 resolution 81:10, 21, 24, 24; 85:25; 88:1 resolutions 48:3 resolve 79:18: 80:6 resolved 80:10 respect 12:16: 14:22; 18:12; 31:17; 32:19; 42:13; 50:15, 24; 51:20; 72:11; 88:2; 92:6; 93:6, 7; 94:8 respectively 19:19; 25:4; respond 62:12; 66:16; 90:16 responded 81:5 responding 45:5; 62:13 response 39:9; 66:17; 68:22, 23, 25; 70:14; 72:6, 7:83:15 responses 66:15 rest 66:24; 88:13 result 69:18 resulted 7:3; 61:2 resultina 71:18 retain 88:5 retained 27:8 return 50:23; 90:15 returned 21:4; 93:16, 19, 20, 21: 94:2 revelation 70:11 review 16:4 reviewed 10:1 reviews 87:21 Rex-McGill 23:16, 20 Richard 8:22; 9:10, 11; 12:13; 13:10; 15:15; 28:19; 29:21, 23; 30:3; 31:21; 47:15; 48:5; 50:4; 54:13; 59:23; 61:14, 16; 63:3; 66:9; 70:21; 73:5; 77:20; 79:1, 3, 10 Richards 8:22; 9:5, 10, 11, 11, 15; 10:17; 12:13, 16; 13:10; 14:20; 15:15; 18:9; 20:15; 22:3, 7, 12; 25:7; 27:13, 23, 25; 28:3, 6, 8, 10, 12, 18, 20; 29:1, 1, 12, 21, 22, 23, 24; 30:3. 14, 25; 31:21; 33:11; 34:19; 35:7; 36:17; 41:2, 8, 9; 47:15; 48:6; 50:4, 4, 6, 18; 51:6, 18; 52:6, 6, 10, 17, 19; 53:7; 54:12, 13, 13;

71:14, 20; 72:25; 73:3, 5, 8, 14, 19; 75:12; 78:12, 19, 20; 79:1, 2, 3, 10, 12, 12, 14, 20; 80; 8, 16, 21, 24; 85:4; 88:9 Richards's 20:4; 22:23; 28:19; 30:15; 35:3; 61:17; 62:12; 77:20; 78:22 Richards-172:24 Richardson 78:15 right 5:12; 9:20; 13:20; 26:21; 45:1; 53:14; 58:19; 65:13; 73:2; 79:5; 80:15; 86:13; 87:14, 16; 92:23; 95:22 rights 77:9 River 15:19; 23:21 RNC 22:10, 18; 25:2; 28:13; 30:20; 32:5, 7; 38:3, 17, 23; 40:6; 41:19; 42:3; 64:13; 71:6, 8; 72:19, 21; 77:5, 11; 81:25; 82:1; 84:22; 92:24; 93:5, 7, 16; 95:1 RNC-prior 89:25 RNSEC 21:21; 22:4, 19; 25:2 role 40:3 Rome 87:9 routine 57:21 rudeness 74:15 rule 94:13

S

S-H-U-B-A 75:22 same 11:2, 3; 14:20; 17:10; 25:9; 34:5, 5, 5, 6, 11, 11, 12; 58:16; 60:1; 74:21: 82:22: 94:12 San 34:23 Sanford 87:3, 22 satisfactory 74:23 satisfied 54:9 satisfy 63:16, 18:65:7 Saturday 33:22; 34:14 Savinus 15:8 say-1 36:24 saying 34:7; 53:24; 62:20; 74:6; 76:11; 87:8 schedule 30:23 scheduled 56:21;71:5 scheduling 30:20 School 6:20, 21; 7:8 scope 5:24 score 93:3 searched 70:16 Sears 70:3 second 30:17; 50:6 secondary 39:25 secretary 75:12 secretary/treasurer 9:1 secure 37:9

refreshes 56:12

refused 73:11

request 71:24; 72:11, 22;

requesting 72:12; 87:10

requests 79:14

94:12

55:11, 15; 56:11, 12;

57:14, 22; 59:24; 61:15,

16, 18, 20; 62:7, 10, 11,

20, 20; 63;3; 66;7, 9, 9;

69:10, 12; 70:13, 21;

Senate Committee on Governmental Affairs secured 37:6 securing 42:13 security 37:7: 58:3 seak 71:16; 72:1 seeking 11:22 seem 71:6; 73:16; 76:24 seems 13:18; 34:6 sees 62:2 self 73:18 Senate 5:11, 17 **sending 47:19** sends 66:18 senior 7:11 sent 16:15; 45:4; 63:12; 65:15, 25; 66:19; 78:4 sentence 74:21 separate 52:3 separately 33:16 September 41:18; 42:2, 6, 17; 44:17, 25; 45:6; 74:24; 75:17, 23; 76:15; 77:16, 21; 78:17; 79:1, 24; 80:1.22 series 56:22: 58:4; 86:20 serve 7:14;72:2 served 6:22; 9:25; 94:18 settiement 86:3: 88:1. 24:93:9 seven 43:24 severai 9:12; 18:11; 20:25; 31:15; 65:22; 67:16; 70:8 Shea 58:8, 18 sheet 44:8: 46:13: 50:3: 78:25 sheets 46:12 shopping 10:25; 13:15,

G

1

Ğ

æ

Ü

(ħ

Μ

æ

2 da 2 d

7

ä

1

11:

17: 15:20: 16:17, 22: 20:19:26:20 shortened 34:4 shorter 34:7 shouldn't 36:24 show 12:3; 18:23; 19:2, 8; 21:15, 19; 22:8, 16; 23:14; 27:17; 29:6; 30:11; 33:25; 35:13; 40:19, 25; 41:5; 46:21; 49:1; 51:5; 60:14;

44:7, 8; 46:15 shows 51:7 Shuba 75:22; 76:8; 77:16 signatory 9:2; 94:11 signature 15:2, 3, 4;

67:7; 78:6; 85:17

shown 29:12; 43:22;

20:3, 4; 22:23, 24; 23:3; 95:24:96:3 signed 21:3; 35:16; 58:13

Signet 37:18, 21, 21; 38:5: 40:5: 42:10; 44:1; 47:21; 48:2, 19; 51:7, 17,

20: 52:20: 55:20: 56:14; 57:15; 58:2; 60:9, 11, 15, 24: 61:6: 62:16: 63:18. 25;

64:9, 22; 71:19; 72:3; 75:8,

10, 22; 77:9; 85:11, 13; 86:2, 14; 95:15 significant 39:1

simple 61:21; 64:16 simply 48:5; 56:20; 57:6; 72:18 singled 70:6

situation 56:17; 71:8; 73:9; 80:6 pix 14:8 Sixteen 33:12

enuff 49:7 so-called 60:18 sole 72:2 some~| 29:13

somebody 70:4 someone 15:5; 25:6, 8;

87:22:90:14 something 5:25; 9:19; 27:20: 34:3: 53:3: 56:8, 9; 64:15:65:19:73:10;

83:17, 19 Sometime 81:13, 19 somewhere 16:1, 19; 84:10

son 47:16 son's 90:4 sons 20:16 soon 34:24

sorry 46:3; 58:7 sorry-to 45:7 sort 21:2, 3; 27:4; 42:21; 53:23; 68:13, 21; 69:23

sought 8:25; 28:23; 40:2 source 23:11: 25:1; 72:24

sources 27:1; 44:13; 86:6

speak 8:7, 15; 28:22; 31:19; 41:16; 68:17; 83:22 speaking 14:17: 54:16: 60:4, 5; 64:25; 65:1; 77:13

speaks 13:19: 14:25: 15:1; 31:4; 65:4

speaks-the 14:25 special 5:11, 17 specific 94:11

specifically 11:13 apeculated 36:6 speculation 17:24; 81:15

speculative 82:24 spend 32:22 **spoke** 39:20; 63:8, 9, 12;

67:24; 71:14; 82:22 **spoken** 9:12; 35:1 spokesperson 8:6

spread 44:8: 46:12 stack 9:25 stage 33:1: 85:3

stand 59:19; 64:8; 65:17 standing 5:23; 6:4

State 12:18; 19:21; 45:16; 66:14;74:18;79:8;93:17,

18:94:14 stated 11:12; 79:13 statement 5:20: 16:10: 32:10; 37:10; 43:19; 73:17;74:14

States 6:21; 20:14; 49:2; 91:5, 13: 95:4 stationary 13:6; 35:22;

47:5; 58:19; 77:19 status 63:10, 24 stav 8:5

step 39:6 steps 74:17

Steve 27:13, 23, 25; 28:3, 6, 10, 18, 20; 29:1, 12, 13,

23; 30:13, 15, 24; 33:11; 34:19; 35:3, 6; 47:14, 16, 20: 50:3, 5: 51:6; 52:6, 6,

10, 17, 19; 53:7; 55:11, 15; 56:11; 57:14; 66:9; 69:11, 12; 70:13; 75:12; 79:2; 85:4; 88:8

Steven 9:15; 15:3, 5; 22:12; 48:5; 51:18; 52:10;

54:13 still 61:25; 68:14; 79:17. 21

Stone 88:20 stop 40:13; 84:6; 87:17;

89:6 strong 30:7 structure~I'm 45:7

studied 31:2 study 94:10

subject 13:11, 19: 15:8: 31:20; 34:6; 35:4; 36:19; 40:12: 43:21: 49:11: 50:1; 56:12; 58:16; 59:24; 60:2,

5: 78:20: 83:23: 84:2; 87:15:88:1:92:9 submitted 88:9

subpoena 10:7, 11 subpoenas 94:17, 22 subsequent 70:12 subsequently 7:1:8:25:

49:9: 53:19 subsidiary 12:19: 26:5 substantial 21:8

success 73:15 suffer 53:25 auffered 84:24 sufficient 31:13:43:2

suggest 59:11; 66:16; 74:6 suggested 20:11, 14; 65:21:69:6

suggesting 29:21 suggestion 18:16; 19:18

suit 74:20; 81:18 sum 21:8: 85:15 summerize 16:13

supplied 24:1:45:1: 76:5, 18: 77:24 Sure 37:11; 43:1; 83:17; 92:14 surrender 60:10 surrendered 68:17 surrounding 28:1 sustain 32:6: 82:7

sworn 5:5

T

tabled 72:18, 21, 21 talk 67:21:80:9 talked 73:22; 89:13, 14 talking 9:10; 26:10;

29:18; 30:3, 4; 83:18 talks 56:23

tank 32:2 task 36:10 taxable 86:7

taxes 86:8.11 Team 11:6, 8, 10, 15, 16, 22, 23; 12:2; 13:19; 15:1; 17:1, 12; 18:13, 15, 17, 22;

19:15; 20:6, 12; 21:11; 22:11; 23:2; 26:7; 90:5 technical 56:23

telephone 42:4, 18; 81:4: 82:17:83:17.20 telephoned 63:7

telephonically 18:12; 73:14 telling 62:10; 76:19

tella 64:20, 20 ten 21:16: 73:13:84:8 tense 43:7

term 56:23; 57:1; 59:2; 60:3, 4, 7: 61:3 terms 30:4; 38:13; 48:1;

77:8: 78:18: 91:12 testified 5:6; 21:8; 84:21 testimony 16:13; 40:23;

84:16, 19; 95:16 thanking 72:7 the-he 92:17

the-many 43:8

the-on 12:17 the-that 21:6 the-you 47:19

themselves 5:15; 31:14; 41:16 then-State 7:10

Thereafter 7:12; 16:22; 72:8; 74:25; 86:20 therefore 43:5

third 13:18; 34:10, 16; 50:7 this-and 37:23

though 11:20 thought 34:17; 51:3; 67:6 thoughts 14:22

threatened 63:10; 68:16 three 9:23; 13:20; 33:2, 16; 34:8; 41:8; 59:1; 66:19; 76:5 three-document 13:2 three-paragraph 66:20 three-year 31:6 through-that 7:5

Throughout 67:21 Thursday 29:7; 42:5 Thus 18:18: 26:11: 32:11: 51:25; 52:21; 53:25 time-end 11:2

timeliness 34:20 timely 38:6; 56:1, 1 times 8:11, 12:63:9: 67:25; 73:14

times-you 89:13 **Timothy 75:21**

to-those 45:8 to-well 52:25 today 10:1: 12:4: 16:14;

34:19; 44:16; 76:18; 94:3 today-and 26:25 together 36:12; 37:13;

58:10; 65:23; 74:1; 80:9; 81:14:88:16 told 18:10; 20:8, 10, 17,

18; 24:14; 26:16, 25; 28:3, 12, 20; 31:11, 22; 35:6;

39:11, 11; 49:7, 24, 25; 54:4, 11, 12, 18; 56:8; 59:20: 69:18, 21: 71:20:

78:16; 81:1; 90:16 tone 66:16:73:16 took 7:7: 35:10

top 45:14 totally 37:5 totally-had 68:15

toward 44:1; 57:8 transaction 71:19 Transfer 15:8; 17:7; 52:24; 86:14; 88:24

transferred 15:22; 16:5; 87:11 transferring 15:11 transmission 41:1; 50:3;

75:12; 78:25 transmittal 45:25: 46:3; 86:21; 87:11; 88:20

transmittals 94:3, 4 transmitted 52:4 transmitting 45:16;

87:10 travel 24:20 treat 50:10 trial 7:11

tried 29:2; 30:6; 37:14; 73:14; 93:1

triggering 52:21 true 43:7 trust 16:21; 30:7 truthful 82:16

try 17:6: 37:2, 7; 46:16; 68:5; 70:3; 79:17, 17, 21; 80:5; 82:15

CONFIDENTIAL

trying 48:6; 58:9; 68:13: 91:23 turned 74:16 turnover 55:16 two 13:3, 24; 19:10, 16, 23; 22:17; 23:15, 17; 24:22; 25:2, 14; 30:8; 34:1, 8, 12; 48:21; 49:1, 8, 12; 55:20; 57:13; 59:21; 61:10:86:6:93:3 two-page 14:19; 15:13; 31:1:36:2

U

្ន**្ធ ម៉ s** 6:19 ⊹Ù.S 90:19 ultimately 40:11; 56:18; 57:5; 65:25; 78:9; 81:21; 33:3:95:17 unable 39:13; 55:25; 57:5 @incertainties 93:6 **@under** 8:3; 22:23; 43:18; 54:10; 62:17; 77:8; 94:6 understood 20:5; 37:16, .24; 51:4; 61:20; 83:14 undertake 12:21; 39:13 undertaken 21:2 undertook 27:7 Sundoubtedly 61:17 Eunequivocal 78:18 unequivocally 91:22 unfamiliar 39:2 unfortunately 77:8 unification 49:11, 16 United 6:21: 20:13: 49:2; 91:5, 13; 95:4 University 6:18; 7:8, 15 unknown 87:22 unless 91:6: 94:12 unpaid 75:7 unquote 69:6 untangle 79:16, 22 unwarranted 74:15 unwillingness 53:22 up 30:17; 32:13; 38:13; 42:14; 46:16; 48:7; 50:1; 59:13; 74:3; 87:16; 88:13 upon 25:14; 49:13; 50:17; 77:11:85:25 upset 69:14 urge 85:4, 4 urged 64:10 urging 80:13; 85:4 USA 7:20, 23; 8:1, 3, 20, 23: 10:3, 11: 12:18; 13:17; 14:23; 15:3, 8, 10, 12, 18; 16:6, 7, 8; 17:7, 13; 18:18, 19, 21; 20:14, 15; 21:10; 22:2, 13, 21, 25; 23:1, 7, 7, 11, 17, 20; 26:1, 4, 4, 7, 19; 27:1; 29:15; 37:4, 19; 38:6, 9; 39:4, 7; 40:4, 7, 8; 42:13; 43:11; 47:8, 22;

48:2, 13, 18; 50:24, 7:19. 21; 54:1, 9; 56:16; 60:7; 61:5, 9: 63:19: 64:1, 21; 65:17; 69:7; 71:17; 72:5, 14; 75:9; 81:20, 25; 82:3, 8; 84:23; 85:13, 15, 24; 86:3, 5; 88:23; 92:24 USA)'s 42:9; 72:11 USA)-owned 37:20 use 37:5; 57:13; 60:3 used 25:24; 37:3; 59:17; 60:13; 95:13 useless 92:19 utmost 34:20 **utterly 94:16**

V-O-L-C-A-N-S-E-K 28:7 various 42:24: 47:20 verbiage 93:4 version 34:4, 7 versus 93:7 viable 92:17 Vice 85:11 view 20:11; 42:21; 62:14; 83:12; 85:23; 86:1; 94:15 views 49:15 violation 26:16 **virtue 72:4** visit 30:15; 53:12, 16; 55:1 visited 28:5; 54:23 visited-l 28:4 visits 24:22 vocalized 44:13 Volcansek 28:7, 7, 10, 12, 12, 18, 20, 23; 29:17, 21; 31:19; 33:13, 15; 34:7, 10, 17; 35:1; 53:4; 67:8; 69:3, 5, 12, 14, 16; 70:19; 85:3:88:10 Volcansek's 70:13 voluntarily 10:2; 29:12; voluntarily-you 9:24 voluntary 55:16; 89:7; 94:16 volunteered 50:14

W

waive 95:24 waived 96:3 Walk 15:19; 23:21; 67:2 **Walker** 52:10 wants 34:14; 79:17, 20

50:22; 51:4; 53:23; 54:5, 6. 8, 19; 56:10, 14, 16; 61:25; 62:2; 63:4; 68:4; 72:5; 77:5; 81:24; 83:22; 94:21 **week** 55:18 weeks 9:24:71:12 what's 13:8; 22:16; 23:14; 55:9; 79:2; 87:19 when-of 60:6 whereby 59:10; 81:25 wherein 47:6; 53:21; 63:24; 65:15; 66:10; 83:22 Whereupon 5:2; 96:1 white 33:19, 23; 36:6 who--in 25:9 whole 74:3 willing 85:22 willingness 53:22; 64:8 Wilmot 55:10 Wilson 15:15 windfall 86:1 Wire 15:8; 17:7; 88:24 wired 21:10, 13 wishes 51:23 witching 21:2 with-and 44:9 within 31:25; 44:4; 48:2; 77:9 without 31:14; 60:11, 11; 73:15 WITNESS 10:10; 18:5; 29:2; 48:12; 54:12; 66:5; 73:5: 79:20: 83:20: 84:4, 7: 87:21; 94:1, 6; 95:24 witnesses 94:9 word 20:22; 25:23, 24; 35:25; 54:17, 18; 60:12; 92:24 words 45:8: 59:15, 16, 17; 63:14; 64:17; 68:24; 69:5 work 91:11 worked 91:14 working 34:22; 39:2 world 64:23; 70:4 **worry** 68:9 wrap 50:1 write 22:5; 88:4 writes 34:17; 61:24; 63:15 writing 42:7; 43:9; 49:21; 51:2; 62:10; 88:2 written 22:2, 21; 35:22; 47:5; 49:2, 8; 62:4; 81:23 wrong 59:16 wrong-that 27:1 wrote 62:19; 71:23;

24: 12:18: 13 . 17: 14:16, 18, 21, 23; 15:3, 8, **To,** 11, 12, 18; 16:5, 6, 7, 8, 16; 17:7, 7, 13; 18:15, 17, 18, 19, 21; 20:6, 14, 15; 21:4, 10, 13; 22:2, 13, 21, 25; 23:1, 7, 7, 9, 10, 11, 17, 20; 24:12, 13; 26:1, 3, 4, 4, 5, 7, 19; 27:1, 7; 29:15, 15; 37:4, 19, 20; 38:6, 9; 39:4, 7; 40:4, 7, 8; 42:9, 13; 43:11; 47:8, 22; 48:2, 13, 18; 50:24; 51:19, 21; 52:4; 54:1, 9, 9; 56:16; 60:7; 61:5, 9; 63:6, 19; 64:1, 21; 65:17; 69:7; 71:17; 72:5, 11, 14; 75:9; 77:10; 79:15; 81:20, 25; 82:3, 8; 85:13, 15, 16, 24; 86:3, 5; 88:23; 92:24; 94:9 YBD's 74:17:77:13 Yeah 70:1 **vest** 7:2; 10:13; 44:4; 57:10, 10; 89:16 years 9:12; 27:6; 38:25 yesterday 34:19 York 88:20 you"-131:5 Young 7:19, 20, 23, 25; 8:2, 6, 13; 9:6, 12; 10:2, 5, 15, 17, 21, 22, 24; 11:4, 22, 24; 12:15; 13:11; 15:4, 5, 22, 23; 17:15, 16, 19, 21; 18:9, 10, 14, 16, 18; 19:22; 20:7, 7, 10, 13, 17; 21:4; 22:6, 11, 13, 14; 25:7, 13, 16, 21, 22, 25; 26:9; 28:16, 19, 22, 23; 30:2, 14; 31:11, 16; 32:16, 21; 33:17, 18; 34:16; 35:15, 23; 36:1, 15, 18, 21, 22, 23; 37:9; 41:2, 7, 18; 42:3, 4, 7, 12, 19; 43:10; 44:18; 45:5, 6, 15, 21; 46:23; 47:4, 7, 14, 16, 16, 20: 48:5; 49:3, 9, 14; 50:3, 5, 8, 18; 51:2; 52:25; 53:7, 13, 18, 21; 54:6, 23; 59:11; 60:1; 61:25; 63:5, 7, 8, 12, 19, 24, 24; 64:2, 10, 12; 65:3, 15, 21, 24; 66:8, 10, 18, 24; 67:1, 5; 69:8, 15, 22; 70:2, 2, 8, 15; 74:4; 75:13, 17; 76:14, 19, 23, 24; 78:25; 79:3, 9, 12, 14, 20; 83:2; 84:17, 23; 85:22; 87:8; 88:5, 19; 89:17, 24; 90:7, 18, 20; 91:2, 4, 6, 12; 92:8, 14, 16; 93:9; 95:2, 4, 15, 17 Young's 8:10; 11:5; 12:1; 19:17; 20:16; 50:19; Young-188:10

Ü fiji ياسا ٿو گئنڌ الا

ű

Ħ

٢

PETER A. COLLINS

OF COUNSEL RICHARD M. HABER TAMPA, FLORIDA

Coral Gables. Florida

THE KENDAR BUILDING 1550 MADRUGA AVENUE SUITE 215 CORAL GABLES, FLORIDA 33146 (305) 662-4099

WASHINGTON, D.C. RICHARD RICHARDS IO25 THOMAS JEFFERSON ST., N.W. SUITE IOS WASHINGTON, D.C. 20007

BAR MEMBER OF Washington D.C., Maryland and Florida

TELEFAX: (305) 652-9276

MEMORANDUM

Date:

Reporter: David A. Kasdan, RPR

TO:

File

Richard Richards

FROM:

Benton L. Becker/

DATE:

October 11, 1991

RE:

Structure of YBD Investment Vehicle

On this date, I spoke at length with Ambrous Young regarding my review of the records and papers delivered to this office by These records pertained to YBD's forthcoming Alex Courtelis. acquisition of a fifty percent limited partnership interest in a partnership known as River Walk Associates Limited. The River Walk Associates Limited Partnership, developed in June 1988, holds as its sole asset a 207,000 square foot Shopping Center located in Orlando, Florida, currently 87 percent leased. The Courtelis Group owns, developed, built, leases and manages the Center, and, following a fifty percent interest sale to YBD, will remain a 49 percent Limited Partner interest and a one percent General Partner interest.

In early October 1991, YBD agreed to acquire a fifty percent Limited Partnership interest in the River Walk Associated Partnership at a price of \$2,950,000, to assume one half of the liability of an existing \$18 million mortgage on the property, and to receive an eight percent preferential interest of Partnership profits. This commitment was agreed to by Ambrous Young, on behalf of YBD, and Alex Courtelis on October 19, 1991 and has been the subject of my record review calculated to determine the most appropriate, expeditious, desirable method of acquiring and holding the fifty percent Limited Partnership interest on behalf of YBD. This memorandum reposes the history of that evaluation and the determination on that question as concluded this a.m.

On October 10, 1991, the Hong Kong law firm of Baker and McKenzie submitted to YBD Comptroller, Nancy Lee, a 13-page opinion memorandum proposing four alternative methods for YBD's acquisition of the limited partnership interest in the Courtelis Shopping Center property, with primary consideration within the memorandum being given to the multiple taxation implications alternative. (A copy of the Baker and McKenzie memorandum is contained in our YBD/US file.) In substance, each of the four alternatives suggested required the formation and maintenance of an "offshore corporation," to serve as a conduit between YBD/Hong Kong and its newly established U.S. subsidiary corporation presented financing (YBD/US). Each proposal techniques representing sophisticated tax reduction and avoidance plans, directed primarily toward the potential taxable impact upon the newly formed U.S. corporation when the U.S. corporation attempts to transfer after-tax dollars to YBD/Hong Kong. Assuming the establishment of a U.S. wholly owned (or at least fifty percent owned) subsidiary corporation to YBD/Hong Kong, current taxable implications require the U.S. corporation to retain from 25 percent to 33 percent withholding tax before transmitting after-tax dollars Accordingly, a system of double to its parent in Hong Kong. taxation may be established; i.e. the initial corporate tax on the U.S. corporation for income received and the subsequent withholding tax on the U.S. corporation when, and if, after-tax dollars are transferred to the Hong Kong parent.

The methods suggested in the Baker/McKenzie memorandum, although no doubt sophisticated from a U.S. tax standpoint, were not endorsed by me. This subject, and particularly my reaction to the Baker/McKenzie alternatives, was discussed at length this a.m. with the client. I expressed the view that the Baker/McKenzie methods would: (1) in view of the offshore corporation formation, seem to ensure great IRS scrutiny, with the likelihood of recurring annual audits; and (2) may be erroneously premised on the proposition that YBD/Hong Kong would seek and require the transmittal to Hong Kong of all, or a significant portion of, after-tax dollars from its U.S. subsidiary. If this presumption is inaccurate, then the sophistication of the tax saving devices reflected in the Baker/McKenzie memorandum were not relevant.

Ambrous Young confirmed that the YBD/Hong Kong's receipt of after-tax dollars and profits earned by YBD/US was of little consideration to YBD/Hong Kong. Indeed, Ambrous advised that the Board of YBD/Hong Kong, for multiple reasons, would wish to retain the great majority of YBD/US after-tax profits in the U.S., to, among other things, reinvest such profits in the U.S., engage consultants, employees, etc. both in the U.S. and abroad.

Accordingly, given these considerations and the premises recited above, I propose that YBD\Hong Kong's acquisition of the fifty percent limited partnership interest in the Courtelis venture be undertaken as follows:

- 1. That a new U.S. corporation be formed in the State of Florida, all stock of which would be immediately issued to its parent corporation, YBD/Hong Kong.
- 2. That the name of the new U.S. corporation shall be YBD (U.S.) Limited, Inc. (YBD/US)
- 3. That YBD/Hong Kong shall loan the sum of \$2,950,000 to the newly formed YBD/US. Concurrently, YBD/Hong Kong shall transmit the sum of \$250,000 to YBD/US in consideration for YBD/Hong Kong's acquisition of all stock of YBD/US.
- 4. That YBD/US shall invest \$2,950,000 in the Courtelis venture and acquire in the name of YBD/US the referenced fifty Limited Partnership interest.
- 5. That Richard Richards shall serve as President of the new corporation and the undersigned shall serve as Secretary/Treasurer. Ambrous Young, or his designee should he elect, will serve as Chairman of the Board of Directors of YBD/US.
- 6. That Richard Richards and I shall be the required dual signatories on all bank accounts and checks of YBD/US. A third available signatory for the corporate bank accounts may be Nancy Lee. All corporate checks shall be designated to require two authorized signatures.
- 7. That Richard Richards and I, as Officers and Directors of YBD/US, shall administer YBD/US, pay all taxes, salaries, commissions, credit cards, etc, for which service YBD/US will provide us a salary or annual retainer.
- 8. That, among other things, YBD/US will serve as the purchasing entity for Team 100 membership for Ambrous Young in the RNC State Committee Association.
- 9. That YBD/US shall engage Ambrous Young in a salaried capacity and provide to Ambrous Young, and others as deemed appropriate, credit card(s) issued to YBD/US.

Among other matters that require implementation and the formulation are:

- 1. The establishment of the corporate entity in the State of Florida with the Officers and Directors as shown above. (At the conclusion of the day on Friday, October 11, the corporate name of YBD/US was reserved with the Office of the Secretary of State and incorporation papers were prepared for filing.)
- 2. The establishment of two signature bank account(s) on behalf of YBD/US, in Florida and Washington, D.C. (This will require preliminarily the formation of YBD/US as a legal juristic person and the presentation of Articles of Incorporation and Resolutions of the Board of Directors authorizing the establishment of corporate bank accounts.)
- 3. The establishment of a license to do business in Washington, D.C. by the Florida foreign corporation, YBD/US.
- 4. Incorporating minutes of meeting of YBD/US and issuance of stock to YBD/Hong Kong.
- 5. The recordation of the loan transaction in the amount of \$2,950,000 between YBD/US, as borrower, and YBD/Hong Kong, as lender, the terms of repayment, and the possible inclusion of a proposed 15 percent retained interest by YBD/Hong Kong in all profits of YBD/US, in lieu of interest payments on the loan.
- 6. Board of Directors recordation and approval of the sale of all stock of YBD/US to YBD/Hong Kong, and the capitalization of YBD/US in the amount of \$250,000.
- 7. Memorandum reflecting the history of all organizing transactions from Richard Richards and me to the Board of Directors of YBD/Hong Kong.
- 8. The transmittal of \$100,000 in funds from YBD/US to the appropriate RNC Committee on behalf of Team 100. (Alex has requested that payment occur as follows: \$75,000 to the Republican National States Election Committee (RNSEC) and \$25,000 to the Republican Party of Florida.)
- 9. The establishment of a U.S. tax number and qualified accounting services on behalf of YBD/US.
- 10. Review and preparation of the modification language to be added to the River Walk Partnership Agreement now in existence for purposes of transferring interest therein to include YBD/US as

a fifty percent Limited Partner. Richard Richards shall execute the newly prepared Partnership Agreement on behalf of YBD/US.

11. A review of YBD/US's potential future acquisition of the Washington, D.C. and Boston, Massachusetts condominiums owned by YBD/Hong Kong.

2

CORAL GABLES, FLORIDA

PETER A. COLLINS

OF COUNSEL RICHARD M. HABER TAMPA, FLORIDA THE KENDA® BUILDING 1850 MADRUGA AVENUE SUITE 215 CORAL GABLES, FLORIDA 33148 (305) 6624099

WASHINGTON, D.C. RICHARD RICHARDS 1029 THOMAS JEFFERSON ST., N.W. SUITE 103 WASHINGTON, D.C. 20007

EXHIBIT

Reporter: David A. Kasdan, RPR

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX: (305) 662-9276

MEMORANDUM

TO:

File

cc: Richard Richards

FROM:

Benton L. Becker

DATE:

October 9, 1991

RE:

Young Brothers Development (YBD) Investment with

Courtelis Construction Company

On October 2, 1991 I spoke with YBD Managing Director, Ambrous Young, who advised that YBD (and/or another entity if deemed appropriate) was considering entering into an investment opportunity with Courtelis Construction Company. Ambrous advised that Courtelis Construction Company is operated by Mr. Alex Courtelis, and with offices at 701 Brickell Avenue, Suite 1400, Miami, Florida 33133. Phone numbers: (305) 379-8467 and (305) 525-8291. Fax number: (305) 381-7885.

Ambrous advised that Courtelis Construction Company is seeking a fifty percent investor in a to be constructed Florida based shopping center valued at \$25 million. The numbered projection for the shopping center called for \$18 million in loans and \$7 million in equity. Of the \$7 million equity figure, the investor (YBD) would be required to pay \$3.5 million, although that figure has been successfully negotiated downward by Ambrous to \$2,950,000 (I am uncertain as to whether the "negotiating down" of the equity consideration merely increases the amount of the loan or it is a full payment for equity.)

Ambrous advises that Mr. Courtelis is a highly active member of the Republican Party, a member of the Team 100 and a "good friend" of George Bush. Upon returning to Taipei, Ambrous intends to: (1) send me certain literature that he and YBD are in receipt of generated by Courtelis Construction Company; and (2) inform Mr. Courtelis that I am YBD's international counsel who will be reviewing this proposal.

Memo to File YBI/Courtelis Construction Company October 9, 1990 Page Two

The initial inquiry submitted to me by Ambrous was: (1) to determine, through site inspection and otherwise, whether the investment appears to be sound; (2) if sound, to determine from a corporate tax and otherwise standpoint whether the investor should be YBI, YBD, individual persons or a new corporation to be formed in Hong Kong or the Caribbean. I am to await the receipt of authorization and records on this from Ambrous before contacting the Courtelis people. Further memos to follow.

BLB:dml

Young Brothers Development Co., Ltd.

Telephone: (852) 574 7217 Telen: 83516 YBDCL HX Fax No.: (852) 834 5591

To : Mr. Benton Becker

Ref : FAX/4135/91

Date : October 26, 199.

Fax No: (305) 662 9276

Hum Dancy Lee

No of Pages: 1 (This cover included)

Dear Benton,

Re: Wekiva

In reference to YBD-US, Inc.'s purchase of 50% equity interest in Wekiva, I would like to request the information from Alec Courtelis:

- 1. Existing partnership agreement.
- 2. Prior years' tax returns.
- 3. Annual audited/internal financial statements.

duplication of requests to Courtelis' office, I want check if you have any of the above documents in your files. If so, I would appreciate your assistance in faxing the info to me. If not, would you please ask Alec to fax the info to me in HK.

YBD-US, Inc.

Dick Richards' fax of October 25, 1991 made reservences to the opening of two bank accounts; one in Washington, D.C. and he other in Coral Gables Florida. For my files, please fax to me the name and related details of the bank in Washington D.C.

Is the checking a/c we are opening in Florida interest earing? We may need an interest bearing account to leposit the US\$2.95 million for Wekiva and US\$250,000 capitalization of YBD-US, Inc.

Thank you for your assistance, I look forward to hearing from you soon.

Warm regards,

7. Lee

R : nv\Wekiva.BB
102691

EXHIB	Tecker 3
Date:	6/3/97
Reporter:	David A. Kasdan, RPR

● Young Brothers Development Co., Ltd.

Telephone: (852) 574 7217 Telex: 83516 YBDCL HX Fax No.: (852) 834 5591

EXHIBIT

Broker 4

Date: 6/7/57

Reporter: David A. Kasdan, RPR

1 m 1 m 1 m Mr Becton Becker cc Mr Dick Richards

Miss Nancy Lea

Ref :

FAX\1164\NL

Date:

28 Oct 1991

Fax No:

305-662-9276

No of Pages:

2

(This cover included)

Benton,

neview of Dick Richards' fax of Oct.ber 25, 1991.
Lating to the incorporation of YBd-US, Inc. and the investing River Walks Associates Ltd. partnership, YBD would appread your assistance with the following:

YELL YBD-US, INC.

- .1 Increase Number of Directors
 Add two directors (Steven Young and Nancy Y. Lee) to the board of YBD-US, Inc.
- Add Steven's and my name on the signature cards for the accounts we have opened in Washington, D.C., and Florida For proper internal control, all checks written from YET Inc. must have two signatures. Any checks for the amount over US\$5,000 will require at least one signature from either Steven or myself. The exception will be the US\$100,000 corporate membership to the National Republication, "Team 100".
- It is our understanding that YBD-US, Inc. will be incorporated in Plorida, but operated from Washington, D.C. enysically, where will the records be kept? Who will be responsible of maintaining YBD-US Inc's financial lacords? Inclusive of the preparation of annual local, state and federal reporting requirements as well as quarterly financial statements to YBD in Hong Kong.
- 1.4 Additional Information

For our files, please send us copies of the following:

- a. Articles of Incorporation
- b. Bylaws
- c. Federal/State tax ID no.

vestment Costs
.ease provide us the estimated costs relating to the
.nvestment of Wekiva. Also, what would you budget for the
annual maintenance of YBD-US, Inc?

î.

2. River Walk Associates, Ltd. Partnership ("Wekiva")

areas of concern in the investment in Wekiva are as

When will the 8% preferred dividend be paid? monthly? quarterly? We prefer the dividends to be paid on a monthly basis, but we are willing to accept quarterly payments. We do not want the dividends to be paid annually.

2.2 Stabilization of financing with Astna
YBD will be a limited partner with a 50% equity interest.
What if Wekiva cannot refinance its US\$18 million loan with
Astna which is due in 1993? Under the exist: purchase
agreement, will YBD be required to assume its pro rated
share of debt? Is YBD personally liable to Astna even if we
did not sign the loan documents? What is YBD's maximum
exposure in this investment?

Would it be possible and/or necessary for us to request a guarantee from Alec Courtelis that he will be fully responsible for finding adequate refinancing of its existing loan and YBD will not be financially liable for its share of debt if he fails to secure adequate refinancing?

- 2.3 Anchor Tenants
 Would it be possible/necessary to send inquiries to the four anchor tenants to confirm the accuracy of the lease information provided to us by the sellers?
- 2.4 Back Rents
 Even though the prospectus of Wekiva mentions that 87% of the shopping is leased. What is the percentage, if any, of the back rents due from the tenants? how far back?
- YBD wants to approve the final documents of River Walk Associates, Inc. prior to Dick's signature. We do not to approve this investment until all the outstanding issues are addressed.

Your attention to the above will be most appreciated. If you have any questions, please feel free to contact me.

warm regards,

0010

- my

LAW OFFICES OF

BENTON L. BECKER

CORAL GABLES. FLCRIDA

PETER A. COLLINS

OF COUNSEL RICHARD M. HABER TAMPA, FLORIDA THE KENDAR BUILDING 1990 MADRUGA AVENUE SUITE 219 CORAL GABLES, FLORIDA 39146 (305) 6524099

WASHINGTON, D.C. RICHARD RICHARDS 1025 THOMAS JEFFERSON ST., N.W. SUITE 102 WASHINGTON, D.C. 20007

EXHIBIT

Reporter: David A. Kasdan, RPR

Date:

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX: (309) 662-9276

MEMORANDUM

TO:

Nancy Lee

FROM:

Benton L. Becker

DATE:

November 12, 1991

RE:

Wire Transfer Instructions to YBD (USA), Inc.'s Savings Account at Barnett Bank, Coral Gables, Florida

I have attached to this fax:

- 1. A recordation from the Office of the Florida Secretary of State reflecting that the official corporate name of the company is "Young Brothers Development (USA), Inc." and
- 2. Records from Barnett Bank reflecting that the name of the Company's saving account and checking account maintained at Barnett Bank is, "Young Brothers Development (USA), Inc."

Wire YBD Co. Ltd. funds to the following:

Barnett Bank 1500 South Dixie Highway Coral Gables, Florida 33146

Bank telephone number: (305) 666-1500

Attn: Ms. Connie Burke

Savings Account in the name of: "Young Brothers Development (USA), Inc."

Routing and Transit number: ABA 067003985

YBD (USA), Inc. Savings Account No:

BLB:dml

Benton L. Belker



M (ħ

Ш

١Ô

Ţ,

4 % 6 % 8 % 3

PETER A. COLLINS

OF COUNSEL RICHARD M. HABER TAMPA, FLORIDA

CORAL GABLES, FLORIDA

THE KENDAR BUILDING 1950 MADRUGA AVENUE SUITE 215 CORAL GABLES, FLORIDA 33146 (305) 662-4099

WASHINGTON, D.C. RICHARD RICHARDS KOZS THOMAS JEFFERSON ST., N.W. SUITE IOS WASHINGTON, D.C. 20007

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX: (305) 662-9276

MEMO TO:

Nancy Lee

(cc: Richard Richards and Wilson Gee)

FROM:

Benton L. Becker

DATE:

November 25, 1991,

RE:

Independent Appraisal of River Walk Orlando Shopping

Center

As instructed, on Wednesday November 20, I identified and engaged a highly very qualified M.I.A. appraiser for the Orlando River Walk Shopping Center, and received assurances from his firm that the project will be completed by December 15, 1991. instructed, no targeted appraisal figure was provided. is Marshall & Stevens, 13902 North Dade Marby Highway, SUite 122, Tampa, Florida 33618. (Tampa is approximately fifty minutes from Orlando, where Marshall & Stevens have had extensive shopping center appraisal experience).

On Straay November 24, I had a telephone conversation with Wilson who alvised that upon your departure from Miami on November 19, he was authorized to obtain an independent appraisal of the property. Consistent with that authorization, Wilson advised that he had engaged a qualified appraiser, the Orlando firm of Rex-McGill, Inc., who promised to have the project completed by December 5. Since Dick Richards, Wilson and I all agree that two independent appraisal are not necessary, today I shall attempt to "disengage" Marshall & Stevens, without too much embarrassment.

On Tuesday November 21, 1991, I informed Doug Pridgen of Alex's office that additional records may be needed in the coming three weeks to expeditiously complete our independent appraisal of the property. He expressed great surprise that we were obtaining an independent appraisal, stating that Alex's updated appraisal (of the 1988 appraisal) is expected to be completed within one week and that, "Alex expects to close on this deal before the end of November". Later that same day, Alex telephoned and stated that it had been his impression (from the meetings of November 18 and

EXH	IBIT Becker 6
Date:	6/3/57
Dancet	re David A Kandan DDD

0012

November 25, 1991 Page Two

19) that YBD had agreed to only updating the 1988 appraisal and that the Company would not pursue an independent appraisal. I advised that Hong Kong insisted upon a new and independent appraisal and assured him of its completion by mid-December.

The substance of these telephone conversations with Alex's office have been discussed with Dick Richards at length. We both remain fully convinced that the Company's independent appraisal of the property should proceed as scheduled.

2001
83.39/51 5,000 . Ha Hars
7 PM
2002
1-000: Arri
_

EXHIBIT

| Se. | 14 - 7
| Date: | 6/3k1
| Reporter: David A. Kusdan, RPR

PAY TO THE URDER OF BANK OF VIRGINIA FALLS CHURCH, VA. FOR DEPOSIT OFF.Y. REPUBLICAN NATIONAL STATE 1/3/3/31 1(360)223-3-36 1/3/3/31 1(360)223-3-36 1/3/3/31 1(360)223-3-36 1/3/3/31 1(360)23

P3 004P28011-63

15-2100-0990 5-3100-0990

CB10-0013 3121214 2000-0120

32-11.008851 19 36-500290 35 20.11

2038	93.98/670 14.00.92		d
	23 102075 07-30 PR. 2087/16 00000 Ed 2021 69 20 18 20 100.00		
	20 28 -0	20 22.29	
r:	102075 07-30 CL 7 28 8 3 16 69 59 14 69 69 69 69 69 69 69 69 69 69 69 69 69	48 2724	
OTHERS DEVELOPMENT (USA),INC. A Flarida Carperation	2020 Ed	4 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	S
SLOPMEN'		٥,	
HERS DEVELOP	SEC	1	RAC Consention Registration
YOUNG BROTH	RN S	437-101 1508 South Galle Nury Caral Gallete, Forder 23148	KASC CONSENTION
YOU	Portotte R. N.		By RISC CO. TEAM 100

9199

a a le cont

PRY TO THE ORDER OF EARK OF VIRGINIA
FALLS CHURCH, VA.
FORDS DEPOSIT ONLY
REPUSILICAN NATIONAL STATE
REPUSILICAN MATIONAL STATE
SECONDS COMMITTEE SEA 730 725

::

THERS DEVELOPMENT (USA),INC. A Flarida Corporation and oo/100's———————————————————————————————————	25.000.00	कार्भक्ट हर्म हर्म रेड में हेर विकास	2061		20,000.00	2060 - 2000 Take 102% 93 100000000000000000000000000000000000
Twenty Thouse Trour Trour Trour Trour Trour Trour	Thousand and oo/100's	e t t 4 6 0	YOUNG BROTHERS DEVELOPMENT (USA),INC. A Florid Corporation	627-161 1500 Gest's Plate Hery Carri Gables, Poolds 33146	Thousand and oo/100's	# .0

EXHIBIT

Date: 6/3/57

Reporter: David A. Kasdan, RPR

•	***	
BI-40 CAROLES	812 904945080808380 - 616000-0163 - 616000-0163 - 61600-0160 - 61600-0160 - 61600-0160	
-10.	क्षा क्षा क्षा क्षा क्षा	
10 m	üi.	
	C > C > C > C > C > C > C > C > C > C >	
	72 C	
	∴ 3 (0 · · · · · · · · · · · · · · · · ·	

0/819 39500

<

63-338/670 2003 134454258 3407 3410 08 12 500 61. 3022 03 12-31 OFIE TORNE 140-21 CHIEBO 24 a Syan のとくちものされる YOUNG BROTHERS DEVELOPMENT (USA),INC.
A Floride Corporation

12/20	
2004	12 Co. 12
	3022 03 12 5000 1
	3052 GOEZ OF 18
INC.	142044774 3282
ENT (USA),	14 20 0 5 2 4 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6
YOUNG BROTHERS DEVELOPMENT (USA),INC.	Rebill 1.
ROTHERS I	24/h 7/2
YOUNG BE	Marie of Thousand
De	

EXHIBIT

Date: 6/3/47

Reporter: David A. Kasdan, RPR

日の女母の女子は世界

100 Sept. 100 Se .Si: 建筑

F

NO

1-(2,02)342 0650

18:07 YOUNG BROTHERS DEV FAX - 8345591

-7 Nov 1991

011(825) 5

Telephone: (852) 574 7217 Telex: 83516 YBDCL HX Fax No.. (852) 834 5591

Young Brothers Development Co., Ltd.

Ic: Boston Booker

Ref : Waking 7.88

Date : Nov 7,199/

Fax No: 0021-305- 662-9276.

No of Pages: A
(This cover included)

From: Navey y LEE

Dear Benton.

Attached please find a copy of my itinerary to Florida. Would appreciate your assistance in making the hotel reservations. I do not need anything fancy. I will confirm with you, on a later date, whether my associate from California will be joining me in Florida.

After your meeting with Doug tomorrow morning, please fax to copies of the financial statements and current year's appearent reports. I prefer to update myself with as much anancial information of Wekiva while I am in HK.

In reference to the wire trfr of funds, Should we combine or separate the trfrs for the paid up capital of YBD-US, Inc. and the investment of Wekiva? Does YBD-US, Inc. have capital a/cs vs. operating a/cs? I do have your wire trfr instructions of Barnett Bank. Is it interest bearing? With your assistance, I will make every effort to ensure the funds are available as scheduled.

Warm regards,

Nancy Y. Lee

Ref: Wekiva7.BB

EXHIBIT

Date:

Reporter: David A. Kasdan, RPR



THR 14/NOV HKG - SFC	SQ002	2140 - 1725		
SUN 17/Nov SFO - MIAMI	UA378	1345 - 2209	(Y)	
THR 21/NOV MIAMI - SFO	AA1539	1415 - 1722	(C)	·
SUN 24/NOV SFO - HKG	SQ001	0030 - 0710	(đ <u>)</u> :	(25th)

COMMERCE CONSULTANTS INTERNATIONAL. LTD.

1025 Thomas Jefferson St., N.W. Suite 105 Washington, D.C. 20007

Telephone: (202) 342-9610 " FAX (202) 342-0650

FACSIMILE TRANSMISSION

TO:

Mr. Dan Denning

FAX NUMBER: 202-544-0296

National Policy Forum

Kallen (S

FROM: Steve Richards

FAX NUMBER: 852-866-2622 x2614

TOTAL PAGES -- I--

DATE: July 20, 1994

Dear Dan:

The document you prepared was presented and the discussion that followed concluded that the issue should be pursued. Additionally, an assurance was made that the issue can be resolved under appropriate circumstances to be determined by the parties.

There is however, a scheduling conflict on 27th. Is it possible to schedule a meeting in Washington either the first or fourth weeks of August, August 1-5 or August 22-26, respectively?

I will be returning to Washington at the end of this week and will be available to have a follow-up discussion at your convenience.

Best regards.

Steve Richards

EXHIBIT

Re.lec 13

Date: 6/3/1

Reporter: David A. Kasdan, RPR

7037527471

Frederick W. Volcansek

Thursday, July 28, 1994

Talking Points for Haley Barbour

- l. Fred Volcansek and your nephew, Steve, have been meeting with me. staff members of the RNC and the National Policy Forum (NPF) to discuss ways in which Ambrous Young and his family might be of help to our efforts during the upcoming mid-term election time period.
- 2. Although Fred and Steve have assured me that you have been apprised, in concept, of what is being proposed, because I understand that Ambrous is a long time friend and client of yours, I wanted to call you personally to discuss the importance of this project.
- 3. I am sure that you have been tracking the possibilities for the Republican Party in the upcoming mid-term elections in both the House and the Senate. They appear to be better than we ever anticipated. We truly have a chance to take at least a working majority in the House,
- 4. As you well know from your experience in this job as Chairman, the key is the fund raising. We need to support over 90 races. At the same time, we need to keep working on the policy framework being developed at the NPF. I believe that it is imperative that we do both simultaneously.
- 5. We would like to propose a loan from Ambrous Young's family to the NPF which will allow us to free up the money previously advanced to the NPF and make it available for the elections. Pledges are coming in steadily but not in the amounts or in the time necessary to accomplish the goals we have set and which would appear to be truly attainable.
- 6. Dick, I understand that Ambrous is considering my invitation to come to Washington, D.C. next week on August I for a meeting and dinner. I have planned to introduce him to Bob Dole and Newt Gingrich and maybe Connie Mack so that Ambrous can understand how serious we are about this and to assure him how much we will appreciate his support.
- 7. I would really appreciate your support of my effort in this regard and hope that you could join us for the meeting. I understand that you are anticipating going to the Far East on business, but I hope that I can prevail upon you to come here first and join me in putting this together.
- 8. Your leadership in this party has always meant a lot to me and your support of my election as Chairman has not been forgotten. I know you love it in Ogden, and you have said for years that you wanted to go back to Utah to retire, but I hope that you won't stay away from your role as a major player in our national efforts here at the RNC. Please consider coming to Washington, D.C. for this meeting and letting me bring you up to date on how close we are to realizing a major success in the Congress.

COMMERCE CONSULTANTS INTERNATIONAL, LTD. 1025 Thomas Jefferson St. N.W.

Suite 105 Washington, D.C. 20007

Telephone: (202) 342-9610 _ FAX (202) 342-0650

July 28, 1994

Mr. Ambrous T. Young Young Brothers Development Co., Ltd. 23rd Floor, Dah Sing Financial Centre 108 Gloucestter Road Wanchai, Hong Kong Via Fax 852-873-0902

Dear Ambrous:

Thank you for your time and hospitality on my recent stay in Hong Kong. I very much enjoyed the company of you and your family.

Following up on our conversation regarding the Republican National Committee and the National Policy Forum. I discussed the question of scheduling with the Chairman of the RNC. Mr. Haley Barbour, and a meeting followed by dinner for Monday, August 1, 1994 appears to be the best time given everyone's busy schedule.

Again. I want to tell you that this effort is being handled in a very select manner and the parties are all very sensitive to discussing this effort with you personally in the most appropriate circumstances.

Finally, I expect Dick to contact you shortly regarding this initiative. If I can be of any assistance, please do not hesitate to contract me.

Thank you again for you hospitality. I look forward to see you again.

Best personal regards.

Steve Richards

EXHIBIT

Date: ____

Reporter: David A. Kasdan, RPR

COMMERCE CONSULTANTS INTERNATIONAL, LTD. WASHINGTON, D.C.

Tele:

202-342-9610

Fax:

202-342-0650

MCI Mail:

C.C.I., Ltd.

FAX TRANSMISSION - CONFIDENTIAL

TO:

Benton Becker

DATE:

August 15, 1994

Law Offices of Benton Becker

FAX NO:

(305) 662-9276

FROM:

Steve R. Richards

TOTAL PAGES

3

RE: RNC ISSUE - BACKGROUND

Dear Benton:

Attached is a background on the RNC issue provide by Fred Volcansek. Fred is a long time friend of ours and he is the one that has brought the RNC issue to us.

This apparently is part of the document Dick gave to ATY. It has been updated as far as the dates are concerned.

If the RNC calls, before Dick can talk with you on the phone, of course we can defer the conversation until you have received more information.

Steve

EXHIBIT Reporter: David A. Kasdan, RPR

National Policy Forum Proposal for Ambrous Young

Monday, August 15, 1994

Upon the election as Republican National Committee Chairman. Haley Barbour believed that an independent center for the exchange of ideas was needed to serve as a foundation to reach out to the people of America, as a result of the loss of the '92 Presidential campaign. The National Policy Forum (NPF) was established by Chairman Barbour to accomplish this task.

Over this past year, the NPF has visited over 60 cities throughout the US, held public forums which were a ttended by over 10,000 people, listened to what was being said and what was necessary to get American public policy in line with American beliefs.

The NPF formed 14 different policy councils to gather the information and publish the enclosed Summary Report. Chairman Barbour, who also serves as Chairman of the NPF, believes we must continue these efforts to develop a positive alternative agenda for America that is responsive to the beliefs of a majority of America's citizens.

He appreciates your thought's regarding the issues which face the US. China and the Far East. He believes that a committee to study these issues would best fit within the framework of either the policy council on "Competing in the Global Marketplace" or the policy council on "U.S. Leadership in a Changing World".

Chairman Barbour recognizes and is grateful for the contributions you have made in the past. He feels that your family and its extensive experience in the Far East can contribute even more significantly to the NPF's development of a "Far East Policy".

In planning for the '94 mid-term election cycle in the Congress, it has been determined that there are 176 highly contested races. The RNC is faced with the need to support substantially over 90 of these races. The prospects for a Republican majority in the House of Representatives is realistic for the first time in over 40 years. It appears that there is also reasonable potential to retake the majority in the Senate.

What the NPF needs from you is a three year loan guarantee in the amount of \$3.5 million to either Chase Bank or Citibank. To handle the debt repayment, the NPF already has received pledges for 1995 in the amount of \$1.8 million. Chairman Barbour is committed to continuing his fund raising efforts on behalf of the NPF's work and fully intends for the NPF to repay the loan. However, if there is any default in loan payments by the NPF, he will authorize the guarantee of the RNC and ask for the Republican National Committee's ratification. As Chairman of the RNC and the NPF, he intends to be certain that neither organization defaults on its obligations.

In addition to the creation of a committee for the "Far East" within the NPF, you would be asked to suggest potential members for the committee, as well provide your own input on the policy issues. However it should be clearly understood that

financial contributions or financial assistance must not dictate final policy determinations.

The timing of this effort is crucial. The loan needs to be arranged and funded in the next two weeks. Chairman Barbour. Senator Dole and Congressman Gingrich, who are committed to the NPF, will make themselves available to express their support for your participation on this project.

Frederick W. Volcansek

Monday, August 29, 1994

To: Don Fierce
Dan Denning

EXHIE B	BIT poles	16		
Date:	6	3/97		_
Reporter:	David Å	. Kasda	n, RPR	-

- 1. I was told by Steve Richards last night that Ambrous was pleased by our dinner meeting and that he is looking forward to receiving the white paper or how all this works by fedEx tomorrow morning in San Francisco.
- 2. Haley did an excellent job. The idea of a separate personal letter to Ambreus from Haley is also excellent.
- a. It would incorporate Haley's offer to have Ambrous contribute an article to "Common Sense" for the March '95 issue.
- b. It would remind Ambrous that Haley would like for Ambrous to attend the Political Leaders Conference in Secul. Korea in September 195.
- c. It would suggest that Haley would like to look to Ambrous as a key advisor on trade related and political issues in the Far East.
- d. Mention the Team 100 trip to the Far East and offer to have him participate in a meaningful way. Maybe some specifics.
- e. Mention Haley's desire to meet Steve Young personally when he comes for the Team 100 meeting in September
- 3. A white paper would be drafted by Benton Becker which would lay out the papers for the issues which we discussed Saturday evening.
- 2. A task force on Far East issues which combines Trade, Defense, Economic and Policial issues under one study group within the National Policy Forum.
- 5. Asking Ambrous Young and his family to be actively involved. Some explanation.
 - 7. Asking Dick Richards to be actively involved. Some explanation.
- d. A discussion of the loan guarantee for the National Policy Forum, and the critical fiming of its funding.
 - e. Describing the political picture as it appears for the November electronic.
- 6 Emphasize the need to move poth policy and political issues on separate but simultaneous paths.

Frederick W. Volcansek

Monday, August 29, 1994

EXHIBIT

| Seker | 7
| Date: L/3/97
| Reporter: David A. Kasdan, RPR

To: Don Fierce Dan Denning

- 1. The idea of a separate personal letter to Ambrous from Haley is to include the following:
- a. It would incorporate Haley's offer to have Ambrous contribute an article to "Common Sense" for the March '95 issue.
- b. It would remind Ambrous that Haley would like for Ambrous to attend the Political Leaders Conference in Seoul, Korea in September '95.
- c. It would suggest that Haley would like to look to Ambrous as a key advisor on trade related and political issues in the Far East.
- d. Mention the Team 100 trip to the Far East and offer to have him participate in a meaningful way. Maybe some specifics.
- e. Mention Haley's desire to meet Steve Young personally when he comes for the Team 100 meeting in September.
- 2. A white paper would be drafted by Benton Becker which would lay out the concepts for the issues which we discussed Saturday evening.
- a. A task force on Far East issues which combines Trade, Defense, Economic and Political issues under one study group within the National Policy Forum.
- b. Asking Ambrous Young and his family to be actively involved. Some explanation.
 - c. Asking Dick Richards to be actively involved. Some explanation.
- d. A discussion of the loan guarantee for the National Policy Forum, and the critical timing of its funding.
 - e. Describing the political picture as it appears for the November elections.
- f. Emphasize the need to move both policy and political issues on separate but simultaneous paths.

Frederick W. Volcansek

Menday, August 29, 1994

Urgent

Date: <u>6/3/17</u>
Reporter: David A. Kasdan, RPR

To Don Fierre Dan Denning

I have herein enclosed a breakdown of what Haley has said he wants to do, as Dan Denning and I remember it from Saturday night.

I delivered a copy of the Don Wood letter to Haley's press secretary yesterday morning at ABC. Saturday night, I understood from Haley that he would do a draft of the white paper and then we would do our edits and additions, before I get it to Benton Becker.

I don't know when Haley thought he was doing his letter to Ambrous, but from my discussions both yesterday and today with Dick and Steve Richards, timbness is of utmost importance. Dick believes that Ambrous will do this, but the white paper is necessary to kick him over the finish line. I believe that the personal letter is the "frosting on the cake."

Because time is of essence and we are working with Benton in Fiorida and Anti-rous in San Francisco, I am available as soon as you call me to get this going.

A Republican Center for the Exchange of Ideas

August 30, 1994

HALEY BARBOUR
Charman

B
MICHAEL E BAROCOY
Provident

Mr. Ambrous T. Young President, Managing Director Young Brothers Development Co., Ltd. 23rd Floor, Dah Sing Financial Centre 108 Gloucester Road HONG KONG

Date: 6/3k7
Reporter: David A. Kasdan, RPR

Dear Ambrous:

Thank you for agreeing to write an article for the Winter 1995 adition of Commonsense, the National Policy Forum's (NPF) Republican Journal Of Thought And Opinion, on trade, economic, defense and diplomatic relationships in the Far East. This is a critical area of the world, and the dynamic situations in the People's Republic of China, the Republic of China and Hong Kong are of great interest to political and business leaders in the United States.

In the next few days you will be contacted directly by either the Vice President for Policy of NPF or by the editor of <u>Commonsense</u> to begin making arrangements for your article. I have asked them to make sure you have copies of all three issues of <u>Commonsense</u> which have been published to date.

The National Policy Forum is very interested in the Pacific Rim and the increasingly large role it plays in American economic life. Therefore, NPF is forming a task force from its trade, economic, defense and foreign affairs policy councils to focus on the Far East. Too little attention is paid to developments in that part of the world. For instance, your point at dinner about the differences between the policy of the current ROC government on Taiwan as to the PRC, versus the policy of the ROC under Chiang Kai-shek and Chiang Ching-kuo is little noticed and less understood here in our country. Yet it can have a tremendous effect on U.S. foreign, defense and trade policy.

In addition to asking current policy council members to ser on this task force, I hope others such as Dick Richards and Steve Young will also be interested in participating. The NPF staff will contact each of them.

Mr. Ambrous T. Young Page 2 August 30, 1994

Finally, I am enclosing a fact sheet about the National Policy Forum, its work and its financial situation. I hope it responds to all the questions you asked Saturday night. If not, please call me or have Dick or Steve contact me.

难

Thanks again for a delightful evening. I look forward to working with you and to having the benefit of your experience and counsel on some of these important issues.

Sincerely,

Enclosure

The National Policy Forum

As David Broder, the senior political correspondent for the <u>Washington Post</u>, states in the attached column, Chairman Haley Barbour recognizes Republicans must develop a positive alternative agenda of their own if the GOP is to win back the White House, control Congress and effectively govern into the 21st Century. It is not enough to oppose Bill Clinton and his Democrat allies, Republicans must also give Americans something to vote for — a Republican agenda and vision for the future.

The National Policy Forum (NPF), a Republican Center for the Exchange of Ideas, was established by Barbour last year with an extremely ambitious mission. It was to be an intensely participatory policy institution which would first seek and consider ideas of Americans "outside the Beltway" and then craft those ideas, consistent with Republican principles, into a public policy agenda which would have the input and support of all groups in the party and, indeed, of many others who are not "card-carrying Republicans"

NPF's success in its first year has confirmed Barbour's belief voters want to have a voice in public policy. Over 177,000 Americans participated in its work through June 30, and involvement by party leaders and elected officials has been truly remarkable. Ninety-eight Senators and Congressmen and virtually all GOP governors have co-chaired policy councils or hosted or spoken at one of NPFs 62 public forums. Every major conservative and pro-business think tank has representatives on its policy councils, and every potential presidential candidate is participating.

The Forum's initial report, the summary edition of <u>Listening to America</u>, has been widely distributed and exceptionally well-received. The full edition of this report will be published in September. Next spring the Forum will publish <u>An Agenda for America</u>, which promises to be the foundational document of Republicanism and the public policy touchstone for all 1996 GOP presidential candidates.

The National Policy Forum has a two-year (July 1, 1993 through June 30, 1995) budget in excess of \$6 million. Just over \$4 million will have been spent by the publication of the full edition of Listening to America in September. NPF has raised \$3.8 million, including pledges. (Most contributors pledge to give a certain amount a year for two or more years.) The RNC has advanced NPF approximately \$2.1 million which is nearly matched by the Forum's \$1.95 million in pledges and renewals for the balance of 1994 and 1995. The RNC has not required that these pledges be collateral for its loan to NPF, but NPF would pledge them toward repayment of the \$3.5 million loan under consideration. Only 53 companies, trade associations and individuals have contributed or pledged so far, with the average commitment in excess of \$70,000. Many other Fortune 500 companies and major entrepreneurs and businesses are yet to be contacted for support.

NPF would like to refinance its debt to the RNC via a \$3.5 million bank loan. The proceeds would be used to pay the existing debt to the RNC and to provide cash flow to

NPF beyond the beginning of 1995. In this way the Forum would not need to raise funds during this fall's political season when competition for contributions is especially keen, and most potential donors are focused on elections and not public policy.

As evidenced by the attached articles, political writers agree this is the best political environment for Republicans in decades. Many predict the GOP could not only win control of the U.S. Senate but has a realistic though outside chance of winning a majority in the U.S. House of Representatives for the first time in 40 years. Everyone predicts major Republican gains in November's mid-term elections, and if this occurs, Republicans are likely to have effective control if not outright majorities in one or even both Houses. Barbour has publicly said the party's greatest problem is that its opportunities far exceed its resources.

The RNC, recognizing its need to meet this historic opportunity, voted at its July meeting in Los Angeles to increase its budget by \$12 million (25%) and to put at least \$10 million of that into campaigns and campaign activities. Instead of funding up to 60 house races as originally planned, the RNC and its House affiliate the National Republican Congressional Committee now need to fully fund over 100 congressional races, which will require in excess of \$7 million. And this amount is over and above its contributions to Senate and governors races and to state party campaign efforts to support those races

In light of this effort by the Republican National Committee to greatly increase its fundraising and because every political institution is fighting for contributions, it is clear NPF is right to think it cannot effectively compete in fundraising anting this compaign

Enclosures

;° -

(· /

હ્યું કર્ય કર્યો કર્યો

723



Republican National Committee

Heley Berbour Chairman

August 30, 1994

Mr. Benton Becker Kendar Building Suite 215 1550 Madruga Avenue Coral Gables, Florida 33146

EXHIBIT

Belux 20

Date: 6/3/47

Reporter: David A. Kasdan, RPR

Dear Benton:

It is my understanding one of your clients — a domestic corporation — is considering guaranteeing a \$3.5 million bank loan to the National Policy Forum (NPF).

As you know the Republican National Committee has loaned NPF over \$2 million since last summer. Currently, NPF has just under \$2 million in pledges and renewals, primarily due later this year and in 1995, as compared to a balance outstanding to the RNC of approximately \$2.1 million. RNC has never asked NPF to secure its loan by giving the receivables as collateral, but I am certain NPF would gladly pledge them to the lender and/or guarantor.

Because NPF is separate from the Republican National Committee, the RNC is not automatically responsible for its debts. Nevertheless, I am committed to making sure NPF raises sufficient funds to cover its operations and to gay off any and all its debts. Moreover, as Chairman of the RNC, in the event NPF defaults on any debt, I will ask the Republican National Committee to authorize me to guarantee and pay off any NPF debts. I am confident the RNC would grant me such authority at its next meeting, provided there is valid, outstanding debt of NPF to a U.S. bank or other lending institution, guaranteed by a U.S. citizen or domestic corporation.

Mr. Benton Becker Page 2 August 30, 1994

The full Republican National Committee supports the work of the National Policy Forum and recognizes its great value to our country and our party's future.

Sincerely,

Haley Barbour

Chairman

YOUNG BROTHERS DEVELOPMENT CO., LTD.

23rd Floor, Dah Sing Financial Contre 108 Cloucester Road Hang Kong

Telephone Pasimile

#\$2.59R.6632 852-598 5109

Teles

852-598-0575 \$3516 YEDCL HX

FAX TRANSMISSION COVER SHEET

COMPANY SENSITIVE

TO:

Mr. Banton Becker and Mr. Dick Richards

YOUR FAX NO .:

1 305 662 9276 (Mr. Becker)

1 801 399 9954 (Mr. Richards)

DATE:

September 10, 1994

FROM:

Privoy svordark

CUR REF. NO.: PAX/6513/94

COVER SHIET + PAGES TO POLLOW = 3 pages to Mr. Becker 9 pages to Mr. Richards

Date:

Reporter: David A. Kasdan, RPR

TAIWAN

SINGAPORE

HONG KONG

AUSTRALIA

UNITED STATES

YOUNG BROTHERS DEVELOPMENT CO., LID.

. U .

23rd Floor. Dah Sing Financial Centre 108 Gloucester Rose 18eng Kong

BY_RAND

OUR REF: YBD/L/1944/94

September 9, 1994

The Honourable Haley Barbour Chairman Republican Hational Committee Dwight D. Eisenhower Republican Center 310 First Street Southeast Washington, D.C. 20003 U.S.A. COMPATTY

Dear Haley:

After I have heard so much about you, it was a great pleasure to know you. I appreciate for the valuable time you spent with me on August 27, and our conversation during the dinner was most enjoyable.

As a loyal Republican of the Youngs and on the issue of NPF's budget difficulties which we have discussed and elaborated under the White Paper of The National Policy Forum eart to me with your letter of August 30, 1994, I wish to give you the following comments:

- 1. As you may be awars that the Youngs have been one of the strong and constant financial supports of the Republican Party in the past, therefore, I wish to express that anything we can assist for winning the control of the Senate, the House and the White House will be a pleasure and honour for us. This is our stritude and sincerity in the past, at present as well as in the future.
- 2. In consideration of the possible consequence in addition to the financial liability, we prefer to support the Republican Party under the same manner which we have done in the past if NPF's existing requirement can be obtained from other channels.
- 3. If not possible, we are willing to consider the support of \$2.1 million which is the amount you have expressed to me that is urgently needed and directly related to the November Election.

/2.2

TAIWAN SINGAPORE

MONG KONG AUSTRALIA

UNITED STATES

YOUNG BROTHERS DEVELOPMENT CO, LTD.

p.2

I am asking my son, Steve Young, to deliver this letter to you with explanations on my behalf. If you decide that our services are needed, then I shall be more than pleased to instruct Mr. Benton Becker to proceed legally so that all parties can be well protected.

Best regards,

ATY/aw

c.c. Mr. Richard Richards, President, YBD (USA) Mr. Banton Backer, Legal Counsel & Treasurer, YBD (USA)



Republican National Committee

Haley Barbaur Chamban

August 30, 1994

Mr. Ambrous T. Young President, Managing Director Young Brothers Development Co., Ltd. 23rd Floor, Dah Sing Financial Centre 108 Gloucesser Road HONG KONG

PECEIVED YOURS SROTHERS DEVELOPMENT CO., LIT. 0 1 SE 1994

Dear Ambrous:

Thank you for a lovely dinner Saturday night in Washington, D.C. I am very pleased to have met Annie and to have had an opportunity to visit with you.

My office is contacting Steve to confirm he will attend the Team 100 meeting on September 13. I want to invite him to come by my office for a visit after the meeting; then he and I can go to Sepator Dole's dinner together from here.

As we discussed at dinner, I plan to attend an International Democrat Union (IDU) conference for party chairmen in Korea next year. It is tentatively scheduled for early September, 1995. I am reiterating my invitation for you to join me at the conference.

The IDU is the organization of center-right parties in the world. The party chairmen's conference will include some heads of party who are also heads of government, such as Prime Minister Carl Bildt of Sweden the current chairman of TDII. I think you would enjoy the conference, and the attendees would like meeting you.

Since the arrangements are so sketchy, I will stay in touch with your office directly or through Dick Richards as the schedule develops. As I mentioned at dinner, I hope to travel to Hong Kong in conjunction with this conference.

Mr. Ambrous T. Young Page 2 August 30, 1994

Finally, I am enclosing a fact sheet about the National Policy Forum, its work and its financial situation. I hope it responds to all the questions you saked Saturday night. If not, please call me or have Dick or Steve contact me.

Thanks again for a slightful evening. I look forward to working with you and to having the benefit of your experience and counsel on some of these important issues.

Sincerely,

Haley Barbour

Enciosure

A Republican Center for its Exchange of liters

August 30, 1994

HALEY BARDOUR MICHAEL E. BARDOOT PROFILER

řŌ

Ü

Ť

Mr. Ambrous T. Young President, Managing Director Young Brothers Development Co., Ltd. 23rd Floor, Dah Sing Financial Contro 108 Gloucester Road HONG KONG

Dear Ambrous:

Thank you for agreeing to write an article for the Winter 1995 edition of Commonsense, the National Policy Forum's (NPF) Republican Journal Of Thought And Opinion, on trade, economic, defense and diplomatic relationships in the Fair East. This is a critical area of the world, and the dynamic situations in the People's Republic of China, the Republic of China and Hong Kong are of great interest to political and business leaders in the United States.

In the next few days you will be contacted directly by either the Vice President for Policy of NPF or by the editor of Commonsense to begin making arrangements for your article. I have asked them to make sure you have copies of all three issues of Commonsense which have been published to date.

The National Policy Forum is very interested in the Pacific Rim and the increasingly large role it plays in American economic life. Therefore, NPF is forming a task force from its trade, economic, defense and fereign affairs policy councils to focus on the Far East. Too little attention is paid to developments in that part of the world. For instance, your point at dinner about the differences between the policy of the current ROC government on Taiwan as to the PRC, versus the policy of the HUC under Chiang Kai-shak and Chiang Ching-kuo is little noticed and less understood here in our country. Yet it can have a tremendous effect on U.S. foreign, desense and rade policy.

In addition to asking current policy council members to serve on this task force. I hope others such as Dick Richards and Stave Young will also be interested in participating. The NPF staff will contact each of them.

2291/2 PENNSYLVANIA AVENUE SCUTHEAST # WASHINSTON D. C. 20003 # 202/544-2990 # FAX: 202/544-0296 "on-mountere et the alabanes walfer, bomen and any time state a statutable communications for indeed, sistems ide bit move

Dine

Mr. Ambrous T. Young Page 2 August 30, 1994

By the way, a group of our Team 100 members—ar organization of our most generous donors, of which Steve is a member—will be in Asia this September. They will visit Taipel, Rong Kong and several cities in the PRC.

I have suggested to Henry Barbour, my nephew, who runs the program, to contact you for your suggestions and counsel. I am certain you will be hearing from Henry very soon.

Please know I appreciate your counsel and the support of you and your family. I look forward to seeing you again soon.

Sincerely,

Haley Barbour Chairman

HB/bmr

ional Policy Forum

The National Policy Forum

As David Broder, the senior political correspondent for the Washington Post, states in the attached column, Chairman Haley Barbour recognizes Republicans must develop a positive alternative agenda of their own if the GOP is to win back the White House, control Congress and effectively govern into the 21st Century. It is not enough to oppose Bill Clinton and his Democrat ailles, Republicans must also give Americans something to vote for -- a Republican agenda and vision for the future.

The National Policy Forum (NPF), a Republican Center for the Exchange of Ideas, was established by Barbour last year with an extremely ambitious mission. It was to be an intensety participatory policy institution which would first seek and consider ideas of Americans "outside the Beltway" and then craft those ideas, consistent with Republican principles, into a public policy agenda which would have the input and support of all groups in the party and, indeed, of many others who are not "card-carrying Republicans".

NPF's success in fit first year has confirmed Barbour's belief voters want to have a voice in public policy. Over 177,000 Americans participated in its work through June 30, and involvement by party leaders and elected officials has been truly remarkable. Ninety-eight Senators and Congressmen and virtually all GOP governors have co-chained policy councils or hosted or spoken at one of Nee's 67, public forums. Every major conservative and pro-business think tank has representatives on its policy councils, and every potential presidential candidate is patticipating.

The Forum's initial report, the summary edition of Listening to America, has been widely distributed and exceptionally well-received. The full edition of this report will be published in September. Next spring the Forum will publish An Agenda for America, which promises to be the foundational document of Republicanism and the public policy touchstone for all 1996 GOP presidential candidates.

The National Policy Forum has a two-year (July 1, 1993 through June 30, 1993) budget in excess of \$6 million. Just over \$4 million will have been spent by the publication of the full edition of Listeninu to America in Sentember. NPF has raised \$3.8 million, including pledges. (Most contributors pledge to give a certain amount a year for two or more years.) The RNC has advanced NPF approximately \$2.1 million which is nearly matched by the Forum's \$1.95 million in pledges and renewals for the balance of 1994 and 1995. The RNC has not required that these pledges be collateral for its loan to NPF, but NPF would pledge them toward repayment of the \$3.5 million loan under consideration. Only \$3 companies, trade associations and individuals have contributed or piedged so far, with the average commitment in excess of \$70,000. Many other Fortune 500 companies and major entrepreneurs and businesses are yet to be contacted for support.

NPF would like to refinance its debt to the RNC via a \$3.5 million bank loan. The proceeds would be used to pay the existing debt to the RNC and to provide cash flow to

NPF beyond the beginning of 1995. In this way the Forum would not need to raise funds during this full's political season wasn competition for contributions is especially keen, and most potential donors are focused on elections and not public policy.

As evidenced by the attached articles, political writers agree this is the best political environment for Republicans in decades. Many predict the GOP could not only win control of the U.S. Senate but has a realistic though outside chance of winning a majority in the U.S. House of Representatives for the first time in 40 years. Everyone predicts major Republican gains in November's mid-term elections, and if this occurs, Republicans are likely to have effective control if not quaright majorities in one or even both Houses. Barbour has publicly said the parry's greatest problem is that its apperminities far exceed its resources.

The RNC, recognizing its need to meet this historic opportunity, voted at its July meeting in Los Angeles to increase its budget by \$12 million (25%) and to put at least \$10 million of that into campaigns and campaign activities. Instead of funding up to 60 house mose as originally planned, the RNC and its House affiliate the National Republican Congressional Committee now need to fully fund over 100 congressional races, which will require in excess of \$7 million. And this amount is over and above its contributions to Senate and governors races and to state party campaign efforts to support those races.

In light of this effort by the Republican National Committee to greatly increase its fundraising and because every political institution is fighting for contributions, it is clear NPF is right to think it cannot effectively compete in fundraising during this campaign.

Enclosures

NATIONAL POLPCY FORU

A Republican Center for The Exchange of Ideas

342-9610

September 19, 1994

342-0650

Mr. Ambrous T. Young President, Managing Director Young Brothers Development Co., Ltd. 23rd Floor, Dah Sing Financial Centre 108 Gloucester Road HONG KONG

To Devid Rescree	De 23	A Rep
Co.	1 of 22.	Natik Com
Deat.		ache a
JUA 785-558	Phone 9	Pax #

Dear Ambrous:

T T

î L

1 H 1 H 1 H

پنتا تم محمد را Steve and I had a delightful visit last week, and I am very pleased he was able to attend the Team 100 meeting. I hope he enjoyed it.

Needless to say, I am very grateful for the news he delivered. It is extremely generous and tremendously helpful to our efforts.

He and my nephew Henry visited several times, and I am sure by the time you receive this letter the Team 100 group will have visited Hong Kong. I hope the schedules worked out so that they were able to meet you and your family.

Steve advised me you had already given some thought to the article you will be writing for <u>Commonsense</u>. They are working on the issue for the last quarter of '94, and I'm sure it will not be too many weeks before they contact you about your article in the issue after that.

By the way I had a great meeting with Dick Richards and Fred Volcansek, as well as Steve. Dick is a champ and a real ally. I know he is a trusted associate of yours, but I want you to know he is also a highly respected party leader whose counsel I benefit from very often.

It is my understanding that our attorneys will be meeting with Benton Becker later this week. I got the impression from Stave and Dick that this was the next step to consummate the loan.

Finally, I was heartened by Steve's telling me that at the end of the year consideration would be given to doing even more. The Young family and your company are exceptionally generous, and I am genuinely grateful for the confidence you are showing in me. There is no better or more effective way to help in what we are doing than this.

12

Mr. Ambrous T. Young September 19, 1994 Page 2

Know that I look forward to seeing you again soon. Having met Steve, of whom I know you must be very proud, I look forward to our spending more time together and, particularly, hope your schedule will allow you to participate in the International Democrat Union Conference next year in Seoul. I would like for the party leaders from around the world to meet you and to benefit from your counsel.

Sincerely

bcc: Dick Richards Fred Volcansak Don Flarce

7.

ij

Count day to the total to

Dan Denning

캗

CORAL GABLES. FLORIDA

OF COUNSEL RICHARD M HABER TAMPA, FLORIDA The Kendar Building 1990 Madruga Avenue Suite 329 Coral Gables, Florida 33146 13031 662-4099

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX: 13051 662-9276

WASHINGTON, D.C., RICHARD RICHARDS 1025 THOMAS JEFFERSON ST., N W SUITE 105 WASHINGTON, D.C. 20007 12021 342-9810

MEMORANDUM TO:

Ambrous Young

CONFIDENTIAL

FROM:

Benton L. Becker

DATE:

September 23, 1994

RF:

RNC Matter

As per our telephone conversation the evening (EST) of Thursday, September 22. 1994. I submit this memo as an outline of what I consider to be the appropriate procedure to be employed in the matter of YBD (USA) Inc.'s possible guarantee of a \$2.1 million loan made by the National Policy Forum (NPF) from the Signer Bank in Washington. D.C.

These procedures outlined in this memo are calculated to accomplish the following goals:

- 1. To insure that no arguable violation of US law could result to YBD or its principals, and
- 2. To secure and reduce the risk of loss to YBD's investment (collateral) during the time period that the loan is in being, and
- 3. To reduce the length of time (expected at the outside to be six to eight months) YBD will be required to continue to post its collateral as a loan guarantor.

Subject to your final approval and your receipt of a letter of acceptance from an appropriate official, these procedures reflected below would be implemented.

YBD (USA) Inc. would receive a letter from the Chairman of the NPF, Mr. Haley Barbour, containing the following provisions:

- 1. That the NPF is currently obligated to pay back a loan in the amount of \$2.5 million to the RNC, and
- 2. That the NPF's obligation to the RNC is in arrears, and

EXHIBIT

| Color | Della |
| Date: | | | | | | | | |
| Reporter: David A. Kasdan, RPR

0050

THE STATE OF THE S

- 3. That the NPF intents to borrow \$2.1 million from a Washington, D.C. bank, Signet, and to transfer all of the loan proceeds received to the RNC in partial satisfaction of its (NPF's) debt to the RNC, and
- 4. That in order to secure a bank loan, it will be necessary for the NPF to obtain a guarantor for its proposed \$2.1 million loan from a D.C. bank and YBD (USA) Inc. has agreed, subject to the terms contained herein, to so serve, and
- 5. That NPF currently has \$1.5 million in pledges from contributors, which pledges have been identified as to contributor name, amount of pledge and date pledge is to be paid on a confidential exhibit attached to the NPF letter to YBD (USA) Inc., and
- 6. That as a material term in the loan transaction between the NPF and the Signet Bank, the NPF will irrevocably dedicate and assign all of its current \$1.5 million in pledges to the Signet Bank for repayment and curtailment of the NPF loan, and
- 7. That the first \$600,000.00 in "new" pledges received by the NPF, following the establishment of the NPF loan with the Signet Bank, will also be irrevocably dedicated and assigned to the Signet Bank for loan payment and curtailment, and
- 8. That the NPF has represented to YBD (USA) Inc. that in the past years the NPF has always received 100% of all pledges made to it and that the NPF fully expects to receive, and assign to the Signet Bank, all of its current and prospective pledges as described herein, and
- 9. That prior to the loan transaction, the General Counsel for the NPF will provide a written opinion letter to the General Counsel of YBD (USA) Inc. concluding that YBD (USA)'s service as a loan guarantor for the NPF, as described herein, constitutes no violation of US law, and
- 10. That the NPF/Signet Bank loan documents will contain acceptable language providing that at any time in the future, the two parties to the loan (NPF and Signet) may mutually agree to replace YBD (USA) Inc.'s loan guarantorship and its collateral with a new mutually agreeable substitute guarantor and substitute collateral.

In my view, the above ten procedural steps, plus my other comments contained herein, provide us with the top security for this loan guarantee.

For your review, I have enclosed a two page announcement published by the Federal Election Commission (FEC) on August 3, 1994. The FEC is the federal agency charged with the responsibility of monitoring and regulating the federal election laws. This publication deals directly with the law's prohibition against foreign nationals being involved in federal elections.

With this in mind, as you have instructed, all considerations have been made to assure that no claim and no violation of law could result from YBD (USA) serving as a loan guarantor. Accordingly, the procedure which sould be undertaken between YBD (HK) and YBD (USA) should not be an assignment of an asset, but rather should be a pure loan of \$2.1 million cash to YBD (USA) from YBD (HK), very similar to past loans and loan repayments between the two companies. When received by YBD (USA), YBD (USA) will purchase a \$2.1 million certificate of deposit from the Signet Bank and thereafter use the Signet Bank issued CD to guarantee the Signet Bank loan to the NPF.

I shall await your response before proceeding further on this matter.



FEDERAL ELECTION COMMISSION WASHINGTON, D.C. 20463

OFFICE OF THE CHAIRMAN

PREPARED REMARKS OF FEC CHAIRMAN TREVOR POTTER

News Conference, August 3, 1994, Washington, D.C.

The Commission is today announcing the result of an investigation into illegal foreign contributions in U.S. elections. Twenty-six illegal contributors have been fined a total of \$162,225. Each of these cases involved an illegal campaign contribution to a U.S. candidate by a foreign national or foreign-owned or registered corporation. All existing recipients of these illegal contributions are receiving adminishment letters from the Federal Election Commission, and are being told to refund or disgorge thase illegal funds.

For many years it has been illegal for any foreign national, whether an individual, corporation or government, to make a contribution of money or any other thing of value to any U.S. candidate. This is one of the few prohibitions in the federal election laws that applies to candidates at every level of government in this country — state and local as well as federal.

The actions we are announcing today are the result of an intensive investigation by the Commission's Office of General Counsel. This investigation was given high priority by the Commission when we established the enforcement prioritization system last year (December, 1993).

Under our enforcement priority system, each case at the Commission is rated, then assigned to an enforcement track. Cases with high ratings — because of the large amount of money involved, the seriousness of the violation, or because they fit into an area of particular interest to the Commission — are put on a fast track, and as soon as possible are given the staff resources and attention necessary to speedily investigate the matter.

One area of particular concern for the Commission has been illegal foreign contributions. In 1991, at Commissioner (John) McGarry's urging, the Commission considered issuing more restrictive rules on foreign contributions. After reviewing the issue, the Commission decided to keep its existing rules but to make them an enforcement priority.

_1

2/Potter remarks

We believe it is especially important that candidates, foreign nationals, and the U.S. public all understand that foreign political contributions are expressly prohibited by law, for all elective offices in all 50 states. Only United States citizens or persons admitted to permanent residency in the U.S. (green card holders) may contribute to U.S. candidates or political committees.

There are special rules for U.S. subsidiaries of foreign corporations, so that no foreign money is used to run any political action committees (PACs) they establish, and no foreign nationals are involved in any way in contributions by such PACs.

The matter we are releasing today involves Hawaiian candidates. We conducted a large-scale investigation, looking at both contributors and recipients, to determine the scale of the problem. In addition to the 26 businesses or individuals who are paying \$162,225 in fines to the U.S. Treasury, we have sent admonishment letters to 23 other contributors; 106 recipient candidates or party committees are also receiving admonishment letters from the Commission as a result of this investigation. These letters request the recipients to disgorge these illegal funds. The appropriate State offices, in Hawaii have been notified of these facts.

The illegal foreign contributions in this particular case were primarily from domestic subsidiaries of Japanese business firms, no doubt because of the large financial investment by Japanese interests in Hawaii during the 1980s. However, the Commission's interest in this issue is not limited to Hawaii, and is not focused on any one nationality or ethnic group. This case is important for any state with large levels of foreign residents or business activity. One reason we are highlighting the conclusion of this particular investigation is that we believe the prohibition on foreign contributions is not as widely known and understood as it should be through the United States, and especially in the foreign business community.

As part of the Commission's continuing emphasis on this area of law, we are currently investigating other cases involving allegations of illegal foreign contributions in states other than Hawaii. We cannot discuss the specifics of those cases today, because by law they must be kept confidential until the investigations are concluded. However, we will inform the public when those cases are completed.

. .

23rd Floor, Dah Sing Financial Centre 108 Gloucester Road Hong Kong

Telephone Facsimile

852-598-6632 852-598-5109

Telex

852-598-0575 83516 YBDCL HX

OUR REF: FAX/6555/94

September 26, 1994

Mr. Benton Backer
The Kendar Building
1550 Madruga Avenue
Suite 215
Coral Gables, FL 33146
U.S.A.
FAX: 1 305 662 9276

Dear Benton:

COMPANY SENSITIVE

EXHIBIT

Date:

Reporter: David A. Kasdan, RPR

RNC MATTER

Reference is made to your letter of September 23, 1994 and I confirm our concurrence to the explanation and recommendations you have given and made in your letter. Please proceed with the necessary procedure and in turn let us know what we have to act at our end.

For YBD (USA), I would like you to formally structure the board of directors with account signatories to be changed from the existing arrangement to the signatories both from Hong Kong and USA, and furthermore, let me know whether I could be the chairman and CEO of the company including the signatory rights, or it has to be a U.S. citizen. This is not because of the US\$2.1 million guaranteed loan, but is aimed at developing future business for YBD (USA).

Best regards,

Ambrous Young

ATY/aw

c.c. Mr. Richard Richards (with attach.)

Mr. Steve Richards Mr. Lorin Young Mr. Steve Young

0055

TAUVAN

SINGAPORE

HONG KONG

AUSTRALIA

UNITED STATES

Bentom 1. Becker

CORAL GRBLES. FLORIDA

OF FORMACL RICHARD M. HARCR MAN PLONIES

THE KENDAR BUT TING CORAL GABLES, FLORIDA DEIAG (306) 69E-40AA

ban member of the profession o

TOLETAN 13051 GRZ 9276

WASHINGTON, D.C. RICHARD RICHARDS KES THOMAS JAP FERSON ST. IV. \$U:TT 108 WAS 'MULION, D.C. ECOC7 1202- 342,0410

CONFIDENTIAL

MEMO TO:

Ambrose Young (copy to Richard Richards) Benton L. Becker, YBD (USA), Inc. October 7,1 994

FROM:

DATE:

RE:

(ħ

Transmittal of National Policy Forum Letters

and records received by YBD (USA), Inc.

For your review I have transmitted the Attached recently received letters and records from the National Policy Forum, which, in my view, are consistent with our imposed pre-commitment conditions.

Subject to your approval, this matter is scheduled to be concluded in D.C. on October 12, 1994. I shall telephone you tonight to discuss.

The Hally to you letter will be sent directly to you this week-end.

Reporter: David A. Kasdan, RPR

0056

DCT 07'94

16:32 No.009 P.

NATIONAL POLICY FORU

A Republican Confor for the Exchange of Ideas

HALEY BARBOUR Chairman October 7, 1994

VIA TELECOPIER AND FEDEX

- CONFIDENTIAL

Mr. Ambrous Young, Chairman of the Board Young Brothers Development (USA), Inc. c/o The Law Offices of Benton L. Becker The Kendar Building 1550 Madruga Avenue Coral Gables, FL 33146

Benton L. Becker, Esq., General Counsel/Secretary Young Brothers Development (USA), Inc. c/o The Law Offices of Benton L. Becker The Kendar Building 1550 Madruga Avenue Coral Gables, FL 33146

Re: Request to Serve as Collateral Source for Borrowings

Dear Messrs. Young and Becker:

National Folicy Forum, a pistrict of Columbia nonprofit corporation ("NPF"), hereby requests the commitment of Young Brothers Development (USA), Inc., a Florida corporation ("YBD"), to hypothecate \$2,100,000 of its cash or cash equivalent assets to Signat Bank for the purpose of securing NPF's proposed borrowing of \$2,100,000 from Signat Bank pursuant to a three year term loan (the "Loan"). If YBD agrees to make such hypothecation on the terms and conditions set forth below, please sign over your names at the end of this letter and return one fully executed original to the undersigned.

Since its inception NPF has borrowed money from outside sources to finance working capital needs in the principal sum of approximately \$2,500,000 (the "Indebtedness"), some of which Indebtedness is in arrears. In addition, NPF expects that during the last calendar quarter of 1994 it will incur operational expenses in excess of revenues in the approximate amount of \$350,000 (the "Anticipated Losses"). NPF has explored several options with respect to refinancing the Indebtedness and financing the Anticipated Losses, including, among other things, borrowing money from a commercial lender. NPF has explored, however, that it would be required to pledge, as oblateral security for such a loan, assets having a value at least

 يجاوا

13

0

13

Į î

...

Mr. Ambrous Young, Chairman of the Board October 7, 1994 Page 2

equivalent to the loan amount. NPF is not in a position to meet such collateral security requirements.

In order to induce YBD to provide the collateral security necessary to support the Loan, NPF hereby represents, warrants and covenants to YBD as follows:

- 1. As of the date of this letter, NPF has received, but has not yet collected, pledge commitments from third parties totalling approximately \$1,100,000 (the "Current Pledges"). The Current Pledges are anticipated to be collected through December 1995 as set forth on the "Pledged Revenue" line of the projections (as of October 5, 1994) that were previously provided to you.
- 2. NPF projects that it will receive approximately \$250,000 of additional pledge revenues (the "Prospecting Revenues") each month commencing in December 1994 and continuing through December 1995. NPF cannot assure that such levels will be achieved, but it will make best efforts to achieve such results. In this regard, NPF has experienced the fund raising results described on Exhibit A to this letter. Furthermore, NPF's collection rate on pledges deemed by NPF to be firm commitments has been 100%.
- 3. NPF agrees that, on a monthly basis, it shall apply all Current Pledges and Prospecting Revenues collected during such monthly period, net of operating expenses (including allocating reserves for regular Loan payments and the making of such payments), to the repayment of the then outstanding principal amount of the Loan. NPF further agrees to make best efforts to repay the Loan in full within eight months of the closing thereof.

In addition to the foregoing, NPF understands and agrees that it shall be a condition precedent to YBD providing the collateral for the Loan that all documentation with respect to the Loan that is germane to YBD's involvement therein shall be acceptable to YBD in its reasonable discretion. Such documentation shall permit NPF to substitute collateral and shall permit the partial release of YBD's collateral as and to the extent that the principal balance of the Loan is reduced.

If YBD is in agreement with the terms of this letter, please so indicate as described above. NFF appreciates the support of

9

10 mg.

 16:33 Na.009 P.

Mr. Ambrous Young, Chairman of the Board October 7, 1994 Page 3

YBD, and looks forward to another year of progress on the policy matters in which we are involved.

Sincerely yours,

Daniel B. Denning Chief Operating Officer

AGREED TO AND ACCEPTED BY:

Young Brothers Development (USA), Inc.

By:
Ambrous Young
Chairman of the Board

NATIONAL POLICY FORUM ID:

NPF FUND RAISING RESULTS AS OF SEPTEMBER 30. 1993

fu



FUNDRAISING MEETINGS

MONTH	# OF MEETINGS	#OF PLEDGES	AMOUNT PLEDGED
ЛЛ	2	2	\$70,000.00
AUGUST	4	· 3	\$345,000.00
SEPTEMBER	14	10	\$625,000.00
OCTOBER	7	3	\$180,000.00
NOVEMBER	. 5	2	\$115,000.00
DECEMBER	3	3	\$265,000.00
JANUARY	0	0	\$0
FEBRUARY	11	5	\$290,000.00
MARCH	16	8	\$462,500.00
APRIL	13	7	\$310,000.00
MAY	6	. 2	\$55,000.00
JUNE	12	5	\$350,000.00
JULY	3	2	\$150,000.00
AUGUST	5	2 .	\$200,000.00
SEPTEMBER	. 0	0	\$0
TOTAL	101	54	\$3,767,500.00

[•] OF THESE MERTINGS, 7 WERE WITH OUR FINANCE CHAIRMAN, W.L. LYONS BROWN, JR.

17:26

NATIONAL POLICY FORUM

m đđ u Š

Ĩij

Ţ

ħ Ħ

4

3 بالد الدوا

RUN DATE: 10/04/94 RUN TIME: 3:17 PM National Policy Forum

Balance Sheet AS OF 09/30/94

	Assets				
	4 .				
Current Assets Petty Cash Signet Payroll Checking Commonsense Savings Signet Savings	267.34 731.23 394.63 119.22				
Prepaid Expenses	10,097.92				

Travel Advances 570.00

Total Current Assets 12,174.34

Deposits
Rental Deposits
Utility Deposits 3,600.00 2,185.00

Total Deposits 5,785.00

Furniture & Equipment
Furniture & Equipment
Leaseholds 57,152.06 116,182.75 13,516.17-Accumulated Depreciation

Net Furniture & Equipment

159,816.64

Total Assets

177,775.9B

Liabilities/Fund Balance

2,145,000.00 49,837.44 Notes Payable Leasehold Liability Total Liabilities 2,194,837.44

163,878.86-1,853,182.60-Fund Balance Current Earnings

Total Liab & Fund Balance

177,775.98

The state of the s

1044/84 6:07 PM

			_									05 L	. 94	- •	17	:2	8 N			4 P	•
SE. 0410	(A11,173)	Second (8	N. Property	8		2 8	states P	811,173		#13	Z.	15		8		011,116		25	adonal	
ال اط	911,1/3 (\$123,846)	1	110,138	1"[9138	*	910,000	94000	1133,984		35,410		\$1,564		1100,517		124.45E		E	Policy Forum	
Sending	(975,452)		110,102		\$102		110,000		485,565		\$6,033	ľ	11,253	1	105.659		112,510		August		-
S	(108,6014) (108,6014) (189,475		\$10,082		7		910,000		888,9118		131.186		11,575		\$70,719		eor'eit		S		
3	527'6816	•	1290,239		1299		\$290,000		\$100,824		\$11,145	İ	14,176	-	169,993		\$15,510		3	-	
	8C8,818		\$162,625		1125		1162,500		\$143,787		929,432		85,356		190,240		918.758		F		
7	(\$56,650)		\$127,599		199		\$127,500		\$183,250		431,297		290,84		\$113,539		02.22A	1	7		
	(\$195,765)		\$35,104		\$104		\$35,000		1230,870		135,289		+00.Bt		\$162,645		\$24,932	3	Ř		
	(6103,121) (3374,		\$175,102		\$102		\$175,000		6278.223		124,578		3000,016	-	122,206		131,719	America			
	14374,302)		975,197		6197		\$75,000		\$449,499		4142,636	7.	#1,977		\$227,219		83),604				
	(9272,803)		9190,449		21,449		\$185,000		1459,252		\$155,244		\$25,408		9231,360		47,217	3			
	(1490,192)		966,156		61.156	į	45,000		1550.348		\$194,210		\$90,756		6229,649		227.174	1			
	(8315,239)		\$126,482		31,402		1125,000		\$441,721	1	\$108,575		147,537		8243,177	П	44,331				
	(\$29,446)		\$325,606	-	#606		\$325,000	-	\$365,062		107,874		164,202		9175,921	П	\$27,065	1			
	(\$53,062)	+	\$302,304	-	12.30¢		\$300,000		\$355,366	1	\$61,852	-	\$108,896		\$117.572	H	167,046	. August			
	(\$17		\$121		•		8120	1	\$139	1	=		2		2116		613		; !		_

0064

915058829278:# 2

Û

(7





Counsellors at Law

WARHENGTON SQUARE. SUITZ 1200 . 1080 CONNECTICUT AVENUE, N.W. . WARHENGTON, D.C. 20038-8304 . (202) 861-1200 FAX (202) 851-1785 • Triex 2887278 Watters Direct Dial Number (202) 861-1504

October 6, 1994

VIA FACSIMILE AND FIRST CLASS MAIL

Benton L. Becker Secretary/Treasurer/General Counsel Young Brothers Development (USA), Inc. The Kendar Building 1550 Madruga Avenue Suite 329 Coral Gables, Plorida 33146

> Rei Loan Guarantee

Dear Mr. Backer:

The National Policy Forum ("NPF") is seeking a loan of \$2.1 million from the Signet Bank of Washington, D.C. ("Bank"). NPF is seeking the loan to partially repay certain outstanding loan obligations, current debts and to temporarily finance the operations of NPF pending the receipt of existing pledges and other donations to the organization. Young Brothers Development (UBA), Inc. ("YBD (USA), Inc."), a for profit Florida corporation, has stated to NPF that it is willing to provide collateral security to the Bank in sufficient size and form so that the Bank will agree to loan \$2.1 million to NPF pursuant to the Bank's normal and usual commercial practices and terms.

You have requested our review of whether this transaction conflicts with certain United States laws. Your concern arises out of the fact that the existing and currently due loan obligations of NPF are to an organization which has an affiliated political committee as defined by the Federal Election Campaign Act of 1971, as amended (the "Act").

PACTS

The National Policy Forum is organized as a corporation pursuant to provisions of the District of Columbia Non-Profit Corporation Act. The articles of incorporation restrict its operation exclusively for social welfare purposes within the

[L

11:4 :10- 7-84 : 5:08PH i

BAI

918055528275;#

Benton Backer Secretary/Treasurer/General Counsel October 7, 1994

10/ U1 - 24

Page 2

meaning of Section 501(C)(4) of the Internal Revenue Code. MPF describes itself as a broad base inclusive organization designed to "go out to the grassroots" to listen to Americans about issues on their minds and develop a search for ideas that work. For purposes of this letter, we have been assured (and assume it to be true) that NPF makes no contributions or expenditures in connection with or to influence any election and assured that NPF is opened to all Americans who have ideas to offer for meeting the challenges Americans face today in their individual lives, their families, their communities and their work.

The NPF will use a portion of the Bank's loan proceeds to repay its presently outstanding loan obligations. We have been assured (and assume it to be true) that the partial repayment by NPF of such outstanding loan obligations will not be made to a political committee as defined by the Act.2

Based upon the facts and circumstances stated in this letter: (1) YBD (USA's), Inc. participation in this loan transaction as a third party provider of collateral does not conflict with any provision of any federal election or campaign financing regulation; (2) the transaction does not conflict with any provision of NPF's bylaws or articles of incorporation; and (3) we are not aware of any federal or state statute which would prohibit YBD (USA), Inc. from pladging its collateral to the Bank as security for the repayment of the proposed loan by NPF.

Sincerely,

E. Mark Braden

EMB/bas

Mr. Dan Denning

fá

Ţ,

ħί

14

ſIJ

NATIONAL POLICY FORU

A Republican Course for the Exchange of Ideas

October 10, 1994

MALEY SARBOUR

Co. From Theley
FEE 7305 662-9276

Mr. Ambrous T. Young
President, Managing Director
Young Brothers Development Co., Ltd.
23rd Floor, Dah Sing Financial Centre
108 Gloucester Road
HONG KONG

Dear Ambrous:

It pleased me very much to learn from our attorneys that the details of the Young Brothers Development (USA), Inc. loan guarantee for the National Policy Forum seems to have been worked out. None of this would have been possible except for your generosity and support for our afforts.

Henry and John Moran advised me they had a delightful visit with Stave while they were in Hong Kong. I hope the IDU conference in Seoul next September will allow me the opportunity to visit Hong Kong, as I know it is one of the most dynamic and heautiful places in the world. Of course, I hope you will be able to attend the Seoul IDU conference.

Thank you again for the crucial assistance NPF is receiving from Young Brothers Development (USA), Inc. and for the very special regard you have for our cause. It is very meaningful to me to have support of this magnitude at such a critical time.

Sincerely.

Hely

0067

EXHIBIT

Date: <u>6/</u>

Reporter: David A. Kasdan, RPR

OF COUNSEL RICHARD M. HABER TAMPA, FLORIDA

CORAL GABLES, FLORIDA

THE KENDAR BUILDING 1550 MADRUGA AVENUE **SUITE 329** CORAL GABLES, FLORIDA 33146 (305) 662-4099

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX: 13051 662-9276

WASHINGTON, D.C. RICHARD RICHARDS 1025 THOMAS JEFFERSON ST., N.W. SLUTE 105 WASHINGTON, D.C. 20007 12021 342-9610

VIA FACSIMILE

MEMORANDUM

Steve Young

CC:

Richard Richards

FROM:

TO:

Benton L. Becker;

DATE:

October 14, 1994

RE:

Bank Loan Records

As per our telephone conversation of 10/13/94, I enclose copies of the following loan records of Signet Bank and National Policy Forum (NPF).

- 1. A copy of an October 13, 1994 Counsel Opinion by the undersigned, submitted to Signet Bank.
- A copy of an authorizing Corporate Resolution of YBD (USA), submitted to 2. Signet Bank.
- A copy of a certificate from the Office of the State of Florida Secretary of State 3. attesting to YBD (USA)'s good standing.
- A DRAFT copy of the National Policy Forum Promissory Note in the amount of 4. \$2.100.000.00 payable to Signet Bank.

I have received copies of eleven (11) certificate of deposits issued to YBD (USA) by Signet Bank totally \$2,100,000.00 that will be forwarded to you via FedEx under separate cover along with a clean copy of all documents listed in items 1-4 above, as well as executed copies of the NPF/Signet Bank Credit and Security Agreement (loan contract) and a copy of YBD (USA)'s formal assignment of its certificate of deposits to Signet Bank as collateral for the NPF/Signet Bank loan. The original CDs are retained by Signer Bank.

Reporter: David A. Kasdan, RPR

0068

Ľľ. स हैं स है ŗ, Ü 3 ١Ū Ţ 1

U

ž

ដូ

() M

5

rin Cil

3

Ö

OF COUNSEL RICHARD M. HABER TAMPA, FLORIDA

CORAL GABLES. FLORIDA THE KENDAR BUILDING 1990 MADRIGA AVENUE

SUITE 329 CORAL GABLES, FLORIDA 33145 13051 662-4099

BAR MEMBER OF WASHINGTON O.C., MARYLAND AND FLORIDA

TELEPAK: (305) 662-9275

WASHINGTON, D.C. RICHARD RICHARDS 1023 THOMAS JEFFERSON ST. N SUITE 105

WASHINGTON, D.C. 20007 (202) 342-9810

October 13, 1994

Signet Bank/Virginia 1130 Connecticut Avenue, N.W. Washington, D.C. 20036

Re: \$2,100,000 Term Loan to National Policy Forum (the *Borrower*)

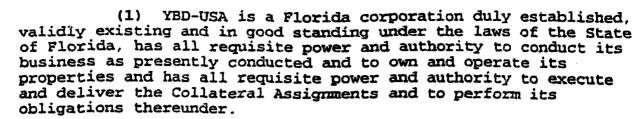
Ladies and Gentlemen:

We have acted as counsel to Young Brothers Development (USA), Inc., a Florida corporation ("YBD-USA"), in connection with the transactions contemplated by the Loan and Security Agreement between the Borrower and Signet Bank/Virginia (the "Bank"), dated as of October 13, 1994 (the "Agreement"). This opinion is delivered pursuant to Section 2.2(a)(i) of the Agreement.

Capitalized terms used herein without definition have the meanings assigned them in the Agreement unless otherwise indicated.

In rendering the opinion set forth herein, we have examined, among other things, the Agreement, the Note and the Collateral Assignments. As to any facts material to such opinion, we have relied upon originals or photostatic or certified copies of such certificates of public officials, certificates of officers of the Borrower, and other documents as we have deemed relevant as a basis for such opinion, and we have made such other investigation or inquiry as we deem necessary in order to render such opinion. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity with the originals of all documents submitted to us as copies and the authenticity of the originals of such latter documents.

Based upon the foregoing, and subject to the limitations set forth below, we are of the opinion that:



- (2) The execution, delivery and performance by YBD-USA of the Collateral Assignments have been duly authorized by all necessary corporate action and do not and will not (a) violate the organizational documents of YBD-USA; (b) violate any provisions of any law, rule or regulation of the United States or the State of Florida; (c) result in a breach of or constitute a default under any agreement, lease or instrument to which YBD-USA is a party; or (d) require any filing with, notice to or approval by any governmental entity.
- (3) YBD-USA is not insolvent within the meaning of the Federal Bankruptcy Code, at the time of or as a result of executing and delivering the Collateral Assignments, and YBD-USA is receiving fair consideration and reasonably equivalent value in exchange for the interests transferred by the Collateral Assignments.
- (4) The Collateral Assignments have each been duly executed and delivered to the Bank by YBD-USA, and constitute the legal, valid and binding obligations of YBD-USA, enforceable against YBD-USA and the Collateral in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights and remedies generally and subject to the application of equitable principles generally.
- (5) There are no security interests or encumbrances, except in favor of the Bank, on the Collateral.

We are members of the bars of Florida, Maryland and the District of Columbia and, accordingly, express no opinion as to any laws other than the laws of Florida, Maryland, the District of Columbia and the Federal laws of the United States of America.

Very truly yours,

Law Office of Benton L. Becker

YOUNG BROTHERS DEVELOPMENT (USA), INC.

The Kendar Building 1550 Madruga Avenue Suite 329 Coral Gables, Florida 33146

Telephone 305-662-4099 Facsimile 305-662-9276 Jefferson Court Building 1025 Thomas Jefferson Street Suite 105 Washington, D.C. 20007

> Telephone 202-342-9610 Facximile 202-342-0650

CORPORATE RESOLUTION of YOUNG BROTHERS DEVELOPMENT (USA), INC.

I, Benton L. Becker, Secretary of Young Brothers Development (USA) Inc., a corporation organized and existing under the laws of the State of Florida, hereby certify that at a meeting of the Board of Directors of the corporation duly called and held on October 4, 1994, at which a quorum was present and acting throughout, the following resolutions were adopted, are now in full force and effect and constitute an agreement by this corporation with the Signet Bank, hereinafter the "Bank", with respect to the matters set forth below:

1. "RESOLVED", That an account be opened and maintained with the Bank, subject to the Bank's present and future regulations, in which funds of the corporation may be deposited subject to withdrawal or charge at any time, or in the case of time or savings accounts, subject to the withdrawal restrictions of applicable state or federal law and regulations; all withdrawals from demand, time and savings accounts to be upon instruments or orders for the payment of money when made, drawn or accepted by any <u>one</u> of the following officers or employees of this corporation: <u>Richard Richards</u>. President or Benton L. Becker, Secretary/Treasurer:

that the Bank need not inquire into the circumstances of issuance of such instruments or orders or the disposition of proceeds, even if such instruments or orders are drawn or endorsed to the order of any person who made or accepted them or to bearer or cash payable to the Bank or others for such person's account; that endorsement of deposited items or instruments may be made in writing or by stamp without designation of the person so endorsing, and that anyone affixing the corporation's endorsement may also waive demand, protest and notice of protest or dishonor."

- 2. "RESOLVED, That any <u>one</u> of the following officers of this corporation:

 <u>Richard Richards or Benton L. Becker</u> is authorized on behalf of this corporation to borrow money and to obtain credit from time to time from the Bank, or to discount any assets with the Bank, or to lease any chattel or fixture property from the Bank, or to procure the issuance by the Bank of letters of credit for the account of this corporation, all in such amounts and upon such terms as may be agreed to by the Bank, to guarantee unconditionally the debts of others to the Bank, to subordinate the repayment of obligations now or hereafter owing to this corporation, to pledge, grant a security interest in or otherwise encumber assets of this corporation, whether chattels, fixtures or real property, to secure liability of this corporation or others to the Bank, and to sign and deliver any note, mortgages, deeds of trust, assignments, agreements or other documents required by the Bank in connection with any of the above; and so long as this corporation is indebted to the Bank or any assets of this corporation are pledged to or encumbered in favor of or pledged to the Bank and any records pertinent thereto."
- 3. "RESOLVED, That any one of the following officers or employees of this corporation: Richard Richards or Benton L. Becker is authorized to execute on Behalf of this corporation any Night Safe Depository Contract(s) and/or Lock Box agreement(s) with the Bank in any form prescribed and to make and from time to time to change by written notice delivered to the Bank all required or appropriate designations

SECRETARY'S CERTIFICATE

- I, Benton L. Becker, hereby certify to Signet Bank/Virginia that:
- I am the Secretary of Young Brothers Development (USA), Inc. ("YBD-USA"); and
- 2. Attached hereto is a true and correct copy of the Articles of Incorporation of YBD-USA, which are in full force and effect as of the date hereof; and
- 3. Also attached hereto is a true and correct copy of the Bylaws of YBD-USA, which are in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this day of October, 1994.

Benton L. Becker Secretary



Secretary of State

May 18, 1992

USA YOUNG BROTHERS DEVELOPMENT, INC. 1550 MADRUGA AVE #215 CORAL GABLES, FL 33146

SUBJECT: USA YOUNG BROTHERS DEVELOPMENT, INC.

Document #: S87076

In compliance with the request on your 1992 Annual Report, the certificate of status for the subject corporation is enclosed.

Should you have any questions regarding this matter, please telephone (904) 487-6056.

Annual Reports Section
DIVISION OF CORPORATIONS



Bepartment of State

I certify from the records of this office that USA YOUNG BROTHERS DEVELOPMENT, INC. is a corporation organized under the laws of the State of Florida, filed on October 14, 1991.

The document number of this corporation is S87076.

I further certify that said corporation has paid all fees due this office through December 31, 1992, that its most recent annual report was filed on May 14, 1992, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

Given under my hand and the Great Seal of the State of Florida, at Callahassee, the Capital, this the 18th day of May, 1992.



CR2EO22 (2-91)

Jim Smith

0074

Secretary of State

PROMISSORY NOTE

\$2,100,000.00

> i T

> M

Ē

≅

Washington, D.C. October ___, 1994

FOR VALUE RECEIVED, the undersigned, National Policy Forum, an unincorporated association with an office and principal place of business in the District of Columbia ("Borrower"), promises to pay to the order of Signet Bank/Virginia (the "Bank"), in immediately available funds and without offset, at its offices at 1130 Connecticut Avenue, N.W., Washington, D.C., 20036, the principal amount of Two Million One Hundred Thousand U.S. Dollars (\$2,100,000.00), together with interest on any and all principal amounts remaining unpaid hereunder from time to time.

Borrower shall repay to the Bank the outstanding principal balance under this Note in 10 quarterly installments, each in the amount of \$191,000, commencing April 30, 1995, and continuing on the last day of each July, October, January and April thereafter through and Including July 31, 1997, and in an eleventh installment in the amount of \$190,000 payable on October 31, 1997, the maturity date of this Note.

Borrower shall pay interest on the aggregate unpaid principal amount under this Note on the last day of each month commencing November 31, 1994 and continuing until this Note has been paid in full, at a rate per annum (calculated on the basis of the actual number of days elapsed over a year of 360 days) equal to 200 basis points in excess of the blended (average) rate of interest payable on all certificates of deposit constituting collateral from time to time pursuant to a certain Credit and Security Agreement (the "Credit Agreement") dated this date between borrower and the Bank. Each change in the rate of interest under this Note shall be effective as of the date the Bank receives an installment of principal hereunder and releases a certificate of deposit, as provided in the Credit Agreement. The Bank shall determine each rate of interest applicable to this Note in accordance herewith, and its determination shall thereof be conclusive in the absence of manifest error.

This Note is issued pursuant to the Credit Agreement and is entitled to the benefits thereof, including, without limitation, provisions for prepayment, for security interests, for acceleration, for payment of costs of enforcement, and for an increase in the interest rate upon the occurrence of Events of Default, all as stated in the Agreement. Borrower waives presentment, demand, notice of dishonor and notice of protest.

Attest:	NATIONAL POLICY FORUM
Name:Title:	By: Daniel B. Denning Chief Operating Officer

#ORM NO 140080-503-029 CD ACCOUNT SIGNET BANK... Member Non-Negouable/Non-Transferable FOIC Account #: _ Your deposit will Your deposit will 7003/95 Nameisl ... 191,000.50 Continuous Reinvestment Single Manurity EEU Hadruga Ave - Initial Rate 4.50 % X Fixed Rate Variable Rate
- Interest Payment Method: add to the balance of this ac: Sus-me 215 Address: . 77746 · Frequency: This summary and corresponding Account Agreement contain important information about your account. Please read both carefully. Tax !.D. No .___ BY SIGNING BELOW. I ACKNOWLEDGE RECEIPT OF AND ACREE TO BE BOUND BY THE ACCOUNT AGREEMENT FOR THIS ACCOUNT./7 Augronzes Back Signature Customer Signature Customer Signature

FORM NC. 140080-\$03-039 CD ACCOUNT SIGNET BANK... Non-Negotiable/Non-Transferable Member FDIC Branch: AFS . 3847 Dave 10/14/94 Account #: -- Your deposit will mature on __01 /02/05 Name(s) MS2 Young Brothers 191,000.00 Development Inc Continuous Reinvestment Single Manunty - Imital Rate 4.95 % XI Fixed Rate Variable Rate Madruda Ave Suite 215 Address: · Interest Payment Method: add to the balance of the accou - Frequency: Ouarterly This summary and corresponding Account Agreement contain important Tax (.D. .Yo.___ information about your account. Please read both carefully. BY SIGNING ZELOW. I ACKNOWLEDGE RECEIPT OF AND AGREE TO BE BOUND BY THE ACCOUNT AGREEMENT FOR THIS ACCOUNT. Austenzes Sanx Signature Customer Signature Customer Signature

波

FORM NO. 140090-503-039 SIGNET BANK... CD ACCOUNT Non-Negotable/Non-Transferable Member FDIC Branch: AFS 3842 Date 10/14/94 Account #: __ - Your deposit will mature on 04/01/96 USA Young Brothers 191,000.00 Name(s) _ Continuous
Reinvestment
Initial Rate 5.00 Development Inc. Single Maturity % 🖾 Fixed Rate 🗆 Variable Rate - Interest Payment Method: add To the balance of the · Frequency: Ouarterly This summary and corresponding Account Agreement contain important information about your account. Please read both carefully. Tax !.D. No ... BY SIGNING RELOW. I ACKNOWLEDGE RECEIPT OF AND AGREE TO BE BOUND BY THE ACCOUNT AGREEMENT FOR THIS ACCOUNT. Autonzed Sank Signature Customer Signature Customer Signature

#ORM "ID. "40080-503-039 CD ACCOUNT SIGNET BANK. Non-Negotiable/Non-Transferable Member FDIC Branch: 3FC Account #: ---- Your deposit will Name(s) MC2 Young Brothers 191,000.00 mature on . Continuous
Reinvestment Single Marunty Development Inc 5.10 % N Fixed Rate Vanable Rate 1555 Madruca Ave Spine 215 - Interest Payment Method: add to the balance of the acco Corni Gabie FT 33146 quarterly - Frequency:_ This summary and corresponding Account Agreement contain important Tax 1.3. No .information about your account. Please read both carefully. BY SIGNING BELOW. I ACKNOWLEDGE RECEIPT OF AND AGREE TO BE BOUND BY THE ACCOUNT AGREEMENT FOR THIS ACCOUNT. Customer Signature Autonzed Bank Signature Customer Signature

PCRM NC. 140089-313-339

SIGNET BANK	CD ACCOUNT Non-Negotiable/Non-Transferable	Member FDIC
Names 1952 Young Browners	Franch: AFS .3842 Date: 10/14 - Your deposit will mature on .09/30/95	·
Address: 1550 Madrica Ave Sui Coral Gable FL 33	Continuous Single Marun Reinvestment S. 20 % Fixed Interest Payment Method: add == Interest Payment Method: add == Frequency: Ouarestly	Rate Variable Rate
Tax (.D. No	This summary and corresponding Account information about your account. Please	
BY SIGNING BELOW. I ACKNOWLE FOR THIS ACCOUNT.	DGE RECEIPT OF AND AGREE TO BE SOUND BY TR	HE ACCOUNT AGREEMENT
Augiorized Bank Signature	Custamer Signature	Customer Signature

SIGNET BANK	CD ACCOUNT Non-Negotiable/Non-Transferable	Member
Account # Br	anch: 1ES • 3842 Date: 10/1	FDIC FDIC
Name(s) USA Young Brothers Development Inc	Your deposit will mature on 12/31/96 Gontinuous Remyestment Single Man	·
Address: 1550 Madruga Ave Su Coral Gable FL	- Interest Payment Method: add Frequency: Ouarterly	
Tax I.D. No	This summary and corresponding / information about your account. Pl	Account Agreement contain upport lease read both carefully.
BY SIGNING BELOW, I ACKNOWLED FOR THIS ACCOUNT.	GE RECEIPT OF AND AGREE TO BE BOUND BY	THE ACCOUNT AGREEMEN

SIGNET BANK. CD ACCOUNT Non-Negotiable/Non-Transferable Member FDIC . 3842 Date: 10/14/94 Account #: Branch:.... · Your deposit will · · Name(s) USA Young Brothers 191,000.00 Development Inc Continuous Reinvestment Single Manurity - Initial Rate 5.35 % & Fixed Rate Variable Rate Address: 1550 Madruga Ave Suite 215 - Interest Payment Method: add to the balance of the accou Coral Gable 33146 · Frequency: Ouarterly This summary and corresponding Account Agreement contain important information about your account. Please read both carefully. Tax 1.D. No .__ BY SIGNING BELOW. I ACKNOWLEDGE RECEIPT OF AND AGREE TO BE BOUND BY THE ACCOUNT AGREEMENT FOR THIS ACCOUNT. Autronzea Bank Signature Customer Signature Customer Signature

FORM NO. 140000-503-039

	_		Ć:
4 10 17	#@RM NG. "40080-503-639		
	SIGNET BANK	CD ACCOUNT Non-Negottable/Non-Transferable	Member FDIC
THE COLUMN TWO IS NOT THE PARTY OF THE PARTY	Name(s)	- Your deposit will mature on 6/30/97 Continuous St Reinvestment - Initial Rate 5 40 %	Ingle Manurity 191,000.00 Fixed Rate Vanable Rate 1 add to the balance of the accompany
	Tax (.D. No	This summary and correst information about your ac	ponding Account Agreement contain important count. Please read both carefully.
	BY SIGNING BELOW, I ACKNOWLED FOR THIS ACCOUNT.	OGE RECEIPT OF AND AGREE TO BE BOT	UND BY THE ACCOUNT AGREEMENT
}	Autonzes Baha Signature	Customer Signature	Customer Signature

SIGNET BANK. CD ACCOUNT Member FDIC Non-Negousbie/Non-Transferable . 3842 Date: 10/14/94 Account #: ___ Branch:__ - Your deposit will mature on _0/30/07 Young Breshers 191,000.00 Name(s) Terral coment Inc Single Manuaty - Initial Rete 5.45 ... * 🔀 Fixed Rate 🔲 Variable Rate 1345 Madeura Ave Suite 715 - Interest Payment Method: add to the balance of the Comal Gable 33146 Ouarter'y This summary and corresponding Account Agreement contain important information about your account. Please read both carefully. Tax I.D. No BY SIGNING BELOW. I ACKNOWLEDGE RECEIPT OF AND AGREE TO BE BOUND BY THE ACCOUNT AGREEMENT FOR THIS ACCO Authorized Barri Signature Customer Signature Customer Signature

0

٩Į

th M FORM NO. 140089-503-038

FORM NO. 140080-5034 39 CD ACCOUNT SIGNET BANK... Member FDIC Non-Negotiable/Non-Transferable AES . 3842 Dam 10/14/94 Account #: _ - Your deposit will macure on 12/31/97 MSE Young Brothers 190,000.00 Name(s) Development Inc Continuous Reinvestment Single Maturity - Imittal Rate 5.50 % Trixed Rate Variable Rate 1550 Madruda Ave Suite 215 Address: - Interest Payment Method: add =n the halance of the Coral Gable 33146 Ouarter1 . · Frequency:_ This summary and corresponding Account Agreement contain asportant information about your account. Please read both carefully. Tax I.D. No ... BY SIGNING BELOW. I ACKNOWLEDGE RECEIPT OF AND AGREE TO BE BOUND BY THE ACCOUNT AGREEMENT FOR THIS ACCOUNT.

Customer Signature

Augrenzes Barm Signature

Customer Signisture

The Kendar Building
1550 Madruga Avenue. Suite 215
Coral Gables, Florida 33146
United States of America

1.00

輏

Ü

对

Telephone

305-662-4099

Facsimile

305-662-9276

EXHIBIT

Date:

Reporter: David A. Kasdan, RPR

November 17, 1994

Mr. T. J. Stevens
Signet Bank
1130 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: Establishment of an Automatic Procedure for the Periodic Release of Young Brothers Development (USA). Inc. Certificates of Deposit Serving as Loan Guarantee Collateral and the Immediate Wire Transfer of Certificate of Deposit Proceeds to Hong Kong

Dear Mr. Stevens:

Consistent with the terms of the October 13, 1994 Signet Bank loan of \$2,100,000.00 to the National Policy Forum (NPF), guaranteed and collateralized by Young Brothers Development (USA), inc. (YBD), and at the suggestion of Signet Bank Senior Vice President Katherine Barnes. I write to request the Bank's agreement to implement an automatic, repetitious procedure regarding the periodic release, and proceeds wire transferred, of YBD's eleven Certificates of Deposit held by the Signet Bank as collateral for the NPF loan.

You will kindly note that the NPF loan transaction with Signet Bank provides, in essence, that upon each of NPF's eleven scheduled periodic payments of approximately \$190,000.00 to the Bank, a corresponding YBD collateralized Certificate of Deposit in the approximate amount of \$190,000.00 will be released by Signet Bank. It is YED's desire that the Bank undertake the below listed procedures on each occasion the Bank receives a NPF payment in an amount necessary to cause the release of a corresponding YBD Certificate of Deposit:

1. That the Bank notify this office or my associate in Washington, D.C., (Mr. Stephen Richards, 202-342-9610, 1025 Thomas Jefferson Street, N.W., Ste, 105, Washington, DC 20007) of the Bank's receipt of a NPF payment triggering a corresponding YBD Certificate of Deposit release, and

TAIWAN

SINGAPORE

HONGKONG

AUSTRALIA

UNITED STATES

0086

November 17, 1994 Mr. Stevens Page Two

2. That with appropriate executed documentation provided by Mr. Stephen Richards, the Bank shall negotiate the released YBD Certificate of Deposit and thereupon wire transfer all released Certificate of Deposit funds, including, principal and interest, to the Hong Kong and Shanghai Banking Corp. Ltd., One Queen's Road Central, Hong Kong, Account Number held in the name of Young Brothers Development Co. Ltd.

Naturally, all costs associated with the above services will be assumed by YBD.

I express my appreciation the management of Signet Bank for their numerous courtesies in the processing and implementation of this transaction.

Sincerely.

Benton L. Becker General Counsel and Secretary/Treasurer of Young Brothers Development (USA), Inc.

cc: Katherine Barnes, SVP - Signet Bank Richard Richards, Esq. Steven Richards, Esq.

EXHIBIT

Broke 38

Date: 6/3/97

Reporter: David A. Kasdan, RPR

The United States and Greater China

by Ambrous T. Young

(Editor's note: This is the first in a series of articles on U.S.-Asia policy.)

The coming two to three years mark an especially important watershed for U.S. policy toward "Greater China" — the People's Republic of China (PRC), Taiwan and Hong Kong. At the heart of the world's economically most dynamic region, what happens in the Chinese arena affects not only a fifth of the earth's population, but also U.S. relations with key allies and friends throughout the Asia-Pacific. These developments have a direct bearing on the economic and political future of the United States, impacting among other things its trade, investment, labor patterns and, most importantly, the security of the Asian-Pacific region relating directly to the interests of the U.S.

This is why, taking note of the new Republican majority in Congress and the challenging, ongoing developments in Greater China, this article briefly reviews the historical basis for an important element of U.S. China policy — the U.S. one China policy — as well as the possible consequences if the one China policy is challenged to the degree of preventing the unification of Taiwan and the PRC.

Upcoming Watersheds in Greater China

Eyes worldwide are focused on the PRC's imminent. watershed post-Deng Xiaoping leadership succession, especially its potential repercussions for the PRC's economic stability. While the current leadership

Ambrous T. Young is the chairman of Young Brothers Development Co., Ltd., based in Hong Kong with offices in the U.S. and the Asia-Pacific region. He has advised American and multi-national companies doing business in Asia for 30 years.

structure centered around Jiang Zemin seems to be functioning smoothly, there is concern that any change in the hierarchy could impact the PRC's stability and create turbulence in its movement toward more market-oriented reforms. Indeed, some say that regardless of how much advance preparation is done to ensure a smooth transition after Deng is gone, the structure and style of the PRC leadership will be different. This observation is based largely on two facts.

The first is the fact that Deng, who celebrated his 90th birthday last August 22. is one of the last of a generation of PRC leaders who command respect and loyalty across the Chinese government, party and military establishment. This respect is born from direct, personal ties spanning the PRC's modern history. No one following Deng will be accorded the Long March allegiance he and his generation have enjoyed. Beyond these historical bonds, the fact also remains that none of Deng's successors have been able to match his unique combination of political and bureaucratic skills, which he has

While the current leadership structure centered around Jiang Zemin seems to be functioning smoothly. there is concern that any change in the hierarchy could impact the PRC's stability and create turbulence in its movement toward more market-oriented reforms.

used so effectively over the years to force consensus and implement policy.

Such questions over his succession are a formula for potential bureaucratic gridlock among increasingly assertive provinces and the central government, as well as among different parts of the PRC governmental labyrinth. They are also cause for potential concern among U.S. policymakers. for with the eventual passing of Deng Xiaoping comes the possible loss of a decisive authority in Beijing with a strategic vision of how important positive Sino-U.S. relations are for both American and PRC interests.

Integrally intertwined with the PRC's ability to maintain longterm political stability is its ability to manage the diverse spectrum of challenges and their derivative potential consequences arising from its booming economy. The PRC has powerful domestic reasons to be con-

^{1.} Led by Mao Tse-tung, the Long March involved some 100,000 people and covered 8,000 miles between late summer 1934 and October 1935. Long March veterans have enjoyed a special camaraderie ever since.

22

 cerned about its economic future. Double-digit inflation is rampant in its cities and countryside. Increasing income disparities are present in its provinces and regions. There are continuing concerns about corruption and taxes, and there is mounting evidence of a popular crisis of confidence and undermining of the social fabric. In addition to these reasons for worry at nome, the PRC's status with respect to structural issues inherent in the global rules for trade and investment embodied in the General Agreement on Tariffs and Trade (GATT) and World Trade Organization (WTO) have yet to be resolved.

This combination of political, economic and social factors affects the PRC's self-defined international identity and role. Some see nationalism superseding ideology as a motivating framework for PRC rationale

With the eventual passing of Deng Xiaoping comes the possible loss of a decisive authority in Beijing with a strategic vision of how important positive Sino-U.S. relations are for both American and PRC interests.

and behavior. In this view, the PRC's long-term ability to increase defense spending for modernized weapons and new approaches to joint military operations involving its army, navy and air force could present special concerns not only for the PRC's neighbors, but also for America's alliance partners and traditional friends in East Asia. (Should this aspect of PRC policy come under review, it should take into consideration the interests of the U.S. and the peace and stability of the Asia-Pacific region.)

The U.S. also retains deep and substantial unofficial relations with Taiwan. These reflect dynamic economic opportunities associated with a country that is not only America's fifth largest trading partner, but also the world's 12th largest economy, 15th largest trading entity and largest holder of hard currency reserves. In addition, Taiwan, along with the PRC and Hong Kong, is an active and important member of the Asia-Pacific Economic Cooperation (APEC) and is seeking a broader participation in other international organizations.

The December 3, 1994 mayoral elections in Taipei and Kaohsiung and, to a lesser degree, the provincial governor's election, highlighted the democratic transformation underway in Taiwan. At the same time, the elections also revealed that most voters oppose the concept of an independent Taiwan and actually favor unification. This sentiment was echoed by Taiwan's President Lee, who officially stated after the elec-

tion his support for unification, provided it was based on the principles of democracy, freedom and free enterprise. With key legislative seats coming up for a vote later this year and the presidential election scheduled for 1996, people on Taiwan will have ample opportunity to express their opinions on this issue in the future. The fact that the U.S. and Taiwan will be choosing a president in the same year only serves to underscore how closely U.S. policy toward Greater China and events within that region could potentially influence each other.

American attention is also rightly focused on Hong Kong, with particular interest being paid to the political, economic and human implications for the nation (and East Asia in general) once it reverts to PRC

sovereignty on July 1, 1997. Hong Kong is a major investor and significant conduit for trade, management expertise, and global marketing ties. It is also an engine for economic growth in the PRC's southern provinces, including Guangdong. Increasingly, however, the country has been investing in and strengthening ties with Shanghai and other parts of the PRC. Furthermore, Hong Kong has been positioning itself to play a major role as a service hub central to the economic dynamism of Vietnam and Indochina, as well as other parts of East and Southeast Asia.

The combined influence of the PRC,
Taiwan and Hong
Kong clearly makes the
Chinese arena one of
world's most economically dynamic regions.
What happens there
will shape peace, prosperity and stability,
and with them, American interests.

The combined influence of the PRC. Taiwan and Hong Kong clearly makes the Chinese arena one of world's most economically dynamic regions. What happens there will shape peace, prosperity and stability, and with them, American interests (not the least of which are the significant markets, sources of trade, and job opportunities that will be provided for many years in the future).

Two questions must therefore be considered. The first question is, "What is the one China policy of the U.S.?" The second, and even more important, question is, "How likely — and under what conditions — could that policy change?"

'n

١Ĵ

ţŢ.

10

d P.E.

The U.S. One China Policy

The term one China policy of the U.S. usually refers to the official position the United States government has taken toward the mutual claims of the PRC and Taiwan to represent China. There are two sides to the one China policy question.

First, an issue inherent in Washington's one China policy is whether or not the United States government would recognize claims to "one China," "one Taiwan, two Chinas" or an "independent Taiwan." A de jure independent "Republic of Taiwan" remains an issue, particularly given the ongoing changes in Taiwan and the possibilities of nuanced interpretation of official Taiwan policy. Second, since 1987, the shift in Taiwan's Mainland policy and subsequent ongoing developments in Mainland-Taiwan relations raise the obverse side of the one China policy: the attitude of the U.S. government toward a single, unified China.

What follows is a brief review of both aspects of this policy.

One China, One Taiwan?

As reiterated following the fall 1994 U.S. government's Taiwan policy review, "the one-China policy of the United States has been conducive to peace, stability and economic development on both sides of the Taiwan Straits and throughout the region." For this reason, recent adjustments in U.S. policy toward Taiwan "in no way alter the fundamental U.S. acknowledgment of China's position, that there is only one China and that Taiwan is a part of China."

Today, the PRC's application for accession to the GATT and the WTO remains unresolved, largely because the status by which the PRC's significant economic potential is integrated will shape the future of the world economic system. In a July 19, 1991, letter to Sen. Max Baucus (Mont.) and others regarding the question of Most-Favored-Nation (MFN) trade status for the PRC, then-President George Bush reiterated the commitment of the U.S. government at the highest and most authoritative level to a single China:

^{2.} See "Background Briefing on Taiwan Policy Review," by Senior Administration Official, September 7, 1994, p. 2.

^{3.} Ibid., p. 5.

젎

U.S. support for Taiwan's accession to GATT as a customs territory should in no way be interpreted as a departure from the long-standing policy of five administrations which acknowledges the Chinese position that there is only one China, and that Taiwan is part of China.

Indeed, the one China issue was one of the first and major points of negotiation between the U.S. and PRC when Washington and Beijing moved to establish formal relations in the early 1970s. Simiar language has maintained a consistent approach since the Feb. 27, 1972, Shanghai communique, in which the U.S. declared:

The United States acknowledges that all Chinese on either side of the Taiwan Straits maintain there is but one China and that Taiwan is a part of China. The United States Government does not challenge that position. It reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves.

This policy approach was reiterated when Washington and Beijing established full and normal diplomatic relations on Jan. 1, 1979. The Joint Communique on the Establishment of Diplomatic Relations issued at the time specified:

The Government of the United States of America acknowledges the Chinese position that there is but one China and Taiwan is part of China.¹

This policy was reflected again in Article 5 of the Aug. 17, 1982, U.S.-PRC Joint Communique, which attempted to address the question of United States arms sales to Taiwan and stated:

The United States Government attaches great importance to its relations with China, and reiterates that it has no intention of infringing on Chinese sovereignty and terri-

^{4.} The Chinese text translated the word "acknowledges" into "Chenjen," which, if translated into English, would mean, "recognize." Department of State Bulletin 79, no. 2022 (January 1979): 25.

torial integrity, or interfering in China's internal affairs, or pursuing a policy of 'two Chinas,' or 'one China, one Taivan'.

These three communiques and the 1979 Taiwan Relations Act⁵ together comprise the basic one China framework for Washington policy regarding Beijing and Taipei which has been maintained by five U.S. Administrations. The underlying principles within this framework include:

- The pace and scope of contact across the Taiwan Straits should be determined by the Chinese on the two sides of the Straits themselves.
- Relations across the Straits should be peaceful.
- The U.S. should help maintain a defensive balance of power across the Taiwan Straits through provision of defensive weapons specified by the Taiwan Relations Act.
- Neither the U.S. nor any other outside power should pressure the parties on either side of the Straits to enter into talks or negotiations.
- The U.S. will not seek or play a mediation role between the two sides.

The symmetry between the first two and last three principles is clear: the Chinese on both sides of the Straits are to determine contacts at their own pace and scope, peacefully, and free of outside interference, but within a framework where each side has a protected choice of whether or not to engage in dialogue or negotiations. As noted, tremendous change continues on many related fronts within Taiwan and across the Taiwan

^{5.} The text of the Taiwan Relations Act, P.L. 96-8, reads in part: "To help maintain peace, security and stability in the Western Pacific and to promote the foreign policy of the Unites States by authorizing the continuation of commercial, cultural and other relations between the people of the United States and the people of Taiwan, and for other purposes."

Straits. Particularly in light of recent developments, official documents in Taiwan now take a more subtle and nuanced position toward the meaning of one China in a cross-Taiwan Straits context.

Contrasting perspectives are understandable given economic and political realities in both directions across the Taiwan Straits. Taipei describes the "essence of and real reason for the division [between the PRC and Taiwan]" as a "struggle between two contrasting political, economic, and social systems and two different ways of life." More

specifically, this is a struggle "between the China of the Three Principles of the People, which is founded on Chinese culture, and Communist China, rooted in Marxism." In this context. Taipei asserts that "thereis only one China," but prior to unification, "two parts of China" as separate political entities should have the "right to participate alongside each other in the international community."

Beijing's opposition to any interpretation of divided state sovereignty is...adamant.

Beijing's opposition to any interpretation of is...adamant. divided state sovereignty is equally adamant. For example, regarding the question of U.N. representation, Beijing contends, "the Government of the People's Republic of China, as the sole legal government of China, has the right and obligation to exercise state sovereignty and represent the whole of China in international organizations."

A Single, Unified China?

Since 1987, and paradoxically, since the June 1989 Tiananmen tragedy, contact in the form of family visits, expanding tourist and cultural exchanges, and indirect trade has ballooned between the PRC and Taiwan. For example, in the last seven years, over seven million visits have been made from Taiwan to the Mainland, while over 50,000 visits have been made from the Mainland to Taiwan. Demand for contact is further symbolized by the placement of over seven million telephone calls

^{6.} The Executive Yuan, "Relations Across the Taiwan Straits," (abstract) Taipei, Taiwan, Republic of China: Mainland Affairs Council, July 1994, p. 3.

^{7.} Ibid.

^{8.} Ibid., pp. 5-6.

^{9.} Taiwan Affairs and Information Office, "The Taiwan Question and Reunification of China," Beijing, China, State Council, August 1993, p. 20. 10. *lbid*.

in less than two years, and the exchange of some 35 million letters in three years. Current figures also suggest that indirect trade between both sides of the Taiwan Straits has amounted to over \$34 billion dollars over the last two years. It is significant to note that without this level of trade, Taiwan would have run a trade deficit in both 1993 and 1994.

As these exchanges began in earnest during the course of 1987, then-Secretary of State George P. Shultz gave a then-preliminary assessment of the possibility of change across the Taiwan Straits:

In the Shanghai communique, as in the other two Joint Communiques on which our relationship is based, the United States made clear that our policy is based on the principle that there is but one China. We have no intention of pursuing a policy of two Chinas or one China, one Taiwan.

However, Shultz continued:

While our policy has been constant, the situation itself has not and cannot remain static. We support a continuing evolutionary process toward a peaceful resolution of the Taiwan issue. The pace, however, will be determined by the Chinese on either Side of the Taiwan Straits, free of outside pressure.

- Nevertheless, he concluded:

For our part, we have welcomed developments, including indirect trade and increasing human interchange, which have contributed to the relaxation of tensions in the Taiwan Straits. Our steadfast policy seeks to foster an environment within which such developments can continue to take place.¹³

^{12.} Sino-American Relations at a Time of Change, ed., Gerrit W. Gong and Bih-jaw Lin, Center for Strategic & International Studies, Washington, DC, January 1994, pp. 8-9.

^{13.} Remarks by the Secretary of State as prepared for delivery in Shanghai, March 5, 1987.

Washington has maintained a neutral position regarding the ends of Chinese unification. At the same time, it has stressed that any unification process be peaceful and determined by the Chinese on the two sides of the Straits according to their own interests. This was true in 1985

when, shortly after the 1984 Sino-British accord was signed regarding Hong Kong's return to PRC sovereignty. Deng Xiaoning reportedly suggested the Reagan Administration "do something" to promote the cause of unification across the Taiwan Straits. It was also true in late 1986 when, after a speech by Soviet Secretary General Mikhail Gorbachev in Vladivostok that July, some consideration was given to the question of whether the U.S. should make concessions to Beijing regarding Taiwan in an effort to offset more active Soviet diplomacy.

بات أبي بة

Ė

What all of this suggests is that the United States has followed a continued, consistently balanced approach within a one China policy. With the significant political, economic and security developments in and among the actors involved in Greater China, keeping this equilibrium in U.S. policy will remain both challenging and essential.

As mentioned above, the basic principles regarding U.S. policy toward the two sides of the Taiwan Straits were most recently reaffirmed during the 1994 U.S. Taiwan policy review. In none of these cases did the United States conclude it should change its basic approach to dealing with the PRC and Taiwan.

Conclusion

What all of this suggests is that the United States has followed a continued, consistently balanced approach within a one China policy. On the one hand, the U.S. has carefully declined to actively promote or pressure unification (i.e., movement toward one China). On the other hand, it has carefully declined, either directly or indirectly, to promote a separation of the PRC and Taiwan (i.e., movement away from one China).

With the significant political, economic and security developments in and among the actors involved in Greater China, keeping this equilibrium in U.S. policy will remain both challenging and essential. The potential problems are many. The simple solutions are few. Among the key questions that need to be addressed in the near future:

The state of the s

ţj

fu.

- Given the results of the recent election, why do the people on Taiwan oppose independence but support unification?
- How do the people and government of the PRC view unification and independence?
- How do the other Asia-Pacific countries view unification and independence?
- Is it in the best interests of the U.S. if Taiwan is not unified with the PRC?
- What could be the result if the U.S. continues its one China policy instead of supporting unification?
- Should unification be viewed as a threat to the U.S.?
- Does the Asia-Pacific region currently pose any economic or military threat to the U.S.?
- What are the benefits and/or consequences if the U.S. supports unification?

At stake in addressing these and other questions, particularly in the next two to three years of coming change, are U.S. relations, including its economic and commercial ties, with the most important countries in the most economically dynamic region of the world. In this regard, American leadership with respect to Greater China issues will be significant and may well affect the destiny not only of East Asia, but of the United States, as well.

EXHIBIT

| Secker 99

Date: 6/3/47

Reporter: David A. Kasdan, RPR

邳

The United States and Greater China, Part II

by Ambrous T. Young

(Editor's note: This is the second in a series of articles on U.S.-Asia policy.)

"Long Divided Will Be United, Long United Will Be Divided" comes from the great Chinese classic, Romance of the Three Kingdoms. It illustrates the changes the world has seen this decade. The collapse of the Soviet Union and the liberation of Eastern Europe might be the most significant change, but other developments are no less surprising: long-time enemies in the Middle East are attempting to work out agreements at the negotiating table; South Africa is moving to peaceful majority rule; and there is even a ray of hope in troubled Northern Ireland.

Perhaps it is an appropriate moment to consider the prospects for resolution of the world's longest-running political split, the division between the People's Republic of China ("P.R.C.") which governs the mainland of China. and the Republic of China ("R.O.C.") government on the island of Taiwan.

What are the prospects for reunification between Taiwan and the mainland? Will reunification come peacefully? Should the United States welcome any closer ties between the two entities? What impact could a unified China — "Greater China" — have on regional stability?

Historical Preface

History, directly or indirectly, often shapes — if not determines

Ambrous T. Young is the Chairman of Young Brothers Development Co., Ltd., based in Hong Kong with offices in the U.S. and the Asia-Pacific region. He has advised American and multi-national companies doing business in Asia for thirty years.

0099

^{1.} In this essay, R.O.C. and Taiwan are used interchangeably without intending any political significance.

— the future. This linking of past and future is particularly pronounced in the Asia-Pacific region where historical time-frames and memories are generally longer than in the West. Let me illustrate.

April 17, 1995, marks the hundredth anniversary of an event little noticed in the West but of tremendous significance to the Asia-Pacific: the Treaty of Shimonoseki.² Prior to the Sino-Japanese War of 1894-1895, Korea and Japan became allies on August 26, 1894, to allow Japan's military to operate from bases in Korea. In exchange, Japan would defend Korea if its war with China retreated onto Korean soil. If Japan defeated China and signed a peace treaty, the alliance would terminate.

Japan defeated China and dictated the conditions of peace in the Treaty of Shimonoseki. Key among the eleven articles of the main treaty was article 2(b), "China cedes to Japan...[t]he island of Fermosa, together with all islands appertaining or belonging to said island of Formosa." Thus, Japanese colonization of the island of Fermosa (today's Taiwan) began. Later, Japan colonized Korea beginning in 1910.

Consequently, historical events, which changed the shape of Asia only a hundred years ago, are linked to the roles of Japan, Taiwan, the P.R.C. and the United States in the reunification of Greater China.

The P.R.C. and Taiwan Today

In order to assess the prospects for reunification between the mainland and Taiwan, we should first take a quick look at trends in each country. Both countries have enjoyed high levels of economic growth for an extended period of time. The P.R.C. has been enjoying economic growth rates averaging around 10 percent since Chinese leader Deng Xiaoping began his economic reforms in 1979. Taiwan's growth rates are lower than the P.R.C.'s, but Taiwan starts from a much higher base, having experienced high growth since economic development began in

^{2.} Michael Hurst, MA, FRSA, FR HistS, Key Treaties for the Great Powers, 1814-1914, See Treaty of Alliance between Korea and Japan, signed at Seoul, 26th August, 1894, David & Charles: Newton Abbot, (1972), p. 670.

^{3.} See Hurst, Ibid., Treaty of Shimonoseki, pp. 670-72.

^{4.} Ibid.

^{5. &}quot;Country" is used throughout this essay when referring to the P.R.C. and to Taiwan. Technically, the U.S. recognizes the P.R.C. as the official government of China, and Taiwan does not enjoy sovereign status.

ď

the late 1950s. Taiwan's economic growth over the past few years has been between 5-8 percent. Not as high as the P.R.C.'s, it is quite impressive by U.S. standards. Taiwan now enjoys a per capita gross domestic product ("GDP") that should reach \$14,000 this year, putting it ahead of most European nations and far ahead of the P.R.C.'s \$3000 per capita GDP. Both of these developments have come about as Taiwan and the P.R.C. moved to more open economic systems.

Previously saddled with steep protectionism and a heavy industry that was government-directed (if not government-owned), Taiwan has privatized much of its government holdings and substantially opened up its markets to international trade — to the benefits of all who live there. The P.R.C. has undergone a serious transformation as well. Whereas the P.R.C.'s economy was organized in 1949 as a Soviet-style "People's

Republic," its economy is now mainly in the private sector, with privatizations underway even as this is written. Although the P.R.C. still has a way to go in liberalizing its international markets, it has taken several significant steps, the most recent of which was this past February when the P.R.C. signed an accord with the U.S. on protecting intellectual property. The P.R.C.'s abandonment of a collectivist approach to its economy, while still retaining a closed political structure, led New York Times correspondent Nicholas

Historical events, which changed the shape of Asia only a hundred years ago, are linked to the roles of Japan, Taiwan, the P.R.C. and the United States in the reunification of Greater China.

Kristof to refer to the system as "Market-Leninism."

Both Taiwan and the P.R.C. are facing a political transition as well, as the 1949 revolutionary-era leadership leaves the scene and is replaced by a younger, frequently western-educated group of technocrats. In the P.R.C., we see that ideological purity is much less significant in government than simple pragmatism. "It doesn't matter whether a cat is black or white," explained Deng, "as long as it catches mice."

In Taiwan, this evolution has proceeded much further, with longestablished martial law being abolished in 1987 and a series of open multi-party elections taking place. Just last year, the ruling Kuomintang Party ("KMT") was forced to defend itself against the main opposition

^{6.} Calculated at purchasing power parity ("PPP").

Zei

party — the Democratic Progressive Party ("DPP") — in elections for provincial governor, provincial legislature, and in important mayoralties. There is an important ethnic issue in Taiwan politics as well. Although division among the KMT members has developed in the last couple of years regarding the current leadership's dedication to unification with the mainland, the KMT's support is based among the mainland Chinese who fled to Taiwan in 1949. The DPP's strongest support is based mostly among the indigenous Taiwanese, those who lived under Japanese colonial rule.

The Taiwan legislature is as vigorous and open in debate as any in the West. Its newspapers report freely, perhaps gleefully, on government problems and the misdeeds of politicians. In short, the P.R.C. is still a closed political system, and in Taiwan a healthy robust democracy is firmly underway.

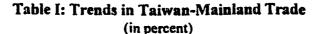
However, the P.R.C. is gradually, and subtly, expanding the bounds of permissible behavior. Within the last decade, for example, there has been a substantial increase in the type of religious activity that is tolerated. Similarly, the proliferation of satellite dishes has opened up much of China to western ideas projected in the mass media. On a small scale, there have been experiments with free elections at the village level and increasing independence in the National People's Congress, the formerly rubber-stamp national legislature.

Slow-Motion Reunification

There is a surprise for those who try to assess the prospects for reunification: by many measurements, reunification is already proceeding apace. If we examine trade between Taiwan and the Mainland, or investment, or tourism, we see a sharp rise in number of contacts, and the length and breadth of relationships. Indeed, if we look at any social or economic indicators, we see a sharp rise in interaction.

As Table I reflects, trade across both sides of the Taiwan Straits has grown sharply. Taiwan's exports to the P.R.C. and the P.R.C.'s exports to Taiwan have both out paced the rate of increase of global exports.⁷

^{7.} Harding, Harry, "Economic Integrations within Greater China," The China Quarterly, December 1993.



The P.R.C. does not break out tourism from Taiwan separate from tourism from Hong Kong and Macao, but the figures presented in Table II are striking nonetheless. Taiwan, Hong Kong, and Macao have a combined population of less than thirty million, so we can assume that a substantial proportion of Taiwan's business community, as well as other important population segments, has visited the P.R.C.

Table II: Tourism to the Mainland (in millions)

^{8.} China Handbook, New Star Publishers, Beijing, 1993, p.127.

So for those who wonder when unification might occur, it is occurring as you read this essay. Not surprisingly, the most sensitive and significant dimensions of national behavior — formal political and security arrangements — will be the final pieces of the jigsaw puzzle. But a web of relationships between Chinese on the mainland and those on Taiwan has been steadily growing over the past decade or so. With each new investment (made willingly by the Taiwanese people since the government still restricts public investment in China), or family reunited, or tourist, the two polities are that much closer together.

People who think that a formal political resolution should come first, then the underlying problems will be resolved, are like someone who thinks that a marriage ceremony should be set and only then could a

Decades of hostility and suspicion are being worn away by the mutual advantages of commerce, and the profound ties of culture, language, and blood that unite the Chinese people. Taiwan and the P.R.C. have far more in common than they ever had in difference.

romance begin. True, the marriage ceremony is the most important element of the courtship, but if the courtship has not proceeded in an appropriate fashion, the ceremony will not take place in any event.

Although many observers look to the ceremony with anticipation, all we can say today is that the P.R.C. and Taiwan are in the early stages of the courtship. Decades of hostility and suspicion are being worn away by the mutual advantages of commerce, and the profound ties of culture, language,

and blood that unite the Chinese people. Taiwan and the P.R.C. have far more in common than they ever had in difference.

This is not to say there are no important issues in the emerging bilateral ties, even apart from the politico-military ones. Taiwan is concerned about economic over-reliance on the P.R.C. This, it feels, is not only inevitable (as evidenced by the fact that the island nation would have had a deficit were it not for its exports to China), but is also a factor which could leave it vulnerable to manipulation. Even today, Taiwan restricts direct transportation links with the P.R.C. so that bilateral passengers and cargo must transit through Hong Kong. One must remember that initial cross-straits issues were humanitarian, such as family reunification. Only later did Taiwan and the mainland devise means for tourism and business. Taiwan needs to reevaluate its prohibitions against eco-

nomic activity in the P.R.C. with the goal of minimizing barriers. Taiwan should seek as broad engagement with the P.R.C. as possible.

Both the P.R.C. and Taiwan have proposals for reunification. On September 29, 1981, P.R.C. National Party Congress Committee Chairman Ye Jianying explained the P.R.C.'s position on reunification:

- "1. In order to bring an end to the unfortunate separation of the Chinese nation as early as possible, we propose that talks be held between the Communist Party of China and the Kuomintang of Taiwan on a reciprocal basis so that the two parties will cooperate together to accomplish the great cause of national reunification.
- 2. We propose that the two sides make arrangements to facilitate the exchange of mails, air and shipping services, and visits by relatives and tourists.
- 3. After the country is reunified, Taiwan can enjoy a high degree of autonomy as a special administrative region and it can retain its autonomous forces. The Central Government will not interfere with local autonomy on Taiwan.
- 4. Taiwan's current socio-economic system will remain unchanged as will its way of life and its economic and cultural relations with foreign countries. There will be no encroachment on the property, houses, land, enterprises, or on foreign investments.
- 5. People in authority and representative personages of various circles on Taiwan may take up posts of leadership in national political capacities and participate in running the state.
- 6. For people of all nationalities and public figures of various circles on Taiwan who wish to come and settle on the mainland, it is guaranteed that proper arrangements will be made for them, that there will be no discrimination against them, and that they will have the freedom of entry and exit.

i T

}

趋

- 7. Industrialists and businessmen in Taiwan are welcome to invest and engage in various economic undertakings on the mainland, and their legal rights, interests and profits are guaranteed.
- 8. The reunification of the motherland is the responsibility of all Chinese. We sincerely welcome people of all nationalities, public figures of all circles and mass organizations in Taiwan to make proposals and suggestions regarding affairs of state through channels and in various ways. China's reunification and prosperity is in the vital interest of the Chinese people of all nations not only those on the mainland, but those in Taiwan as well. It is also in the interests of peace in the Far East and the world."

The General Secretary of the Chinese Communist party, Jiang Zemin, addressed the topic of relations across the Taiwan Straits on the Chinese Lunar New Year in 1995, reiterating the P.R.C. proposal for cross-Straits relations. Jiang Zemin's speech "showed a clear intention to seek peaceful resolution of cross-Straits issues." Jiang stated that "President Lee Teng-hui was welcome to visit China in an appropriate capacity.... Jiang would also like to visit Taiwan. Jiang also called for a formal end to hostilities."

"Jiang made an unusually friendly affirmation of respect for the rights of the Taiwanese people. 'We want to respect completely the lifestyle of our Taiwanese compatriots and respect their wishes to be their own masters and thereby protect their proper rights."

The R.O.C. government in Taiwan recommends less-formal and less-unified ideas about reunification. In his recent rebuttal to Jiang's New Year's speech, Lee was less than conciliatory. His "proposals were

^{9.} Jen-Kun Fu, Taiwan and the Geopolitics of the Asian-American Dilemma, New York: Praeger Publishers, (1992), p. 109-10.

^{10.} Julian Baum, "Jiang Talks Straight," Far Eastern Economic Review, February 1995, Vol. 158, p. 14.

^{12.} Ibid.

^{13.} Ibid.

^{14. &}quot;Lee is Treading Water," South China Morning Post, op. Hong Kong, April 10, 1995, page A20.

rather disappointing. He knows well that it would be unwise, in practical terms, and virtually impossible, in political terms, for any Chinese leader to renounce the use of force against Taiwan. Such a major concession by Beijing would tilt the balance of advantage in Taipei's favor in subsequent negotiations."

A new Chinese nation would adopt the "One country - two systems" model in which Taiwan would retain broad autonomy on politico-military issues. In exchange, Taiwan would receive guarantees from the P.R.C. not to use force against Taiwan -- a pledge the P.R.C. has never made to date, and an action aimed only toward foreign influence on invasion or Taiwan independence. Taiwan could be given some sort of say in central government activity, perhaps participation in the cabinet and representation in the national assembly.

Implications for the United States

The United States needs to give serious thought to the consequences of reunification. German reunification caught the U.S. by surprise. There is no reason why Greater China unification should have the same effect.

Reunification is an issue for the people of Taiwan and the P.R.C. to work out among themselves, but the United States can and should be helpful at the margin. The U.S. has important interests in the region and needs to contribute to shaping reunification so that core U.S. concerns are also addressed.

• The first core principle is for the United States to restate its long-held support for a peaceful reunification, with the consent of the Chinese people on both sides of the Taiwan Straits. A "forced" solution is no solution. The United States shares the desire of the Chinese people for a stable and unified China. A fragmented China, or one torn by civil war, is neither in the interest of the U.S., nor in the interest of regional peace and stability.

The issue of a fragmented China sometimes enters the discussion indirectly, such as when the question arises of Taiwan's participation in international organizations. As a sizable economic and trading power, Taiwan, like Hong Kong, has a legitimate role to play in many organizations, particularly those that are economic in nature. Common sense dictates that Taiwan play a full and constructive role in such fora as Asia

Pacific Economic Cooperation, the World Trade Organization, and international telecommunications and transportation accords. For the moment, however, it would not be prudent for Taiwan to pursue membership in political organizations designed for formal relations, such as the General Assembly of the United Nations.

• Second, the United States must maintain support for Taiwan's democratization and economic success, but the U.S. needs to find ways of doing so that do not antagonize the P.R.C. or discourage efforts of unification. The U.S. has a legitimate and heartfelt desire to support Taiwan, but it needs to ensure that it does not turn this looming courtship into a lovers' triangle. Developing warmer relations with Taiwan should not mean cooling off toward the P.R.C., nor would it affect the efforts of unification.

The United States needs to give serious thought to the consequences of reunification. German reunification caught the U.S. by surprise. There is no reason why Greater China unification should have the same effect.

• Third, the United States should persuade Taiwan to promote economic activity on the mainland such that the seeds of Taiwan's democratic institutions (open press, multi-party system, and free elections) can be planted on the mainland. This pattern will begin as the P.R.C. attempts to establish a strong commercial code. The P.R.C. is increasingly aware that its legal system is not up to the challenge of a modern economy. Taiwan's legal system helps its growth by providing

for contract compliance, an independent judiciary, and other protection for merchants. What better way for the two to start cooperating than for the P.R.C. to examine Taiwan's commercial system for adaptation.

Those who say that this emphasis on economic and commercial progress in the P.R.C. is antithetical to human rights are dead wrong. Economic freedoms buttress personal and political freedoms; they do not undermine them. Critics fail to understand the Western experience in which the right of property was the first right of the citizen, the first limitation of government power, and formed the basis for expansion of rights into other areas. Indeed, major developments in the establishment of open, democratic political systems in the West stemmed from com-

◒

plaints about property rights, from the Magna Carta to the Boston Tea Party. Conversely, the snuffing out of freedom and the establishment of a totalitarian government frequently went along with the dismantling of property rights, be it during the terror of the French Revolution or during the confiscations of the Russian Revolution.

Challenge for Both P.R.C. and Taiwan Domestic Politics

The issue of reunification is a matter of great importance in both Taiwan and in the P.R.C. The question of reunification is frequently mixed with the issue of independence for Taiwan. In Taiwan, independence is often advocated by members of the DPP opposition party; and for its part, the P.R.C. has publicly stated that such a move would provide causus belli, the cause for war. This issue of independence and

sovereignty relates directly to the question of Taiwan's participation in international organizations, discussed earlier. Any effort in seeking international political recognition, which is being pursued by some in the Taiwan leadership, is in reality promoting Taiwan's independence, potentially moving the cross-straits relations into a dangerous area.

Tensions on this issue might not be as grave as they appear on the surface. At least part of the sentiment Any effort in seeking international political recognition, which is being pursued by some in the Taiwan leadership, is in reality promoting Taiwan's independence, potentially moving the cross-straits relations into a dangerous area.

for independence in Taiwan stems from a small group of people consisting of both American citizens and DPP and KMT leaders, organized because of a purported lack of confidence in the P.R.C. government. At least part of the rhetoric in the P.R.C. over Taiwan stems from maneuvering for post-Deng succession within the P.R.C. As the P.R.C. moves to a more rule-based society and the issue of succession is dealt with, we can expect the temperature to drop on this issue.

Other Issues

Finally, we should look at the implications of a reunited Greater China for the region.

Ħ

1

100 miles

يت او أورو وا One immediate dimension of the issue will be Hong Kong, which reverts from British rule to the P.R.C. in 1997 under the "One-Country-Two-Systems" proposition. The P.R.C. has promised "a high degree of autonomy" for this wealthy colony, with all indigenous institutions to remain intact for fifty years. Protecting the astonishing economic success of Hong Kong will be a shrewd move on behalf of the P.R.C., not just because the P.R.C. is a prime beneficiary of Hong Kong's success, but also because many on Taiwan will be watching. Fairly or unfairly, many in Taiwan will come to their conclusions regarding unification by the way the P.R.C. deals with Hong Kong.

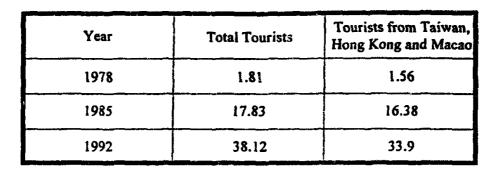
The impact of reunification on Japan is also a subject to consider. Only by playing an on-going role in the region can the United States help assuage any reemergence of traditional Sino-Japanese enmity. Despite whatever problems the U.S. has in Asia, the U.S. is viewed as a generally benign and stabilizing force. In other words, neither Japan nor China have anything to fear from each other as long as the United States is committed to and engaged in the region. The American security treaty with Japan precludes the need for Japan to remilitarize or to respond to any growth in China's strength. Although American security commitments to Taiwan preclude the use of military force on the part of the P.R.C., it would be difficult for the U.S. to intervene because the conflict would be -- like the American Civil War -- a uniquely sovereign one.

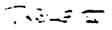
Reunification is coming; by many measurements its already here. If the United States is involved in a constructive fashion, it will have helped to fashion a new Sino-American relationship that could prove the basis of its Asian-Pacific foreign policy for the next century.



	Annual Growth Rate of Taiwan's Global Exports	Annual Growth Rate of Taiwan's Exports to P.R.C.	Exports to P.R.C. as percent of Taiwan's Global Exports	Annual Growth Rate of Taiwan's Global Imports	Annual Growth Rate of Imports from the P.R.C.	Imports from P.R.C. as percent of Global Imports
1980-85	8.78	28.08	1.61	0.36	7.79	0.48
1985-91	15.14	25.92	4.09	19.04	37.92	1.17

_





,jj įį.

10

H C

æ

23rd Floor, Dah Sing Financial Centre 108 Gloucester Road Hong Kong

Telephone **Facsimile**

852-2598-6632 852-2598-5109 852-2598-0575

FAX TRANSMISSION COVER SHEET

TO:

Mr. Steve Richards

c.c. Mr. Richard Richards

COMPANY:

Commerce Consultants International, Ltd.

YOUR FAX NO .:

1 (202) 342 0650 (Mr. S. Richards)

1 (801) 399 9954 (Mr. R. Richards)

SUBJECT:

"Common Sense" Article

DATE:

March 24, 1995

FROM:

Ambrous Young

OUR REF. NO.: FAX/185/95

COVER SHEET + PAGES TO FOLLOW =

Date:

Reporter: David A. Kasdan, RPR

0113

UNITED STATES

10

Õ

ųĴ,

n

Telephone Facsimile \$52-2598-6632 \$52-2598-5109 \$52-2598-0575

OUR REF: FAX/185/95

March 24, 1995

Mr. Steve Richards Commerce Consultants International, Ltd. 1025 Thomas Jefferson St., N.W. Suite 105 Washington, D.C. 20007 U.S.A.

FAX: 1 202 342 0650

Dear Steve:

"COMMON" SENSE ARTICLE

Mr. John Bolton, President of the National Policy Forum wrote me on March 15, 1995 the attached letter which is self-explanatory.

I would like to continue the second article in time, therefore, I would like to proceed with the ground work. Perhaps you can discuss this matter with Fred to start the preparation in accordance with the questions I have raised in the first article.

Best regards,

Ambrous Young

ATY/aw Attach.

c.c. Mr. R. Richards, FAX: 1 801 399 9954 (with attach.)-

0114

TAIWAN

SINGAPORE

HONG KONG

AUSTRALIA

UNITED STATES

A Republican Center for the Exchange of Ideas

ALEY BARBOUR Chairman OHN R. BOLTON

President

Û

(J ħ

۱Ü ţŗ.

March 15, 1995

DEVELOPMENT CC., LTD.

Mr. Ambrous T. Young Young Brothers Development Co., Ltd. 23rd Floor, Dah Sing Financial Sentre 108 Gloucester Road Wanchai, Hong Kong

Dear Mr. Young:

We hope by now you have received your set of copies of Common Sense, as well as the special reprints of your article on China, under our bold new red, white and blue cover design. We are pleased to tell you that our new Common Sense, with your article, is receiving high acclaims from the leadership in the U.S. Senate and House of Representatives, as well as many other dignitaries on our mailing list.

If you need additional copies, or if there is anything at all we can do for you, please do not hesitate to let us know.

Sincerely yours.

SIGNET

May 2, 1995

Mr. Steve R. Richards
Vice President
Commerce Consultants International, Ltd.
1025 Thomas Jefferson St., N.W.
Suite 105
Washington, DC 20007

RE: Certificate of Deposit # 1833180647

Dear Mr. Richards:

In accordance with procedures requested by Mr. Benton L. Becker, General Counsel of Young Brothers Development (USA), Inc. (YBD-USA), in his letter to Signet Bank of November 17, 1994, Signet Bank wishes to notify you that we have received a principal and interest payment from National Policy Forum, for which loan YBD-USA provides collateral in the form of the referenced Certificate of Deposit.

Consistent with the terms of both the loan agreement and Mr. Becker's letter, we have released the referenced corresponding Certificate of Deposit which served as collateral for this portion of the loan, and have wire transferred these funds via Fed Reference # 113276 to:

Young Brothers Development Co. Ltd.
Account Number
c/o Hong Kong and Shanghai Banking Corporation, Ltd.
One Queen's Road Central, Hong Kong

Please feel free to call me at 202-331-5460 with any questions you may have.

Sincerely,

Kevin M. Killoren

Commercial Banking Officer

cc: Benton L. Becker

EARIDE

| Date:

Reporter: David A. Kasdan, RPF

20

October /3

USA Young Brothers Development, Inc., 1550 Madruga Avenue, Coral Gables, Florida 33146

(Name and aggress of deposit owner 2)

Ö

M

.

٠. ترين

dr.

in

= d.

ış i

=

7

Type of deposit or certificate of deposit	Account Number and Maturity Date	Name of financial institution	Amount of deposit or certificate of deposit	As of
Certificate		Signet Bank/		
of Deposit	7/3/95	Virginia	\$ 191,000.00	October /4 19

Meaning of some words. In this agreement, the words "you" and "your" mean anyone signing this agreement. The words "we", "us" and "our" mean Bank/Virginia. The words "the borrower" mean <u>National Policy Forum</u>. 2293 Pennsylvania Avenue. N.E.. Washington, D.C. 20003

(Name and aggress of person receiving credit from us if other than you)

The words "your deposit" mean the deposit or certificate of deposit described in the box at the beginning of this agreement and all additions to it and all renew

Some assurances about your deposit. You assure us that no one other than you owns your deposit and that no one other than you or us has any claim to it o money payable on account of it.

Collateral security. You are assigning to us all rights to your deposit (including any money paid to it, such as interest or dividence) in exchange for value receive secure all amounts which you or the borrower owe us now or in the future. We do not have to exercise any of the rights. We can apply your deposit to the amou owe us in any order we choose, whether or not they are then due.

Examples of rights transferred to us. Some of the rights in your deposit that you are transferring to us include the following right(s) to:

Withdraw money from or cash in your deposit at any time upon demand, subject to the limitations set forth balow, renew your deposit; receive and acknowledge receipt of money payable in connection with your deposit; sign your name on any check or order payable in connection with your deposit; bring a lawsuit, file any claim or take any other action in connection with your deposit, either in your name or in our name; transfer your deposit to us; and transfer your deposit to anyone etse.

If we transfer your deposit, the person to whom we transfer it will have all of your rights in it, but will not have to exercise any of the rights.

Cashing in, withdrawel or transfer. You will not cash in or make or pennit any withdrawel from your deposit. If you have previously authorized anyone to cash in c withdrawels from your deposit, you hereby revoke that authority. In addition, you will not transfer any of your deposit to anyone else.

Exercising our right to cash in, withdraw or transfer. We will not cash in or withdraw any money from your deposit or transfer it (except to someone acting on our until any of the following nappens:

Any amount owing to us by you or the borrower now or in the future is not paid by the day it becomes due; you violate a provision of this agreement or any other agreement with us existing now or in the future; the borrower violates a provision of any agreement with us existing now or in the future; you die or the borrower diest you have made or make a false or misleading statement about an important matter in this agreement, any other agreement with us or any application to us for credit; the borrower has made or makes a false or misleading statement about an important matter in any agreement with us or any application to us for credit; we reasonably believe that any amount only to be you or the borrower now or in the future.

Delivering documents. You are delivering to us all documents (such as passbooks and certificates) issued to you in connection with your deposit, and you assure each of the documents is what it appears to be. You will promptly deliver to us all additional documents issued to you in connection with your deposit without demand.

Taxes, fees and charges. You will promptly pay all taxes, fees and charges owing with respect to your deposit or sity money payable on account of it. If you do not:

do so. When we as a you to do so, you will immediately pay us all amounts we pay unger this section and interest on these amounts at the highest rate allowed!

Attorney's fee and court costs. If we have an attorney to defend or enforce our rights in your deposit or to perform any legal services in connection with it, you will the attorney's fee and any court costs we have to pay.

Actions by financial institution. You authorze the financial institution where your deposit is located to accept without question any exercise by us or anyone to white transfer your deposit of any of your nights in your deposit and in any money payable on account of it. In addition, you authorze the financial institution to make any or order for an amount payable in connection with your deposit payable to us alone or to anyone to whom we transfer your deposit alone. You acknowledge to financial institution will have no liability to you for any amount it pays to us or anyone to whom we transfer your deposit.

No notice or loss of rights. We do not have to tell you if any amount secured by your deposit is not paid by the day it becomes due. We can exercise any right again person or property without losing any right against you or any right with respect to your deposit. We can do any, all or any combination of the following without tells or losing any right against you or any right with respect to your deposit:

Give additional time for payment of any amount secured by your deposit; give up or delay exercising any right against any person or property or any right with respect to your deposit; fail to protect or enforce our interest in any property; or change any provision of any other agreement between you and us or any agreement between the borrower and us.

Change of address. If your address changes, you will promptly tell us in writing of the new address.

Changes. Any change in this agreement must be in writing.

	My time owing to us by you : list becomes owing later.	or the bortower was un	res agreement. Except as provided) in the next sectio
End of agreement. This agreement will end when we men neither you not the borrower is indebted to us upon your request, sign the release when all amount of coposit will not secure payment of any amount.	i. But if we receive written no counts owing by you of the b	bce that we are not to rely on prower as a result of cretit o) your deposit as security for future extendent before we receive the not	extensions of crec
in incide agreement. This agreement is the final and c	omplete agreement between	you and us concerning the	e transfer of your rights in your de	Dosit.
What law applies. Any legal question about this agr	eament will be decided acc	ording to the laws of the Co	mmonwealth of Virginia,	
Responsibility. You and everyone else signing this agus anyone else.	graement will be, ındıvidually	and/or together, liable unds	r it. We can sue you under this agri	lament even if we c
USA Young Brothers Developmen By:	t, Inc.	-	·	
Benton L. Becker, Segretar	y/Treasurer		(Signature of deposit owner 2)	
STATE OF JUST A STATE OF THE ST		to wit		
CITY COUNTRY)			
The foregoing assignment of deposit was acknowled	aged before me this	13-19	day of October	. 19_94
by Benron L. Becker, who by villac., acknowledged the same to	rrue of the powe o be the act and	deed of said US	hy IISA Young Brother De World W Voice	
My commission expires: April 30,	1996		f Notary Public 0	
The undersigned acknowledges receipt Signer Bank/Virginia in the deposit or capazable on account of it, any addition to against the deposit or certificate of deposit or certificate of deposit or certificate.	of the accompanying assignful intificate of deposit describ b it or any renewal of it. The sit. The undersigned also it	ed in the assignment, all a le undersigned certifies th certifies that, as of the date	dditions to it, all renewals of it an at the undersigned knows of no- of this acknowledgement, the an	dall money other claim
. /0	114 19 94	Si GNE	TEAM /N/A	
	, 19		Name of financial institution	
		By Signature a	CON IS CONTROL OF THE PROPERTY	ANCIN OFFICE
	RELEASE OF ASSIC	ENMENT OF DEPOSIT		
The undersigned relea	nes all of the rights transfer	red to it in the accompanyir	ng assignment of deposit.	
4/29	19 95			
•		By Signature	and title of person for Signet (V6 OFFER
		K USE ONLY		
Office taking the assignment	Account number(s) of it by the ass		Name of authorized individent the assignment	
1426			KEVIN M. K.	LLORENI
99999-501-143.3				



National Policy Forum

229 1/2 Pennsylvania Avenue, S.E., Washington, D.C. 20003

A Republican Center for the Exchange of Ideas

Haley Barbour Chairman John R. Bolton President

July 31,1995

Mr. Steve R. Richards
Vice President
Commerce Consultants International, LTD
1025 Thomas Jefferson Street, NW
Suite 105
Washington, DC 20007

Dear Steve:

Attached is a copy of Signet's Assignment of Deposit for our note due July 31, 1995. We have made the payment, and Signet has released the CD. Linwood White from Signet will be sending you a confirmation within a few days.

If you have any questions or concerns please do not hesitate to call me.

Sincerely,

Steven S. Walker, Jr.

Comptroller

attachment

cc: Fred Volkansek

exhibit

Date:

6/3/97

Reporter: David A. Kasdan, RPR

October

USA Young Brothers Development, Inc., 1550 Madruga Avenue, Coral Gables, Florida

me and address of deposit owner 1)

(Name and address of deposit owner 2)

Type of deposit or certificate of deposit	Account Number and Maturity Date	Name of financial institution	Amount of deposit or certificate of deposit	As of
Certificate	imcuitty bate	Signet Bank/		
of Deposit	10/2/95	Virginia	\$ 191,000.00	October /4 19 94

Meaning of some words, in this agreement, the words "you" and "your" mean anyone signing this agreement. The words "we", "us" and "our" mean Sign Bank/Virginia, The words "the borrower" mean _National Policy Forum, 229's Pennsylvania Avenue. 20003 Washington, D.C.

(Name and address of person receiving credit from us if other than you)

The words "your deposit" mean the deposit or certificate of deposit described in the box at the beginning of this agreement and all additions to it and all renewals o

Some assurances about your deposit. You assure us that no one other than you owns your deposit and that no one other than you or us has any claim to it or to a money payable on account of it.

Collegent security. You are assigning to us all rights to your deposit (including any money paid to it, such as interest or dividence) in exchange for value received and secure all amounts which you or the borrower owe us now or in the luture. We do not have to exercise any of the rights. We can apply your deposit to the amounts y owe us in any order we choose, whether or not they are then due.

Exemples of rights transferred to us. Some of the rights in your deposit that you are transferring to us include the following right(s) to:

Withdraw money from or cash in your depost at any time upon demand, subject to the limitations sat forth below; renew your deposit; receive and acknowledge receipt of money payable in connection with your deposit; sign your name on any check or order payable in connection with your deposit; bring a lawsuit, file any claim or take any other action in connection with your deposit, either in your name or in our name; transfer your deposit to us; and transfer your deposit to anyone else.

' we transfer your deposit, the person to whom we transfer it will have all of your rights in it, but will not have to exercise any of the rights.

Cashing in, withdrawet or transfer. You will not cash in or make or permit any withdrawet from your deposit. If you have previously authorized anyone to cash in or ma withdrawais from your debosit, you hereby revoke that authority. In addition, you will not transfer any of your debosit to anyone eleg.

Exercising our right to cash in, withdraw or transfer. We will not exah in or withdraw any money from your deposit or transfer it (excitet to someone acting on our beh: until any of the following happens:

Any amount owing to us by you or the borrower now or in the future is not paid by the day it becomes due; you violate a provision of this agreement or any other agreement with us existing now or in the future; the porrower violates a provision of any agreement with us existing now or in the future; you die or the borrower dies; you have made or make a false or misleading statement about an important matter in this agreement, any other agreement with us or any application to us for credit; the borrower has made or makes a false or misleading statement about an important matter in any agreement with us or any application to us for credit; we ressonably balleve that any amount owing to us by you or the borrower now or in the future will not be paid by the day it becomes due; or we reasonably believe that something senously affects the value to us of any property in which an interest has been or is given to secure payment of any amount owing to us by you or the borrower now or in the future.

Delivering documents. You are delivering to us all documents (such as passbooks and cartificates) issued to you in connection with your deposit, and you assure us to each of the documents is what it appears to be. You will promptly deliver to us all additional documents issued to you in connection with your deposit without furti demand

Taxes, less and charges. You will promptly pay all taxes, less and charges owing with respect to your deposit or any money payable on account of it. If you do not, we c do so. When we ask you to do so, you will immediately pay us all amounts we pay under this section and interest on these amounts at the highest rate allowed by it

Attorney's fee and court costs. If we hire an attorney to defend or enforce our rights in your deposit or to perform any legal services in connection with it, you will pay the attorney's fee and any court costs we have to pay.

Actions by financial institution. You authorize the financial institution where your deposit is located to accept without question any exercise by us or anyone to whom transfer your deposit of any of your rights in your deposit and in any money payable on account of it. In addition, you authorize the financial institution to make any cite or order for an amount dayable in connection with your deposit payable to us alone or to anyone to whom we transfer your deposit alone. You acknowledge that : financial institution will have no liability to you for any amount it pays to us or anyone to whom we transfer your deposit.

No notice or loss of rights. We do not have to tell you if any amount secured by your deposit is not paid by the day it becomes due. We can exercise any right against a person or properly without losing any right against you or any right with respect to your deposit. We can do any, all or any combination of the following without felling y or losing any right against you or any right with respect to your deposit:

Give additional time for payment of any amount secured by your deposit; give up or delay exercising any right against any person or property or any right with respect to your deposit; fail to protect or enforce our interest in any property; or change any provision of any other agreement between you and us or any agreement between the borrower and us.

Change of address. If your address changes, you will promotly tell us in writing of the new address.

Changes. Any change in this agreement must be in writing.

0120 (Continue

1.2 यक्षेत्र प्रदेश 7 Ü ¥....

L the rest will remain in effect. of this agreement is determined by a court to be in

Continuing agreement. Payment of all amounts at any time owing to us by you or the borrower will not end this agreement. Except as provided in to agreement will continue in effect for any amount that becomes owing lateral

End of agreement. This agreement will end when we sign the accompanying release of assignment of deposit. We will, upon your request, sign the when neither you not the borrower is indebted to us. But if we receive written notice that we are not to rely on your deposit as security for future exite will, upon your request, sign the release when all amounts owing by you or the borrower as a result of credit extended before we receive the notice a your deposit will not secure payment of any amount that becomes owing by you or the borrower as a result of credit extended after we receive to

Entire agreement. This agreement is the final and complete agreement between you and us concerning the transfer of your rights in your deposi-

Marte from debutter with refer despries group may adjust use	-	and the season of the season of August .
Responsibility. You and everyone else signing this agreem sue anyone else.	ent will be, individually end/or toge	ther, liable under it. We can sue you under this agreems
Agreement, You agree to be bound by the provisions of t USA Young Brothese Development,	his agreement. Inc.	.
By Life July mu		
Benton L. Becker, Secretary/T		(Signature of deposit owner 2)
Benton L. Becker, Secretary/T	reasurer	
SINIEUR CHARLES) to wit	
CHANCOUNT OF MUMICIA		
The foregoing assignment of deposit was acknowledged	before me this	day ofOctober
by Benton L. Becker, who by virtu Inc., acknowledged the same to b	e of the power veste	d in him by USA Young Brothers
Inc., acknowledged the same to b	e the act and deed o	of said USA Young Brothers Devel
		take at No land
		MACON IN VIOL
a de la companya de		Notary Public
My commission expires: April 30, 19	96	
My commission expires:	- 1 - V	
1		
_	ACKNOWLEDGEMENT OF	
Signet Bank/Virginia in the deposit or certific payable on account of it, any addition to it o	ate of deposit described in the a r any renewal of it. The undersk	deposit. The undersigned also acknowledges the IIII ssignment, all additions to it, all renewels of it and aligned certifies that the undersigned knows of no other, as of the date of this acknowledgement, the amount
deposit or certificate of deposit is \$ _/9/	OTT DA	
Geboar of cermicate of deboart is 3	<u> </u>	
10/14	19 9 4	SIGNET BANK /NA
		Name of financial institution
	Э у .	Signature and title of person signing for financia
	RELEASE OF ASSIGNMENT	OF DEPOSIT
The undersigned releases	all of the rights transferred to it in	the accompanying assignment of deposit.
	-	
Joly 31	19 15	
	8y .	Signature and title of person for Signet Ban
		0121
Office taking the assignment	FOR BANK USE ON	·
		ntis) secured Name of authorized individus

by the assignment

the assignment

JOHN S BREDI

YOUNG BROTHERS DEVELOPMENT CO., LTD.

23rd Floor, Dah Sing Pinancial Centre 108 Gloucester Road Hong Kong Telephone Facsimile 852-2598-6632 852-2598-5109 852-2598-0575

OUR REF: FAX/730/95

October 19, 1995

Mr. Steve R. Richards Commerce Consultants International, Ltd. 1025 Thomas Jefferson St., N.W. Suite 105 Washington, D.C. 20007 U.S.A. CONFIDENTIAL

FAX: 1 202 342 0650 (office) 1 703 356 0449 (home)

Dear Steve:

HB'S ITINERARY

Attached is a copy of HB's proposed itinerary. Please re-send to both Dick and Fred for their acknowledgement.

HB requested me over the phone for the possibility of a donation commitment within this month of which I need to discuss with Dick and Fred before I respond.

Best regards,

Ambrous Young

ATY/aw Attach. Date: 6/3/47
Reporter: David A. Kasdan, RPR

P.S. Are Dick of French pour HG

0122

TAIWAN

SINGAPORE

HONG KONG

AUSTRALIA

UNITED STATES

October 13, 1995

MEMORANDUM FOR A. YOUNG

FROM:

KIRK BLALOCK Wan 12th Ball

SUBJECT:

HB's uncoming min

HB asked me to fax to you an itinerary for the upcoming trip. The following information in based upon your conversations with him. Please let me know if these flights work.

Sunday, November 26, 1995

HB:

5:10 am depan Jackson Delta Flight 7159 7:40 am arrive Atlanta

8:09 am depart Atlanta Delta Flight 1565 10:10 am arrive Los Angeles

HB and KB meet in Los Angeles

11:45 am depart Los Angeles United Flight I

Monday, November 27, 1995

7:20 pm arrive Hong Kong

RON: Hong Kong

KBı

8:25 am depart Washington United Flight 1 10:35 am arrive Los Angeles



Tuesday, November 28, 1995

12:20 pm depart Hong Kong Air China Flight 102 3:10 pm arrive Beijing

RON: Beijing

Wednesday, November 29, 1995

RON: Beijing

Thursday, November 30, 1995

RON: Beijing

Friday, December 1, 1995

10:10 am depart Beijing United Flight 802 2:55 pm arrive Tokyo

6:55 pm depart Tokyo
Delta Flight 52
10:50 am arrive Portland

We still do not know if Marsha will be traveling with us; we do think it is doubtful that she will. We also need to know what arrangements we need to make for this trip. We believe we will stay at The Ritz-Carlton Hotel in Hong Kong and it has been suggested we stay at The Palace Hotel in Beijing. Are these OK with you?

We would also like a better understanding of what times we will have in Beijing to organize sightseeing trips to The Great Wall, etc. We know you have specific ideas about who, what and where HB will be while in Beijing and we need to have a better understanding for general scheduling purposes (ie: dinners, meetings, etc.).

I hope this information is helpful and we look forward to talking with you seen. You can reach me at 202-863-8700 by phone or at 202-863-8774 by fax.

Thanks again.



National Policy Forum



229 1/2 Pennsylvania Avenue, S.E., Washington, D.C. 20003

Facsimile Cover Sheet

To: Steve R. Richards

Company:

Phone: (202) 342 - 7610 Fax: (202) 342 - 0650

From: Dan Wilmet

Company: National Policy Forum

Phone: (202) 544-2900 Fax: (202) 544-0296

Date: 8 Nov.

Pages including this

cover page: 🔰

Comments:

We closed this on the 1st but you were at of town theye you had a vice thip. If there wie any questions please all me I am Wilmot at the above numbers.

Thank ga!

EXHIBIT

Date: 6/3/17

Reporter: David A. Kasdan, RPR

October /3 1994

USA Young Brothers Development, Inc., 1550 Madruga Avenue, Coral Gables, Florida 33146

(Name and appress of dispose Owner 2)

î - /

ىند ئىزىد

3 1-3

Type of deposit or conficute of deposit and Haturity Date

Certificate

Of Deposit 1/2/94

Name of Engacist institution Amount of deposit and deposit services of depo

Mounting of some words. In this agreement, the words 'you' and 'your' main anyone signing this agreement. The words 'we', "us' and 'our' mean Signe Bank/Veganis. The words 'the borrows' mean <u>National Policy Forms. 229³1 Pennsylvania Avenue</u> N.E...

Washington, D.G. 20003

(Name and asserts of person receiving treat from us if other wan you)

The words 'your deposit' matte the deposit of carrificate of deposit described in the DCx at the beginning of this agreement and all accledus to it and all renewals of

Some assurances about your deposit. You assure us that no one other than you owns your deposit and that no one other than you or us has any claim to it or to an income object on account of it.

Collegent security. You are assigning to us all rights to your deposit (excluding any money paid to it, such as interest or dividends) in exchange for value received and it secure all amounts which you or the borrows one us now or in the future. We do not have to exercise any of the rights. We can apply your deposit to the excursts young any order we choose, whether or not they are than due.

Examples of rights transferred to us. Some of the rights in your deposit that you are transferring to us include the following right(s) to:

Window money from or cash in your deposit at any time upon demand, subject to the limitations as forth below; tensor your deposit include, and action with your name on any check arrorder payable in connection with your name on any check arrorder payable in connection with your name on any check arrorder payable in connection with your deposit, either in your make or in our name: transfer your deposit to us, and transfer your deposit to anyone else.

If we transfer your doposit, life person to whom we transfer it will have all of your rights in it, but will not have to marcine any of the rights.

Cashing in, withdrawel or humbs. You will not cash in or make or permit any windowell from your deposit. If you have previously authorized anyone to cash in or make windowes from your deposit, you hereby revoke that authority, in addition, you will not canader any of your deposit to anyone state.

Exercising our right to cash in. will draw or statuter. We will not cash in or withdraw any money from your disposit Or transfer it (except to some One acting on our behalf ural any of one following happens.

Any amount owing to us by you or the bottower now or in the future is not paid by the day it becomes dust, you violate a provision of this agreement or any other agreement with us existing now or in the future; the bottower violates a provision of any agreement with us existing now or in the future; the bottower agreement about an important mixture in this agreement, any desergement with us or any application to us for credit, the bottower has made or makes faith or missading statement about an important and interportant and agreement with us or any application to us for credit, we reasonably believe that any amount owing to us by you or the bottower from or in the future will not be paid by the day it becomes dust or we reasonably believe that any amount owing to us by you or the bottower from or in the future.

Designing descriptions. You are delivering to us all documents (such as parabooks and christopies) issued to you in connection with your deposit, and you assure us that each of the documents is what it appears to be. You will promptly deliver to us all editional documents assed to you in connection with your deposit withheir further demand.

Taxes, lives and dranger. You will promptly pay all taxes, feet and chargest owing with respect to your deposition any money payable on account of it. If you do not, we can
do so, When we do you to do so you will introducing any us all associate we pay under this section and interest on these amounts at the nightest rate allowed by law.

Adomey's like and court costs. If we have an attorney to contains or entering our rights in your deposit onto perform any legal services in connection with it, you will play us the and any court costs we have to pay,

Actions by financial institution. You authorize the financial institution where your questit is located to accept without question any exercise by us or anyone to whom we transfer your approximation any of your rights in your deposit and in any money payable on account of it, Institution, you authorize the financial institution to make any check or order for an amount payable in connection with your deposit payable to us alone or to anyone to whom we transfer your deposit alone, You administration financial institution will have no liability to you for any amount it pays to us or anyone to whom we transfer your deposit.

No molecus loss of rights. We do not have to tell you it any amount secured by your deposit is not paid by the day it becomes due. We can exercise any right against 900 person or property without losing any right against you or any right against you or any right against you or any right with respect to your deposit. We can do any, all of any combination of the following without telling you or losing any right against you or any right with respect to your deposit:

Give additional time for payment of any amount secured by your deposit give up or delay contributing any right against any person or property or any property; or change any provision of any other agreement between you and us or any agreement between the borrower and us.

Change of address. If your address changes, you will promptly tall us in writing of the new address.

Changes. Any change in this agreement must be in writing.

(Continued)

Confining agricultiff. Payment of all amounts agreement will continue in effect for any amount	gally time owing to us by you: I that becomes owing tage.	certise portonier will not end?	Sugresment. Except as provided	in the next section this
End of agreement, This agreement will end when mether you not the bottower is indebted to pon your request, sign the release when as a voice depose will not secure payment or any and	MINISTER CHANGE OF THE PARTY OF	nick different as a partial by Labelian	Manufactured production of the second of the	exportations of theory we
naire agreement. This agreement is the final and				
Write law applies. Any regal question about this a			•	
Responsibility, You and everyone else signing this are anyone else.	s Agreement will be, inclinidually	rand/ortogether, liable unde	ric. We can sucyou under this agre	ement even if we do not
Appearant, You agree to be bound by the prove USA Zoung Brothers Developed	ions of this agreement ent, Inc.			
Benton L Becker, Secret	nor I)		(Signature of deposit owner 2)	
Benfor Dismit	ry/Tressurer			
armounter Blumbia	;	ts wit		
The foregoing assignment of deposit was actoron	vicuged believe me this	1344	. aya October	. 19 94
San Bancon I Rocker who he v	rivers of the con-		Samuel and a second	
The lace acknowledged the same	to be the act and	deed of said US	A Toung Brothers Des	rs Development. Telopment, Inc.
A THE STATE OF THE	•	(an	and M Voier	
A ALLE	24 1001		Money Public D	
My commission expires:	30, 1996		•	-
The undersigned acknowledges race Signet Bank/Virginia in the deposit or payable on account of it, any addition against the deposit or certificate or de deposit or certificate of deposit is \$.	r commense of deposit descrit it to it or any renewat of it. Yi sporie. The tindersioned also	o Lie Jamenarykaza ent en box	dilitions to it, all renovate of Rank at the productionary brown of the	d an money
1	,	<i>رسر</i>	~ /	
/a	114 1994	7,0	Name of Energies institution	<u> </u>
•				
		2/2	Ell come	
		Or A Sometime	ng site of person signing for finan	cid institution
		• • • • • • • • • • • • • • • • • • • •		
	DEI FAGE DE ACM	CAMENT OF DEPOSIT		
The undersigned n	cientes all of the rights transfe		ng easignment of deposit	
November 1	n 25			
	. 19	0		
		Signature	SBrackin designed and sittle of person for Signed E	stant Vice
	FOR SAN	K LISE CHILY		
Office taking the assignment		blim soccunt(s) secured signment	Name of authorized individ the assignment	tusting
9525-143.3			•	and the graph of the graph of the last

Executive Financial Center 1350 Connecticut Ava NW Washington DC 20036-1701

SIGNET

January 22, 1995

Mr. Steve R. Richards Vice President Commerce Consultants international, Ltd. 1025 Thomas Jefferson St., N. W. Suite 105 Washington, DC 20007

RE: Certificates of Deposit 1833180910

Dear Mr. Richards:

In accordance with procedures requested by Mr. Benton L. Becker, General Counsel of Young Brothers Development (USA), Inc. (YBD-USA), in his letter to Signet Bank of November 17, 1994. Signet Bank wishes to notify you that we have received a principal and interest payment from National Policy Forum, for which loan YBD-USA provides collateral in the form of the reference Certificate of Deposit.

Consistent with the terms of both the loan agreement and Mr. Becker's letter, we have released the referenced corresponding Certificates of Deposit which served as collateral for this portion of the loan, and have wire transferred these funds \$198,015.18 via Tran Reference # 950804500202 on August 07, 1995 to:

Young Brothers Development Co. Ltd. Account Number c/o Hong Kong and Shanghai Banking Corporation, Ltd. One Queen's Road Central, Hong Kong

Please feel free to call me at 202-331-5415 with any question you may have.

Sincerely.

Clara McElrov

Commercial Relationship Assistant

Clara Hillow

Reporter: David A.

YOUNG BROTHERS DEVELOPMENT - U.S., INC.

April 26, 1996

Mr. John Bredin Signet Bank 1350 Connecticut Avenue, N.W. Suite 1000 Washington, D.C. 20036

Dear Mr. Bredin:

Consistent with your transmittal of April 26, 1996 and its attached First Amendment to Credit and Security Agreement, as Secretary/Treasurer of Young Brothers Development Ltd. (USA), I hereby certify that, as of the date hereof, there have been no amendments to or modifications of the Articles of Incorporation or Bylaws of YBD (USA) since October 13, 1994.

Accordingly, by this letter YBD (USA) hereby approves of the terms of the First Amendment to Credit and Security Agreement pertaining to YBD's guarantee of the balance of an outstanding Signet Bank loan to the National Policy Forum, a D.C. non-profit corporation.

Secretary/Treasurer YBD Ltd. (USA) Inc.

BLB:jef Enclosures

cc: Steven Richards
John Bolton, National Policy Forum

Date: 6/3/97

Reporter: David A. Kasdan, RPR

April 30, 1996

Mr. John Bredin Signet Bank 1350 Connecticut Avenue, N.W. Suite 1000 Washington, D.C. 20036

Dear Mr. Bredin:

As requested in the enclosed April 26, 1996 memorandum from Shea & Gardner, have enclosed three executed originals on behalf of Young Brothers Development Ltd. (USA) of the two page document "Consent and Acknowledgment".

As required by paragraphs 10(d) and (e) of the First Amendment to Credit and Security Agreement, as Secretary/Treasurer of Young Brothers Development Ltd. (USA), I hereby certify that, as of the date hereof, there have been no amendments to or modifications of the Articles of Incorporation or Bylaws of YBD (USA) since October 13, 1994.

Further, I certify as Secretary/Treasurer of Young Brothers Development Ltd. (USA), that I am and have been authorized to execute all documents associated with the First Amendment to Credit and Security Agreement and that the terms and conditions contained in the First Amendment to Credit and Security Agreement and Allonge are acceptable to and have been approved by Young Brothers Development Ltd. (USA).

Respectfully submitted,

BLB:jef Enclosures

cc: Steven Richards

John Bolton, National Policy Forum

YOUNG BROTHERS DEVELOPMENT - U.S., INC.

April 26, 1996

Mr. John Bredin
Signet Bank
1350 Connecticut Avenue, N.W.
Suite 1000
Washington, D.C. 20036

Dear Mr. Bredin:

Consistent with your transmittal of April 26, 1996 and its attached First Amendment to Credit and Security Agreement, as Secretary/Treasurer of Young Brothers Development Ltd. (USA), I hereby certify that, as of the date hereof, there have been no amendments to or modifications of the Articles of Incorporation or Bylaws of YBD (USA) since October 13, 1994.

Accordingly, by this letter YBD (USA) hereby approves of the terms of the First Amendment to Credit and Security Agreement pertaining to YBD's guarantee of the balance of an outstanding Signet Bank loan to the National Policy Forum, a D.C. non-profit corporation.

Secretary/Treasurer YBD Ltd. (USA) Inc.

BLB: jef Enclosures

cc: Steven Richards

John Bolton, National Policy Forum

SHEA & GARDNER

1800 MASSACHUSETTS AVENUE, N.W.

WASHINGTON, D.C. 20036

Mainer W. Garoner LAWRENCE J. LATTO RICHARD T. CONWAY ROBERT T. BASSECHES BENJAMIN W. BOLEY MALPH J. MOORE, JR. MARTIN J. FLYNN STEPHEN J. POLLAK DAVID BOOTH BEERS ANTHONY A. LAPHAM RICHARD M. SHARP JOHN D. ALGOCK WILLIAM S. MOORE JOHN TOWNSEND RICH JAMES M. SIEKE MICHAEL GREENBERGER FALDENICK C. SCHAFRICK DAVID B. COCK OF COUNSEL OF COUNSEL

WILLIAM H. DEMPSEY BARBARA L. KIRSCHTEN

面仍所

£

C

WENDY S. WHITE WILLIAM R. GALEOTA PATRICK M. HANLON NANCY C. SHEA TIMOTHY K. SHUBA JAMES R. BIRO MICHAEL S. GIANNOTTO JEFFREY C. MARTIN WILLIAM R. HANLON ELIZABETH RUNYAN GEISE COLLETTE C. GOODMAN JULIE M. EDMOND LAURA S WERTHEIMER RICHARD M. WYNER THOMAS J. MIKULA EUGENIA LANGAN NANCY B. STONE CHRISTOPHER E, FALMER MARK S. RAFFMAN ELIZABETH M. BROWN

12021 828-2009 TELECOPIER: 12021 828-2195

May 24, 1996

ERIC C. JEFFREY
ROBERT S. WASSERMAN
BERNICE N. SLAIR
ANNE R. BOWDEN
LISA A. LANDSMAN
CYKTHIA GURNEE PUGH
DANA J. MANTIN
J. BRADFORD WIEGMANN
LLOYD D. COLLIER
VALERIE E. ROSS
MICHAEL K. ISENMAN
MARTMA MIRSCHFIELD
ANY HORTON
DAVID J. KATZ

CELESTINE R. MCCONVILLE KIM E. DETTELBACH SUSAN L. FACHOLSKI DAVID B. SMITH. JR. * JAMES R. BRAHSON HEATHER N. ANDERSON* JOLYNN CHILDERS DELLINGER ERIKA K. SINGER* ERIK J. OLSON* TIMOTHY J. SIMEONE* REENA N. GLAZER* DAVID ALLEN GRAFF* JULIE FURR YOUNGMAN*

-NOT ADMITTED IN D.C.

Mr. John Bredin Signet Bank Suite 1000 1350 Connecticut Avenue, N.W. Washington, D.C. 20036 By Hand Delivery

Dear John:

Enclosed are the fully executed closing documents for the Signet/NPF loan. Also enclosed is the original Allonge.

By copy of this letter I am sending each party a copy of the closing documents.

Very truly yours,

Timothy K. Shuba

TKS:jjd

Enci.

cc:

Mr. Matthew E. Crow Benton L. Becker, Esq. Mr. Thomas Josefiak Eric J. Geppert, Esq.

FIRST AMENDMENT TO CREDIT AND SECURITY AGREEMENT

between

NATIONAL POLICY FORUM,

Borrower,

and

SIGNET BANK.

Lender.

April 30, 1996

CLOSING DOCUMENTS

- 1. First Amendment to Credit and Security Agreement between National Policy Forum ("NPF") and Signet Bank ("Signet"), with Consent and Acknowledgment of USA Young Brothers Development Inc. ("YBD-USA") and Consent and Acknowledgment of Republican National Committee ("RNC")
- 2. Allonge
- 3. Renewed CD No.
- 4. Acknowledgments of YBD (USA)
- 5. Certification of Authority

FIRST AMENDMENT TO CREDIT AND SECURITY AGREEMENT

2

This First Amendment to Credit and Security Agreement (this "First Amendment") is entered into as of the 30th day of April, 1996, by and between the National Policy Forum, a District of Columbia nonprofit corporation with an office and principal place of business at 229 1/2 Pennsylvania Avenue, S.E., washington, D.C. 20003 ("Borrower"), and Signet Bank (formerly named Signet Bank/Virginia), a banking corporation organized and existing under the laws of the Commonwealth of Virginia, with offices at 1350 Connecticut Avenue, N.W., Washington, D.C. 20036 (the "Bank").

whereas, Borrower and the Bank are parties to a Credit and Security Agreement dated as of October 13, 1994 (the "Agreement"), pursuant to which the Bank has agreed to provide a secured term loan to Borrower in an aggregate principal amount not to exceed \$2,100,000 (the "Loan"); and

WHEREAS, Borrower desires to amend the Agreement in order to extend the Maturity Date of the Loan and revise the payment provisions set forth in the Agreement as provided herein; and

WHEREAS, the Bank is agreeable to so amending the Agreement subject to the terms and conditions stated in this First Amendment, Borrower's allonge to promissory note substantially in the form attached hereto as Exhibit A (the

"Allonge"), and any and all other documents to be delivered hereunder:

NOW, THEREFORE, in consideration of their mutual covenants and agreements and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

40 44 12

= <u>i</u>

...

- 1. The Agreement is hereby amended to delete all references therein to "Signet Bank/Virginia" and to replace them with "Signet Bank".
- 2. Section 1.2 of the Agreement is hereby amended to provide as follows:

"Funds under the Loan will be advanced on the Closing Date following satisfaction of the conditions of Section 2.2 hereof. The Note will mature on January 31, 1998 (the "Maturity Date").

3. Section 1.4(a) of the Agreement is hereby amended to provide as follows:

"Borrower shall repay to the Bank the outstanding principal balance under the Note in 10 quarterly installments, each in the amount of \$191,000, commencing April 30, 1995, and continuing on the last day of each July, October, January and April thereafter through and including July 31, 1997, and in an eleventh installment in the amount of \$190,000 payable on October 31, 1997, provided, however, that the quarterly installment due on January 31, 1996 shall be due and payable on January 31, 1998."

4. Exhibit A to the Agreement is hereby amended by deleting all references therein to "Signet Bank/Virginia" and replacing them with "Signet Bank".

5. Exhibit A to the Agreement is hereby further amended by deleting the second paragraph thereof and by substituting the following therefor:

¥szi

4 41, 1, 1,4

22

ij

ijī.

ĬĠ

n in

"Borrower shall repay to the Bank the outstanding principal balance under this Note in 10 quarterly installments, each in the amount of \$191,000, commencing April 30, 1995, and continuing on the last day of each July, October, January and April thereafter through and including July 31, 1997, and in an eleventh installment in the amount of \$190,000 payable on October 31, 1997, provided, however, that the quarterly installment due on January 31, 1996 shall be due and payable on January 31, 1998, the maturity date of this Note."

- 6. Exhibit A to the Agreement is hereby further amended by deleting the words "a certain Credit and Security Agreement (the "Credit Agreement") dated this date between Borrower and the Bank" in lines eight to ten of the third paragraph thereof, and substituting the words "a certain Credit and Security Agreement dated this date between Borrower and the Bank, as the same may be amended from time to time (the "Credit Agreement")".
- each of the representations and warranties contained in Article III of the Agreement (all references to the "Agreement" and the "Note" in such representations and warranties shall include this First Amendment and the Note as amended by the Allonge, respectively) as though each such representation and warranty were made as of the date hereof and (b) represents and warrants that as of the date hereof there exists no Event of Default or Incipient Default under the Agreement as amended hereby.

* * *

7

- 9. Borrower represents that, although its financial statements refer to loans from the Republican National State Election Committee (the "RNSEC"), Borrower has received loans solely from the Republican National Committee (the "RNC") through one of the RNC's bank accounts that is in the name of the RNSEC, and has never received a loan from a legal entity named the RNSEC.
- 10. As conditions precedent to the obligations of the Bank hereunder and to the disbursement of any Loan proceeds after April 30, 1996, the Bank shall have received each of the following documents, in form and substance satisfactory to the Bank and its counsel:
- (a) triplicate originals of this First Amendment, executed by Borrower, with consents and acknowledgements hereto executed by USA Young Brothers Development, Inc. ("YBD-USA") and the RNC;
 - (b) the Allonge, executed by Borrower;
- (c) the certificate of deposit in the amount of \$191,000.00 maturing on April 1, 1996, together with the assignment of deposit relating thereto executed by YBD-USA, securing Borrower's January 31, 1996 quarterly payment shall have been renewed, with a new maturity date of April 2, 1998, to secure Borrower's January 31, 1998 payment due to the Bank:

- (d) a certification by an officer of Borrower and YBD-USA, respectively, that, as of the date hereof, there have been no amendments to or modifications of its Articles of Incorporation or Bylaws since October 13, 1994, or, alternatively, copies of said Articles of Incorporation and Bylaws, certified by an officer of Borrower and YBD-USA, respectively; and
- (e) copies of all approvals or other actions necessary under the organization or governance documents of Borrower and YBD-USA for authorization of the execution, delivery and performance of this First Amendment, the Allonge, and the renewed certificate of deposit and assignment of deposit, as applicable, duly certified by an officer of Borrower and YBD-USA respectively.
- 11. This First Amendment may be executed by the parties hereto individually or in any combination of the parties hereto in several separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same First Amendment.
- 12. Except as specifically amended hereby, the Agreement remains in full force and effect as originally written to the extent not inconsistent herewith. All capitalized terms used but not defined herein have the meanings stated in the Agreement.

IN WITNESS WHEREOF, the parties have caused this First Amendment to be duly executed and delivered as of the date stated in the first sentence hereof.

ATTEST:	NATIONAL POLICY FORUM
Name: 10517/C/) 11/ANG Title: 1/2/1/ANG	By: A CROSTON Name: TEAN & GETTON Title: MEDICAL
MY COMMISSION EXPIRES DECEMBER 14, 1999	SIGNET BANK (formerly named SIGNET BANK/VIRGINIA)
	By: JOHN S. BREOKN Title: VICE PRESIDENT

CONSENT AND ACKNOWLEDGMENT

ے در در در

U.S.A. Young Brothers Development, Inc. ("YBD-USA"). which is providing the Collateral under and pursuant to the Credit and Security Agreement dated October 13, 1994 (the "Agreement"), by and between National Policy Forum ("Borrower") and Signet Bank/Virginia and the collateral assignments of deposits (the "Collateral Assignments") as provided therein. hereby acknowledges that it has reviewed the foregoing First Amendment by and between Borrower and Signet Bank (formerly named Signet Bank/Virginia) (the "Bank") and agrees and consents to all the terms and provisions stated therein pertaining to YBD-USA; agrees that all references to the Credit and Security Agreement in the Collateral Assignments shall refer to the Agreement as amended by the First Amendment; agrees that all references to "Signet Bank/Virginia" and the "Bank" in the Collateral Assignments shall refer to Signet Bank; consents to the renewal of the \$191,000.00 certificate of deposit originally maturing on April 1, 1996, together with the Assignment of Deposit relating thereto, with a new maturity date of April 2, 1998, to secure Borrower's January 31, 1998 payment due to the Bank under the Agreement, as amended by the First Amendment; and reaffirms each of its agreements and covenants under the Collateral Assignments with respect to or relating to the

Collateral pledged to the Bank pursuant to the Agreement as amended by the First Amendment.

USA YOUNG BROTHERS DEVELOPMENT, INC.

M. TI

Title: Lec / Tree -

CONSENT AND ACKNOWLEDGMENT

The Republican National Committee (the "RNC"), which entered into that certain Subordination Agreement in favor of Signet Bank/Virginia dated as of October 13, 1994 (the "Subordination Agreement"), and consented and agreed to by the National Policy Forum ("Borrower"), all pursuant to the Credit and Security Agreement dated October 13, 1994 (the "Agreement") by and between Borrower and Signet Bank (formerly named Signet Bank/Virginia) (the "Bank") the Bank, hereby acknowledges that it has reviewed the foregoing First Amendment and agrees and consents to all the terms and provisions stated therein pertaining to the RNC; agrees that all references to the Credit and Security Agreement in the Subordination Agreement shall refer to the Agreement as amended by the First Amendment; agrees that all references to "Signet Bank/Virginia" and the "Bank" in the Subordination Agreement shall refer to Signet Bank; and represents that there is no legal entity that goes by the name of the Republican National State Election Committee ("RNSEC"), and that all loans made to Borrower by the RNC or any affiliate of the RNC were in fact loans made by the RNC through one of its bank accounts that is under the name of the RNSEC.

ij.

REPUBLICAN NATIONAL COMMITTEE

22

FIRST ALLONGE to PROMISSORY NOTE

This First Allonge to Promissory Note ("this Allonge") is executed and delivered as of this 30th day of April, 1996, for the purpose of extending the maturity date and revising the payment provisions of that certain Promissory Note dated October 13, 1994 (the "Note"), in the principal amount of \$2,100,000.00 and issued to Signet Bank/Virginia by the NATIONAL POLICY FORUM (the "Maker"), to which Note this Allonge is attached.

- 1. The Note is hereby amended by deleting all references therein to "Signet Bank/Virginia" and replacing them with "Signet Bank" (the "Bank").
- 2. The Note is hereby further amended by deleting the second paragraph thereof and by substituting the following therefor:

"Borrower shall repay to the Bank the outstanding principal balance under this Note in 10 quarterly installments, each in the amount of \$191,000, commencing April 30, 1995, and continuing on the last day of each July, October, January and April thereafter through and including July 31, 1997, and in an eleventh installment in the amount of \$190,000 payable on October 31, 1997, provided, however, that the quarterly installment due on January 31, 1996 shall be due and payable on January 31, 1998, the maturity date of this Note."

3. The Note is hereby further amended by deleting the words "a certain Credit and Security Agreement (the "Credit Agreement") dated this date between Borrower and the Bank" in

ATTEST:

lines eight to ten of the third paragraph thereof, and substituting the words "a certain Credit and Security Agreement dated this date between Borrower and the Bank, as the same may be amended from time to time (the "Credit Agreement")".

- 4. Except as amended hereby, the Note remains in full force and effect as originally written.
- 5. This Allonge may be executed by the parties hereto individually or in any combination of the parties hereto in several separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same Allonge.

NATIONAL POLICY FORUM

By: Putice and Name: RETITY & WHY 67 Title: Notice Dulikie	By: ARBUTEN Name: TOWN R. BOLTON Titles PRESIDENT
[SEAL] IN STAMMSHOW SHOPE A	
Accepted:	
SIGNET BANK (formerly named SIGNET	BANK/VIRGINIA)
By: Name: Title:	

FIRST ALLONGE to PROMISSORY NOTE

波

This First Allonge to Promissory Note ("this Allonge") is executed and delivered as of this 30th day of April, 1996, for the purpose of extending the maturity date and revising the payment provisions of that certain Promissory Note dated October 13, 1994 (the "Note"), in the principal amount of \$2,100,000.00 and issued to Signet Bank/Virginia (the "Bank"), by the NATIONAL POLICY FORUM (the "Maker"), to which Note this Allonge is attached.

- 1. The Note is hereby amended by deleting all references therein to "Signet Bank/Virginia" and replacing them with "Signet Bank" (the "Bank").
- 2. The Note is hereby further amended by deleting the second paragraph thereof and by substituting the following therefor:

"Borrower shall repay to the Bank the outstanding principal balance under this Note in 10 quarterly installments, each in the amount of \$191,000, commencing April 30, 1995, and continuing on the last day of each July, October, January and April thereafter through and including July 31, 1997, and in an eleventh installment iln the amount of \$190,000 payable on October 31, 1997, provided, however, that the quarterly installment due on January 31, 1996 shall be due and payable on January 31, 1998, the maturity date of this Note."

3. The Note is hereby further amended by deleting the words "a certain Credit and Security Agreement (the "Credit Agreement") dated this date between Borrower and the Bank" in

lines eight to ten of the third paragraph thereof, and substituting the words "a certain Credit and Security Agreement dated this date between Borrower and the Bank, as the same may be amended from time to time (the "Credit Agreement")".

- 4. Except as amended hereby, the Note remains in full force and effect as originally written.
- 5. This Allonge may be executed by the parties hereto individually or in any combination of the parties hereto in several separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same Allonge.

ATTEST:

By: Still Canal Stille: 1 Stand Stiller

[SEAL]

MY COMMISSION EXPIRES DECEMBER 14, 1999 NATIONAL POLICY FORUM

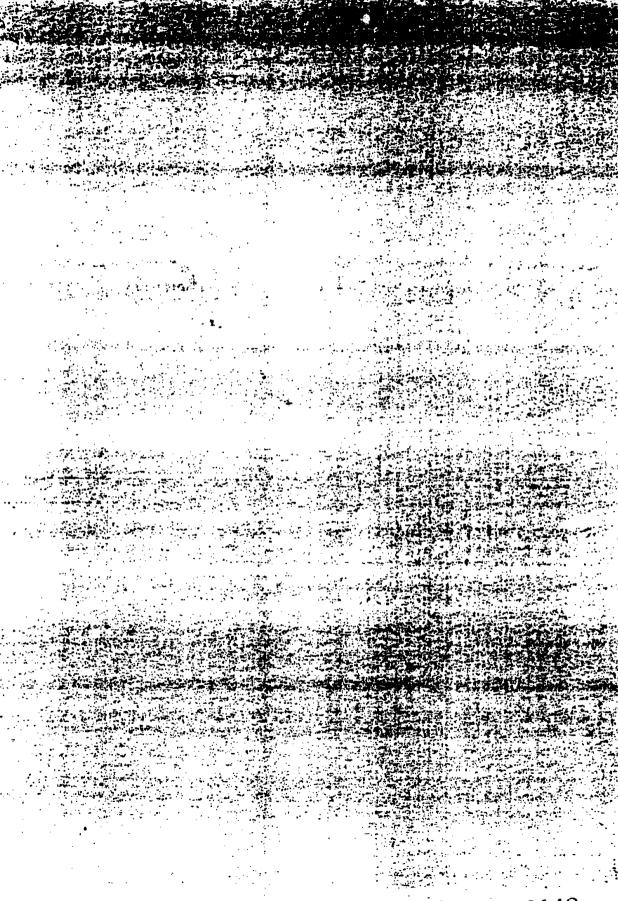
Name: JCHN R BOLTON

Accepted:

SIGNET BANK (formerly named SIGNET BANK/VIRGINIA)

Name: John S. BREDIN

Title: VICE PRESIDENT



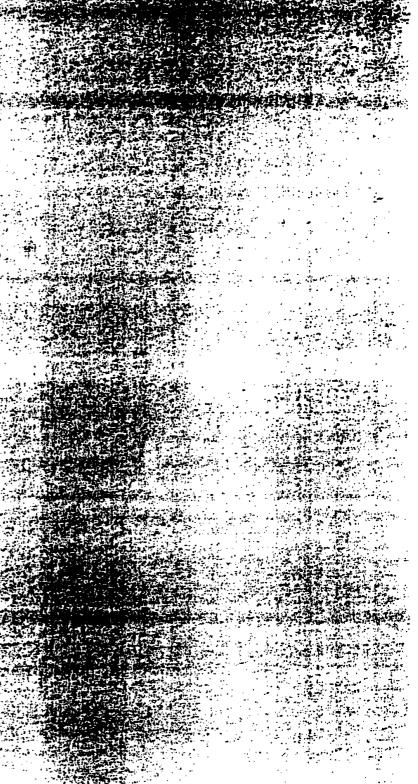
FCRM NC. 200999-503-184 SIGNET BANK CD ACCOUNT Member FDIC Non-Negotiable/Non-Transferable ٠Ū • 3842 Date: April 01, 1996 Branch:_ Account #: -- Your deposit will /02/98 mature on . USA Young Brothers Name(s) ****191,000.00 Continuous Reinvestment Development Inc Single Maturity - Initial Rate 4.30 % Fixed Rate Variable Rate 1550 Madruga Ave Suite 329 Address: - Interest Payment Method: Add to the Balance Coral Gables FL Ouarterly - Frequency:_ This summary and corresponding Account Agreement contain important Tax I.D. No._ information about your account. Please read both carefully. BY SIGNING BELOW. I ACKNOWLEDGE RECEIPT OF AND AGREE TO BE BOUND BY THE ACCOUNT AGREEMENT FOR THIS ACCOUNT.

Customer Signature

lij M

Aumonzed Bank Signature

Customer Signature



April 26, 1996

Mr. John Bredin Signet Bank 1350 Connecticut Avenue, N.W. Suite 1000 Washington, D.C. 20036

Dear Mr. Bredin:

Consistent with your transmittal of April 26, 1996 and its attached First Amendment to Credit and Security Agreement, as Secretary/Treasurer of Young Brothers Development Ltd. (USA), I hereby certify that, as of the date hereof, there have been no amendments to or modifications of the Articles of Incorporation or Bylaws of YBD (USA) since October 13, 1994.

Accordingly, by this letter YBD (USA) hereby approves of the terms of the First Amendment to Credit and Security Agreement pertaining to YBD's guarantee of the balance of an outstanding Signet Bank loan to the National Policy Forum, a D.C. non-profit corporation.

Benton b. Becker Secretary/Treasurer YBD Ltd. (USA) Inc.

Sincerely

BLB: jef Enclosures

cc: Steven Richards

John Bolton, National Policy Forum

April 30, 1996

Mr. John Bredin Signet Bank 1350 Connecticut Avenue, N.W. Suite 1000 Washington, D.C. 20036

Dear Mr. Bredin:

As requested in the enclosed April 26, 1996 memorandum from Shea & Gardner, have enclosed three executed originals on behalf of Young Brothers Development Ltd. (USA) of the two page document "Consent and Acknowledgment".

As required by paragraphs 10(d) and (e) of the First Amendment to Credit and Security Agreement, as Secretary/Treasurer of Young Brothers Development Ltd. (USA), I hereby certify that, as of the date hereof, there have been no amendments to or modifications of the Articles of Incorporation or Bylaws of YBD (USA) since October 13, 1994.

Further, I certify as Secretary/Treasurer of Young Brothers Development Ltd. (USA), that I am and have been authorized to execute all documents associated with the First Amendment to Credit and Security Agreement and that the terms and conditions contained in the First Amendment to Credit and Security Agreement and Allonge are acceptable to and have been approved by Young Brothers Development Ltd. (USA).

Respectfully submitted,

Benton L. Becker-Secretary/Treasurer YBD Ltd. (USA) Inc.

BLB:jef Enclosures

cc: Steven Richards

John Bolton, National Policy Forum

SHEA & GARDNER 1800 MASSACHUSETTS AVENUE, N.W.

WASHINGTON, D.C. 20036

FRANCIS M. SHEATIGOS-19891 WENDY S. WHITE WARNER W. GARONER LAWRENCE J. LATTO RICHARD T. CONWAY ROBERT T. BASSECHES BENJAMIN W. BOLEY RALPH J. MOORE. JR. MARTIN J. FLYNN STEPHEN J. POLLAK DAVID BOOTH BEERS ANTHONY A. LAPHAM RICHARD M. SMARP JOHN O. ALDOCK WILLIAM S. MOORE JOHN TOWNSEND RICH JAMES R. BIEKE I. MICHAEL GREENBERGER R. JAMES WOOLSEY FREDERICK C. SCHAFRICK DAVID B. COOK STEPHEN J. HADLEY OF COUNSEL WILLIAM H. DEMPSEY BARBARA L. KIRSCHTEN

Ü

... :5 慎

4

មន្ទិរ #

WILLIAM R. GALECTA PATRICK M. HANLON HANCY C. SHEA TIMOTHY K. SHUBA JAMES R. BIRD MICHAEL S. GIANNOTTO JEFFREY C. MARTIN WILLIAM R. HANLON ELIZABETH RUNYAN GEISE COLLETTE C. GOODMAN JULIE M. EDMOND LAURA S. WERTHEIMER RICHARD M. WYNER THOMAS J. MIKULA EUGENIA LANGAN NANCY B. STONE CHRISTOPHER E. PALMER MARK S. RAFFMAN ELIZABETH M. BROWN

(202) 626-2000 TELECOPIER: (202) 828-2195

ERIC C. JEFFREY ROBERT B. WASSERMAN STRMICT M BLAIR ANNE R. BOWDEN CYNTHIA GURNEE PUGH DAMA J. MARTIN J. BRADFORD WIEGMANN LLOYD D. COLLIER VALERIE E. ROSS MICHAEL K. ISENMAN MARTHA HIRSCHFIELD AMY HORTON DAVID J. KATZ

CELESTINE R. MCCONVILL HIM E. DETTELBACH SUSAN L. PACHOLSKI DAVID B. SMITH, JR. JAMES R. BRAMSON HEATHER H. ANDERSON JOLYNN CHILDERS DELLING ERIKA K. SINGER. ERIK J. OLSOM THOTHY J. SIMEONE" REENA N. GLAZER* DAVID ALLEN GRAFF JULIE FURR YOUNGMAN"

-NOT ADMITTED IN O.C.

April 26, 1996

BY FEDERAL EXPRESS

To:

Attached Distribution List

From:

Lisa Brown

Re:

Execution Documents Extending Maturity Date of

October 13, 1994, \$2,100,000 Loan from Signet Bank to the National Policy Forum

Attached are execution copies of the documents required to extend the maturity date of the above-referenced loan. substantive changes from the drafts sent out yesterday are to add provisions specifically amending the Agreement and the Note to delete references to "Signet Bank/Virginia" and to replace them with "Signet Bank," and to have the relevant parties agree that all references to "Signet Bank/Virginia" or the "Bank" in the Agreement, the Note, the Subordination Agreement and the Collateral Assignements shall refer to Signet Bank.

The National Policy Forum should execute the Allonge and three originals of the First Amendment: the RNC and YBD-USA should each execute three originals of their respective Consent and Acknowledgement. The National Policy Forum and USA-YBD should also execute the closing certifications and authorizations required by Paragraph 10(d) and (e) of the First Amendment. Please return all original documents to me by messenger or Federal Express. The Bank will execute the First Amendment and its consent to the Allonge upon receipt of all the closing documents.

Thank you again for your cooperation in getting this transaction completed in a short timeframe.

Distribution List:

Mr. John Bredin Signet Bank 1350 Connecticut Ave., N.W. Suite 1000 Washington. DC 20036 (202) 331-4147 FAX: (202) 872-9250

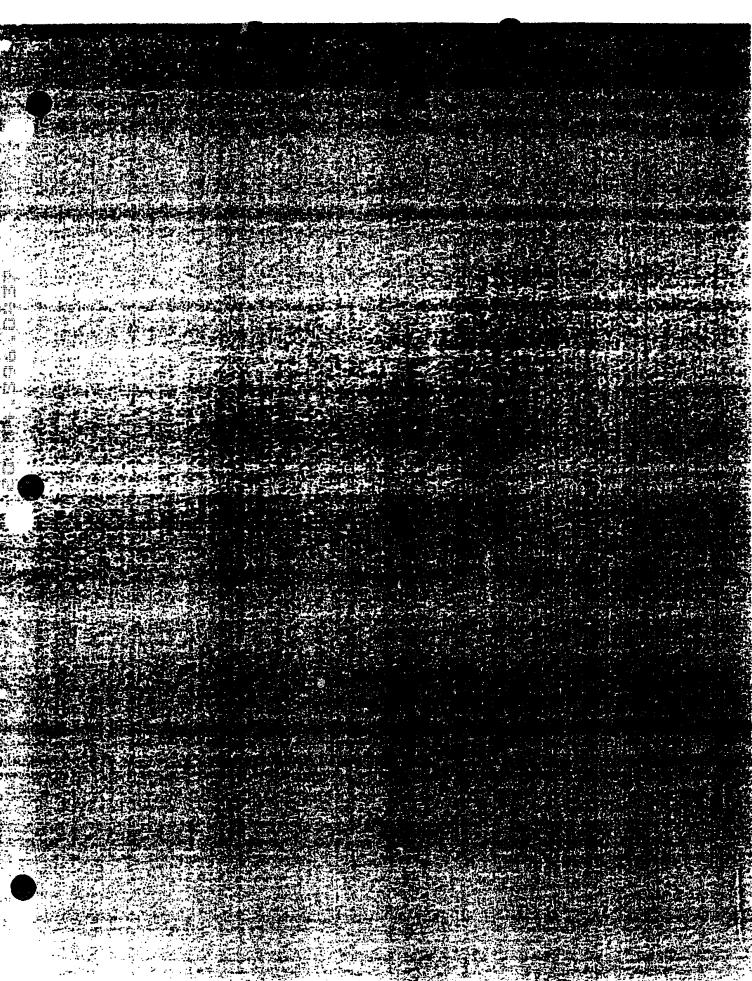
National Policy Forum c/o Eric J. Geppert, Esq. Baker & Hostetler Washington Square, Suite 1100 1050 Connecticut Ave., N.W. Washington, DC 20036 (202) 861-1776 FAX: (202) 861-1783

Benton L. Becker, Esq. Young Brothers Development, Ltd. (USA) Suite 329 1550 Madruga Avenue Coral Gables, FL 33146 (305) 662-4099 FAX: (305) 662-9276

Republican National Committee Thomas Josefiak 310 First Street, S.E. Washington, DC 20003 Phone: (202) 863-8560 Fax: (202) 863-8609

Eric J. Geppert, Esq.
Baker & Hostetler
Washington Square, Suite 1100
1050 Connecticut Ave., N.W.
Washington, DC 20036
Phone: (202) 861-1776

Fax: (202) 861-1783



NATIONAL POLICY FORUM

CERTIFICATION OF AUTHORITY

I, John Rolton, President of the National Policy Forum ("Borrower"), hereby certify to Signet Bank (the "Bank"), that the execution, delivery and performance by Borrower of the First Amendment to Credit and Security Agreement dated as of April 30, 1996, between Borrower and the Bank, and all other documents to be executed, delivered and performed by Borrower in connection therewith, have been duly authorized by those certain Borrowing Resolutions duly adopted by the Board of Directors of Borrower on October 10, 1994, and previously delivered to the Bank in connection with that certain Credit and Security Agreement between Borrower and the Bank and dated as of October 13, 1994, and that said Borrowing Resolutions have not been amended, modified or rescinded and remain in full force and effect as of the date hereof.

Dated: April 30,:1996

```...

Signet Bank 1350 Connecto NW Suite 1000 Washington DC 20036-1701 FAX 202-872-9250 202-331-4147

John S Bredin
Vice President
Association Financial Sen
Group

# **SIGNET**

June 4, 1996

**Bv Certified Mail** 

Benton L. Becker, Esq.
Secretary/Treasurer
Young Brothers Development, Ltd. (USA)
1550 Madruga Avenue, Suite 329
Coral Gables, FL 33146

Re: October 13, 1994, Fromissory Note (as amended, the "Note") and Credit and Security Agreement (as amended, the "Credit Agreement")

Dear Mr. Becker:

We are writing with respect to the referenced Note and Credit Agreement regarding the loan to the National Policy Forum (the "Borrower") from Signet Bank (the "Bank") in the maximum principal amount of \$2,100,000 and with a current outstanding principal balance of \$1,527,000. The loan is secured by Certificates of Deposit pursuant to Assignments of Deposit (the "Assignments") from USA Young Brothers Development, Inc. (The "Assignor") to the Bank.

Section 5.1(a) of the Credit Agreement provides that it shall be an Event of Default under the Credit Agreement if Borrower fails to pay or cause to be paid when due any amount required to be paid under the Credit Agreement if such failure shall continue for more than 60 days. Borrower has failed to pay, and has advised the Bank that it will not pay, the principal payment of \$191,000 due under the Credit Agreement and the Note on April 30, 1996. That payment is secured by Certificate of Deposit No. (the "CD"), and the Borrower has requested that the Bank liquidate the CD in satisfaction of the Borrower's obligation.

This letter will provide notice that in the event that the payment due on April 30, 1996, remains unpaid for 60 days from that date, and without limitation of any other rights or remedies the Bank may have with respect to default in payment or any other Event of Default that may exist now or in the future, the Bank will exercise its rights under the Credit Agreement and the Assignments to liquidate the CD.

EXHIBIT

Sede: 37

Date: 6/3/47

Reporter: David A. Kasdan, RPR

z

Please feel free to call if you have any questions.

Sincerely,

John S. Bredin Vice President

cc: (By certified Mail) Mr. John R. Bolton, National Policy Forum

Mr. Thomas Josefiak, Republican National Committee

JUN 06'96

#### LAW OFFICES OF RICHARD RICHARDS

2005 WASHINGTON BLAD SUITE 300 OGDEN, UT \$4401

PHONE: (801) 399-9910 FAX: (601) 379 9954

ii thumaseffäitsien WITH AND IDAHO MARS

MMX SHIP WATERS IN MEMWER DC AND UTAH BARS

1005 THOMAS JEFFERSON ST. NW STREET INS WASHINGTON, DC 20207 PHONE: (202) 42-9610 FAX: (292) 342-0660

OF COUNSEL BENTUN L. BECKER COBAL GAMLA 91.

June 6, 1996

The Honorable Haley Barbour Chairman Republican National Committee 310 First Street, SE Washington, DC ىق2000

202-863-8774 FAX:

Ambrous Young lean to RNC

Dear Mr. Chairman:

I understand that you have simply postponed the April payment -- put it on the end of the contract, etc.

Ambrous has contacted me and Benton Becker, his attorney, and has instructed us to tell you that he expects the Committee to make payments on this Note when due. In the meantime, he is still attempting to find a way to accommodate you with some degree of forgiveness, but until he sees a way to do so, he expects you to be making payments in accordance with the contract.

If you want to discuss this further with me, give me a call.

Best regards,

Richard Richards

RR/ppc

Ambrous Young cc: Benton Becker

Renorter: David A. Kasdan, RPR



National Policy Forum

229 1/2 Pennsylvania Avenue, S.E., Washington, D.C. 20003

A Republican Center for the Exchange of Ideas

Haley Barbour Chairman John R. Bolton President

June 10, 1996

Mr. Richard Richards
Attorney at Law
Law Offices of Richard Richards
1025 Thomas Jefferson Street, N.W.
Suite 410 East
Washington, D.C. 20007

Haley asked me to respond to your letter to him of June 6, which contains a substantial number of troubling mistakes. I assume you write about the Agreement between the National Policy Forum ("NPF") and Signet Bank/Virginia ("Signet"), dated October 13, 1994, under which USA Young Brothers Development, Inc., collaterally assigned eleven certificates of deposit to Signet. The Republican National Committee is not a party to that loan agreement, has no payment obligations under that agreement, and does not intend to make such payments.

Contrary to the "understanding" in your letter, NPF, as borrower, has informed Signet to use the collateral certificate of deposit associated with the April, 1996, payment to satisfy that obligation. Unlike the handling of the January, 1996, payment, NPF has made it plain to Signet that the April payment is not a deferral. In so doing, NPF has followed the terms of the loan agreement.

If you have any questions, please give me a call.

Sincerely,

John R. Bolton

EVHIR

Date: \_\_\_

Reporter: David A. Kasdan, RPR

# YOUNG BROTHERS DEVELOPMENT CO., LTD.

7th Floor, Harcourt House 39 Gloucester Road Hong Kong Telephone 852-2598-6632 (General)
Facsimile 852-2598-0575 (Chairman & CEO)
- 852-2598-5109 (Aviation & Bus.Dev.)
852-2528-3012 (Finance & Adm.)

To: Benton Becker Richard Richards 13056629276 18013999954 21 JUN 96

Fm: Peter K. Chapman

Ref.: FAX/417/96

Gentlemen,

I have discussed the current default situation with Ambrous and we would like your consensus opinion on next steps. Our (AY&I concur) position is that there is an obligation on their part to honor their commitment. We are not the least bit interested in commingling the current problem with other investment opportunities. If they have other ideas/requirements, we will be glad to listen, but it is on an entirely separate basis. They first must satisfy the obligations they have entered into. AY recognizes that we may have to "offend" some people in forcing them to satisfy what they contracted. Of course he would like to do it with the slightest offense possible but recognizes this may not be possible. Therefore, please let me know your recommendations for next steps. I do not feel that we should let this drag on for any length of time.

Best,

EARIBE

Date:

Reporter: David A. Kasdan, RPR

WAN

SINGAPORE

HONG KONG

AUSTRALIA

UNITED STATES

皮

## EERTOR L. RECKER

#### CORAL GABLES. FLORIDA

OF COUNSEL RICHARD M. HABER TAMPA FLORIDA THE NEWDON BUILDING 1920 MADRIGA AVENUE SAITE 329 CORAL GABLES, FLORIDA 33146 13051 662-4099

bar member of Washington D C. Hartand and Florida

7ELEFAX (305) 042-0276

WASHINGTON, D.C. RICHARD RICHARDS 1025 THOMAS JETTEMEN ET, N.W. BUTTE 105 WASHINGTON, D.C. 20007 18021 342-869

**FACSIMILE TRANSMISSION** 

| DATE:       | 6-25-96           |
|-------------|-------------------|
| ATTN:       | Stephen Richards  |
| FAX NUMBER: | 202-342-0650      |
| FROM:       | BENTON L. BECKER  |
| FAX NUMBER: | (305) 662-9276    |
| PAGES SENT  | (INCLUDING COVER) |
| IN RE:      |                   |
|             |                   |
|             |                   |
|             |                   |
|             |                   |
|             |                   |
|             |                   |
|             |                   |

The information contained in this facsimile transmission is attorney-client privileged and confidential. The information is intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately, by telephone. We will arrange for the return to us of the document transmitted.

PLEASE, NOTIFY US IMMEDIATELY IF NOT PROPERLY RECEIVED.

| EXHIBI      | Reser 41             |
|-------------|----------------------|
| Date:       | 6/3/57               |
| Reporter: D | David A. Kasdan, RPR |
|             |                      |

0164

#### Benton L. Becker

#### CORAL GABLES, FLORIDA

OF COUNSEL RICHARD M. HABER TAMPA FLORIDA

THE KENDAR BUILDING 1550 MADRUGA AVENUE SUITE 329 CORAL GABLES, FLORIDA 33146 (305) 662-4099

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX: (305) 662-9276

WASHINGTON, D.C. RICHARD RICHARDS 1025 THOMAS JEFFERSON ST. N.W SUITE KOS WASHINGTON, D.C. 20007

12021 342-9510

. . . . .

Memo To:

Ambrous T. Young

From:

Benton L. Becker

Re:

40 4

1,4 'n

Q<sup>\*</sup>

9 u in

3

Signet Bank National Policy Forum Loan Guarantee

Date:

June 25, 1996

On Monday, June 24, 1996 I was in Washington, D.C. and spoke with the General Counsel of the Republican National Committee, Mr. David Norcross. Mr. Norcross was instrumental two years ago in the formation of the YBD (USA) loan guarantee for the National Policy Forum and the procedures for bringing about the transaction. faxed Mr. Norcross a copy of a letter received by me on August 30, 1994 from Chairman Barbour containing assurances of the National Party's Willingness to stand behind the National Policy Forum's obligation to the Signet Bank. (copy enclosed)

Based upon your office's recently received correspondence on this matter, of which I am in full agreement, I have written Mr. Norcross (enclosed) suggesting that the Forum or the RNC take corrective action immediately. I would urge that you and Chairman Barbour discuss this matter and that you again communicate the unyielding sincerity and dedication of your purpose in this matter. I believe this important because, for reasons that elude me, in my view the National Party Chairman believes you to be willing (or at least not objecting) to the loan default procedures at the Signet Bank. Of this, he must be firmly dissuaded.

cc: Stephen Richards Richard Richards

#### BENTON L. BECKER

#### CORAL GABLES, FLORIDA

OF COUNSEL RICHARD M. HABER TAMPA FLORIDA

Ŷ.,

12 de ...

H

::<u>;</u>=

THE KENDAR BUILDING ISSO MADRIGA AVENUE SUITE 329 CORAL GABLES, FLORIDA 33146 ISOSI 632-4099

WASHINGTON, D.C. RICHARD RICHARDS 1028 THOMAS JEFFERSON ST. N.W SUITE 105 WASHINGTON, D.C. 20007 12021 342-9810

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAR: 13051 662-9276

June 25, 1996

David Norcross 1156 15th Street, N.W. Suite 550 Washington, D.C. 20005

Re: National Policy Forum's Notice to Signet Bank of its intention to default on its April 30, 1996 \$191,000.00 obligation.

Dear David:

As discussed telephonically on June 24, 1996, I reduce to written form the disappointment of Young Brothers Development, Inc. (U.S.A.) (hereafter YBD), and its principals, of the unexpected decision of the National Policy Forum (NPF) to default on its April 30, 1996 principal payment of a \$191,000.00 Signet Bank obligation under a Credit Agreement and Note. YBD is in receipt of notice from Signet Bank of its intent to liquidate the YBD Certificate of Deposit Number 1833180951 securing the NPF's April 30, 1996 obligation. The timely payment of this obligation by the NPF, and the prospective timely payments of a series of succeeding ninety day NPF obligations to Signet Bank, are all secured by YBD's Certificates of Deposit.

YBD has currently placed Certificates of Deposit at the Signet Bank in the principal amount of \$1,527,000.00, securing the original \$2,100,000.00 loan of the National Policy Forum. The National Policy Forum's non-payment of the April 30, 1996 obligation to Signet Bank is the first of a series of ninety day NPF obligations scheduled to mature in the next sixteen months. Based upon NPF's refusal to honor its April 30, 1996 obligation to Signet Bank, YBD has unhappily concluded that NPF's prospective obligations to repay its loan to Signet Bank may meet with similar dissatisfaction.

I wish to express the unambiguous concern of YBD, and its principals, and to advise that YBD, and its principals, cannot and will not allow these defaults to occur without recourse.

I have previously faxed an enclosed copy of an August 30, 1994 correspondence from National Committee Chairman Haley Barbour to the undersigned, pertaining to YBD's then consideration of serving

THE REPORT OF THE PARTY OF THE

Mr. David Norcross June 25, 1996 Page -2-

as a guarantor of an NPF bank loan. In his correspondence, fully relied upon by YBD and its principals, Chairman Barbour stated,

"I am committed to making sure NPF raises sufficient funds to cover its operations and to pay off any and all its debts. Moreover, as Chairman of the RNC, in the event NPF defaults on any debt, I will ask the Republican National Committee to authorize me to guarantee and pay off any NPF debts. I am confident the RNC would grant me such authority at its next meeting, provided there is valid, outstanding dept of NPF to a U.S. bank or other lending institution, guaranteed by a U.S. citizen or domestic corporation.

The full Republican National Committee supports the work of the National Policy Forum and recognizes its great value to our country and our party's future."

Finally, the principals of YBD have asked me to communicate their willingness to discuss their prospective financial participation in matters of assistance to the Republican National Committee, within the parameters of the Federal Election Law. The principals of YBD have expressed an interest in providing assistance for state election candidates and administrative matters, however any prospective assistance by the YBD principals must be subject to the NPF's full satisfaction of its past and outstanding obligation to the Signet Bank.

Sincerely.

Benton b. Becker

BLB: jef Enclosure

cc: Mr. Ambrous Young



7th Floor, Hereourt House 39 Gloucester Road Hong Kong Teiephone #52-2598-6632 (General)
Facsimile #52-2598-0575 (Chairman & CEO)
#52-2598-5109 (Aviation & Bus, Dev.)
#52-2528-3012 (Finance # Adm.)

#### FAX TRANSMISSION COVER SHEET

TO:

Mr. Richard Richards, fax 1 801 399 9954

Mr. Benton Becker, fax 1 305 662 9276

Mr. Steve Richards, fax 1 202 342 0650

SUBJECT:

Loan Repayment

DATE:

June 28, 1996

FROM:

Ambrous Young

Bester 42

Reporter: David A. Kasdan, RPR

OUR REF. NO.:

FAX/438/96

COVER SHEET + PAGES TO FOLLOW = 2

Dear Dick, Benton & Steve:

Attached herewith is the letter I propose to send to HB of which I have already signed. Unless you have any changes, otherwise I shall DHL the original to Steve for him to deliver. Please advise.

Best regards,

**Ambrous** 

LAIWAN

SINGAPORE

HONG KONG

AUSTRALIA

UNITED STATES

LAW OFFICES OF

# BEKTOK L. BECKER

#### CORAL GASLES. FLORIDA

OF COUMSEL RICHARD M. HABER TAMPA FLORIDA THE RENDAR BUILDING ISSO MAZRUGA INCRUE BUILE SED CORAL CALLES FLORICA 33446 (200) 662-4099

WASHINGTON, D.C. RICHARD RICHARDS MES THOMAS JETTEMON ST. N.W. SUITE MOS MASHINGTON B.E. 80007 MICH. 342 4640

BAR NEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAL GOO! GAZ GETS

#### FACSIMILE TRANSMISSION

| DATE:       | 6-28-96             |
|-------------|---------------------|
| ATTN:       | Steve Richards      |
| FAX NUMBER: | 202-342-0650        |
| FROM:       | BENTON L. BECKER    |
| FAX NUMBER: | (305) 662-9276      |
| PAGES SENT  | 3 (INCLUDING COVER) |
| IN RE:      |                     |
|             |                     |
|             |                     |
|             |                     |
|             |                     |
|             |                     |
|             |                     |
|             |                     |

The information contained in this facsimile transmission is attorney-client privileged and confidential. The information is intended only for the use of the individual or entity named above. If the reader of this message is not the imended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately, by telephone. We will arrange for the return to us of the document transmitted.

PLEASE, NOTIFY US IMMEDIATELY IF NOT PROPERLY RECEIVED.

æ

٦.

ţ; Ť

:2

2

Ü

#### BENTON L. BECKER

#### CORAL GABLES, FLORIDA

OF COUNSEL RICHARD M. HABER TAMPA FLORIDA

THE KENDAR BUILDING ISSO MADRUGA AVENUE SUITE 329 CORAL GABLES. FLORIDA 33146 (306) 562-4099

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX: (309) 662-9275

WASHINGTON, D.C. RICHARD RICHARDS 1026 THOMAS JEFFERSON ST., N.W. SUITE 105 WASHINGTON, D.C. 20007

12021 342-9610

Memo To:

Ambrous T. Young

From:

Benton L. Becker

Re:

Signet Bank National Policy Forum Loan Guarantee

Date:

June 28, 1996

The tone and content of your proposed letter to HB is perfect. I submit the attached proposed changes (shown in italics) to avoid mischaracterization of YBD (USA)'s loan guarantee commitment to the National Policy Forum and to make clear precisely what action we want HB to undertake.

Richard Richards cc: Steve Richards

Ê

June 28, 1996

Honourable Haley Barbour FAX: 1 202 863 8774

Dear Haley:

Mr. Richard Richards and Mr. Benton Becker reported to me that the National Policy Forum is unwilling to make its April 31, 1996 and July 31, 1996 \$191,000.00 principal payments to Signet Bank on the NPF's Loan Agreement of October 7, 1994, for which I am indeed concerned. By this letter I request you to do as promised to Mr. Becker in your letter of August 30, 1994, i.e. "in the event NPF defaults on any debt (to the Signet Bank), I will ask the RNC to authorize me to guarantee and pay off any NPF debts."

It is true that you have expressed to me the difficulties for the Forum to repay the loan, and it is also true I have stated to you that the agreed loan should be cleared for various reasons. If additional funding is needed in the future, we shall try to look into the possibility of raising the money. However, the two issues of repayment of the National Policy Forum's outstanding loan obligation to Signet Bank and our future efforts to provide additional funding must remain separate. As you know, I have tried my best but unfortunately there is not yet any success up to now.

My sincerity and loyalty to the Republicans is unchallengeable. I am writing to you to confirm that I shall devote my best for seeking sources to raise money for the Party. However, for the benefit of all concerned, I request you sincerely to instruct your people to continue to repay the loan in accordance with Agreement.

Best regards,

Ambrous Young



Ç (ji

7th Floor, Harcourt House 39 Gloucester Road Hong Kong

Telephone 852-2598-6632 (General) Facsimile 852-2598-0575 (Chairman & CEO) 852-2598-5109 (Aviation & Bus.Dev.) 852-2528-3012 (Finance & Adm.)

#### FAX TRANSMISSION COVER SHEET

TO:

Mr. Benton Becker, fax 1 305 662 9276

c.c. Mr. Steve Richards, fax 1 202 342 0650 Mr. Richard Richards, fax 1 801 399 9954

SUBJECT:

Letter of June 28, 1996 to HB

DATE:

July 1, 1996

FROM:

**Ambrous Young** 

OUR REF. NO.: FAX/444/96

COVER SHEET + PAGES TO FOLLOW = cover only

Dear Benton:

Your proposed draft is too professional compared with mine, therefore, I have DHL'd my original letter to Steve Richards for his delivery to HB.

ATY/aw

c.c. Dick Richards

Note to Steve Richards: On receipt of the original letter, please have it delivered to HB. Thanks.

0172

THROUGHOUT THE ASSERTION DECIME

# AMBROUS YOUNG

7th Floor, Harcourt House 39 Gloucester Road Wanchai HONG KONG TEL: (852) 2598 6695 (direct) TEL: (852) 2598 6632 (general) FAX: (852) 2598 0575/ 2598 5109

OUR REF: FAX/438/96

June 28, 1996

Honourable Haley Barbour FAX: 1 202 863 8774

Dear Haley:

Mr. Richard Richards and Mr. Benton Becker reported to me that you are unwilling to make the payment according to the Loan Agreement of October 7, 1994 for which I am indeed concerned.

It is true that you have expressed to me the difficulties for the Forum to repay the loan to us, and it is also true I have stated to you that the agreed loan should be cleared for various reasons. If you do need additional funding, we shall try to look into the possibility of raising the money. However, these two issues must remain separate. As you know, I have tried my best but unfortunately there is not yet any success up to now.

My sincerity and loyalty to the Republicans is unchallengeable. I am writing to you to confirm that I shall devote my best for seeking sources to raise money for the Party. However, for the benefit of all parties concerned, I request you sincerely to instruct your people to continue to repay the loan in accordance with the Agreement.

Best regards,

Ambrous Young

ATY/aw

#### Frederick W. Volcansek, Sr.

Wednesday, July 10, 1996

Mr. Haley Barbour Chairman National Policy Forum

Fax: 202-863-8774

Dear Haley,

Date: 6/3/47/
Reporter: David A. Kasdan, RPR

I hope that you and Marsha had a most pleasant Fourth of July Celebration. Gailyn and I spent it with a part of our family out on the Mall watching the spectacular fireworks demonstration. The whole celebration reminded me once again of how glad I am to be an American.

Although I am spending most of my time in Brazil on behalf of Bob Mosbacher's business interests, I see you periodically on CNN "preaching truth and wisdom." I know you are working hard, and I send you my best wishes for the Party's success.

I regret that I must call your attention to this matter, once again, however last month, I called John Bolton about the issue of closing out the NPF's financial obligation to me. The National Policy Forum has not paid me the final payment of \$ 5,000, due in December, 1995. I have tried to be patient, since I recognize how difficult it has been for the NPF to raise money, and I did not want to make an issue of it.

I suggested to John Bolton that even though our contract has expired, I was still trying to be helpful to NPF's cause through my continued efforts to work with Ambrous Young. I was subsequently shocked to learn that John had said to Benton Becker that I was trying to arrange a "large fee" for myself for my assistance in working with Ambrous Young.

I have never asked for any money except for the six \$ 5,000 payments which were in accordance with our written agreement of July 13, 1995, and of which only one remains. For my efforts with Ambrous Young, you know that I have only requested one of your limited "pairs of Reagan Cuff Links."

In the early days of the Spring of 1994, our goal to get a "loan guarantee of over \$ 2,000,000 for the NPF was realized in less than six months. My efforts with the Telecommunications Conference, both in fund raising and my assistance in establishing the program are held with pride.

Some how, John has forgotten my efforts to successfully get nearly

2

The first program of the control of

2 to 12 to 1

\$ 250,000 from the "Baby Bells", Ogden Corporation and the Reinsurance Industry Association. Since you, Don Fierce and I negotiated my financial arrangement, I am distraught to think that anyone could misconstrue my good intentions.

I am devastated, now that I am "gone" from Washington, D.C.in pursuit of new opportunities, that I could be so badly maligned. I sincerely hope that you will straighten out this issue with John Bolton and clear my name. I have the fondest memories of my efforts in working with you, Don Fierce and Dan Denning.

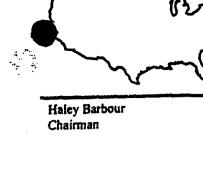
I look forward to your earliest response to this matter, since I have nothing but the highest regards for our joint efforts. Again, I regret that this matter should even exist.

Sincerely,

#### Fred

cc Dan Denning 202-466-3801 Don Fierce 202-298-9109

bcc Benton Becker 305-662-9276 Steve Richards 202-342-0650



u je u je

Ų

(J

# National Policy Forum

229 1/2 Pennsylvania Avenue, S.E., Washington, D.C. 20003

A Republican Center for the Exchange of Ideas

John R. Bolton President

July 12, 1996

Mr. Richard Richards
Attorney at Law
Law Offices of Richard Richards
1025 Thomas Jefferson Street, N.W.
Suite 410 East
Washington, D.C. 20007

Dear Dick:

As you may know, Haley recently received a letter from Ambrous about the Signet loan question. I'd appreciate the opportunity to speak with you about this, at your earliest convenience.

Sincerely,

John R. Bolton

Date:

ate: \_\_\_\_\_

Reporter: David A. Kasdan, RPR

#### BENTON L. BECKER

# CORAL GABLES. FLORIDA

OF COUNSEL RICHARD M. HABER TAMPA, FLORIDA

A STATE OF THE PARTY OF THE PAR

<u>u</u>

Ü

en M

1,2

THE KENDAR BUILDING 1550 MADRUGA AVENUE SUITE 329 CORAL GABLES, FLORIDA 33146 13031 662-4099

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX: (305) 562-9276

WASHINGTON, D.C. RICHARD RICHARDS 1025 THOMAS JEFFERSON ST., N.W. SUITE 105 WASHINGTON, D.C. 20007 12021 342-9610

July 15, 1996

David Norcross 1156 15th Street, N.W. Suite 550 Washington, D.C. 20005

Re: National Policy Forum's outstanding

loan from the Signet Bank

Dear David:

I write on behalf of YBD (USA) Inc. to respectfully request that at the scheduled mid-August 1996 meeting of the Republican National Committee (RNC), Chairman Haley Barbour seek and obtain National Committee authorization to serve as the sole guarantor for the outstanding balance of approximately \$1,500,000.00 on the Signet Bank loan to the National Policy Forum; and concurrently thereby obtain Signet Bank's release of YBD (USA)'s, Inc. certificates of deposit initially placed as collateral for the NPF loan.

Sincerely,

Senton L. Becker

BLB:jef

cc: Mr. Ambrous Young Richard Richards

Stephen Richards

| Date:

Reporter: David A. Kasdan, RPR

#### Benton L. Becker

#### CORAL GABLES, FLORIDA

OF COUNSEL RICHARD M. HABER TAMPA FLORIDA

THE KENDAR BUILDING 1550 MADRUGA AVENUE SUITE 329 CORAL GABLES, FLORIDA 33146 (305) 662-4099

SAR MEMBER OF WASHINGTON D.C. MARYLAND AND FLORIDA

TELEFAR: (\$06) 662-9279

WASHINGTON, D.C. RICHARD RICHARDS 1025 THOMAS JEFFERSON ST., N.W. SUITE 108 WASHINGTON, D.C. 20007

(202) 342-96(0

MEMO TO:

Ambrous T. Young

FROM:

**(**: )

7 nije J Benton L. Becked

RE:

Signet Bank National Policy Forum Loan Guarantee

DATE:

August 1, 1996

The enclosed responsive correspondence from David Norcross, RNC General Counsel, was received today advising that National Policy Forum (NPF) Executive Director John Bolton will be directed to submit the matter of YBD (USA), Inc.'s outstanding loan quarantee of the NPF Signet Bank's loan to the Budget Committee of the Republican National Committee in San Diego. In my letter of July 15, 1996 to Mr. Norcross (referenced in attached), I urged the RNC (and in particular HB) to do what had been promised in an HB correspondence to me one year ago; to wit, that should the NPF default in its payments to Signet, the RNC would obtain Budget Committee authorization to guarantee the NPF loan, and thereby release YBD (USA) from its loan guarantee obligation.

It is my understanding that Dick will attend the San Diego convention. He is, of course, quite familiar with this I have asked him to monitor the San Diego Budget controversy. Committee proceeding as it pertains to this matter.

Richard Richards CC: Steve Richards



# Republican National Committee

David A. Norcross General Counsel

July 29, 1996

Benton L. Becker, Esq. The Kendar Building 1550 Madruga Avenue Suite 329 Coral Gables, FL 33146

Re:

National Policy Forum

Dear Benton:

Thank you for your letter of July 15, 1996. It is our intention to suggest to John Bolton, Executive Director of NPF, that he submit the matter to the Budget Committee at the San Diego meeting for consideration of the authorization suggested in your letter.

Yours very truly,

David A Norcross

#### BENTON L. BECKER

#### CORAL GABLES. FLORIDA

OF COUNSEL RICHARD M. MABER TAMPA, FLORIDA

Ţ,

 $\xi T^*$ 

17

Ö

ı,

THE KENDAR BUILDING 1550 MADRUGA AVENUE SUITE 329 CORAL GABLES, FLORIDA 23146 13031 682-4099

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX. 13091 662-9276

WASHINGTON, D.C. RICHARD RICHARDS 1029 THOMAS JEFFERSON ST., N.W. SUITE 105 WASHINGTON, D.C. 20007 12031 342-9810

August 29, 1996

David Norcross 1156 15th Street, N.W. Suite 550 Washington, D.C. 20005

Re: National Policy Forum's

outstanding obligation to Signet Bank

Dear David:

Ambrous Young, Dick Richards and I have been advised that at the behest of RNC Chairman Haley Barbour, John Bolton, Chairman of the National Policy Forum (NFF), appeared before a meeting of the Budget Committee of the RNC and requested Budget Committee's authorization to have the RNC replace Young Brothers Development (USA) (hereafter YBD) as the guarantor of a series of outstanding Signet Bank loans to the National Policy Forum, which loans principal balance currently maintain an outstanding If Chairman Barbour's request had approximately \$1,250,000.00. been authorized by the Budget Committee, and thereafter approved by the Signet Bank, YBD would have been released from its guarantor position on the outstanding NPF/Signet Bank loans and concurrently, would have been able to retrieve its (YBD's) gratuitous loan collateral held by the Signet Bank.

To our collective surprise, and disappointment, Misters Young, Richards and I were informed that the RNC Budget Committee "tabled Mr. Bolton's request until after the November 1996 election." (Dick Richards, as you know a former RNC Chairman himself, commented to Mr. Young and me that he could not recall any past instance of a Budget Committee's refusal of a request from an RNC Chairman.)

Since the close of the Republican National Convention, Dick Richards has attempted to make telephone contact with Mr. Bolton on ten separate occasions. <u>Ten times!</u> Each time, he has been told that Mr. Bolton is either not available or "in a meeting". Given such unwarranted rudeness to a former Chairman, this matter has been turned over to me with instructions to take those steps necessary to protect YBD's interest.

Mr. David Norcross August 29, 1996 Page -2-

Initially, I request confirmation in writing of the RNC's prospective intention to honor, or to decline to honor, its obligation to YBD. Further, I am constrained to request an inperson meeting with Chairman Barbour and you to discuss this matter before September 20, 1996. Should we fail to reach a satisfactory accord by that date, other individuals will be engaged to proceed thereafter.

- -

Benton L. Becker

BLB:jef

10 17

cc: Mr. Ambrous Young

Mr. Richard Richards

Mr. Haley Barbour

aķ zÿ

កម្រុះ នេះ រយៈ ស្រួ

# YOUNG BROTHERS DEVELOPMENT CO., LTD.

7th Floor, Harcourt House 39 Gioucester Road Hong Kong Telephone 852-2598-6632 (General)
Facsimile 852-2598-0575 (Chairman & CEO)
K52-2598-5109 (Avaitica & Bus.Dev.)
852-2528-3012 (Fillance & Adm.)

**OUR REF: FAX/618/96** 

September 2, 1996

Mr. Benton L. Becker The Kendar Building 1550 Madruga Avenue Suite 329 Coral Gables, FL 33146 U.S.A.

FAX: 1 305 662 9276

Dear Benton:

# NATIONAL POLICY FORUM'S OUTSTANDING OBLIGATION TO SIGNET BANK LOAN

Reference is made to your letter of August 29, 1996 addressed to Mr. David Norcross relating to the National Policy Forum's principal balance.

Attached herewith please find a copy of the up-to-date statement which shows the correct outstanding principal balance at the amount of \$1,527,000.00 of which you are requested to make the necessary correction accordingly.

Best regards,

Ambrous Young

EXHIBIT Becker 4

Date: 6/317

Reporter: David A. Kasdan, RPR

ATY/aw Attach.

c.c. Angela Liu, Finance Division (with attach.)

Richard Richards, FAX: 1 801 399 9954 (with attach.)

| 1                     |
|-----------------------|
| 7                     |
| 7                     |
| <b>!</b>              |
| ပ                     |
| Z                     |
| 7                     |
| 7                     |
| -                     |
| 9                     |
| Q                     |
| 00.00 PRINCE          |
| 2                     |
| =                     |
| 0                     |
| $\simeq$              |
|                       |
| Z                     |
| 봈                     |
| 깢                     |
|                       |
| -                     |
| 7                     |
| 1- W                  |
| IM - USD2,104         |
| NOW - L               |
| J- MOH                |
| ORUM - L              |
| FORUM - L             |
| Y FORUM - L           |
| CY FORUM - L          |
| ICY FORU              |
| <b>JUCY FORUM - L</b> |
| ICY FORU              |
| ICY FORU              |
| ICY FORU              |
| AL POLICY FORU        |
| AL POLICY FORU        |
| AL POLICY FORU        |
| ONAL POLICY FORU      |
| FIONAL POLICY FORU    |
| ONAL POLICY FORU      |

| Schedule<br>Date | Actual<br>Rec'd Date | Total Amount<br>Rec'd | Principal  | Interest  |
|------------------|----------------------|-----------------------|------------|-----------|
|                  |                      | . !                   |            |           |
| April, 95        | 02-May-95            | 195,705.73            | 191,000.00 | 4,705.73  |
| July, 95         | 05-Aug-95            | 198,010.18            | 191,000.00 | 7,010.18  |
| October, 95      | 21-Nov-96            | 201,636.70            | 191,000.00 | 10,636.70 |
|                  |                      | 595,352.61            | 573,000.00 | 22,352.61 |

| January, 96 | Agreed to push back this payment at the end | ack this payment | at the end |           |
|-------------|---------------------------------------------|------------------|------------|-----------|
| April, 96   | Intent to default                           |                  |            |           |
|             | 25-May-96                                   | 14,426.02        | •          | 14,426.02 |
|             |                                             | 14,426.62        |            | 14,426.02 |
|             |                                             |                  |            |           |
|             |                                             |                  |            |           |

TAL 609,778.63 573,000.00

**CURRENT OUTSTANDING PRINCIPAL BALANCE IS** 

1,527,000.00

#### FAX TRANSMISSION COVER SHEET

TO:

Mr. Steve Richards

COMPANY:

Commerce Consultants International, Ltd.

YOUR FAX NO.: 1 202 342 0650

SUBJECT:

Message from Ambrous Young to Haley Barbour

FROM:

Areté Wu, Secretary to Ambrous Young

DATE:

September 3, 1996

OUR REF:

FAX/619/96

COVER SHEET + PAGES TO FOLLOW = 2

Dear Mr. Richards,

Mr. Young has asked me to fax the attached to you for forwarding to Mr. Dick Richards. I tried Mr. Barbour's (Kirk Blalock) fax number of 1 202 863 8774 but kept getting a ringing sound without a fax tone. Will program our machine to fax tonight (morning U.S. time). If his number has been changed, could you please let me know. Thank you!

Best regards,

Areté Wu

Reporter: David A. Kasdan, RPR

0184

r. 1/6

# AMBROUS YOUNG

7th Floor, Harcourt House 39 Gloucester Road Wanchai HONG KONG TEL: (852) 2598 6695 (direct) TEL: (852) 2598 6632 (general) FAX: (852) 2598 0575/ 2598 5109

**OUR REF: FAX/619/96** 

September 3, 1996

Honourable Haley Barbour FAX: 1 202 863 8774

Dear Haley:

Congratulations! The successful San Diego Convention is indeed a big plus to the forthcoming victory of Bob Dole's presidential election. Needless to say, your contributions and efforts in organizing the successful events were vital. Once again, my congratulations and salute!

In the past weeks, I have watched through CNN and CBS News almost all events of Bob's campaign including the Democrats. In the mean time, I have had also the opportunity to exchange my points of view with U.S. aerospace leaders and industrialists of which we all agree that if you could suggest to Bob Dole to pre-name the key members of his cabinet such as General Colin Powell for the State or Defence (note: different form of the dream ticket) and a reputable expert to deal with the tax cut, etc. and in turn, have them join Bob for the campaign horizontally. It will not only help Bob to narrow the gap with Clinton but also can definitely defeat the unhealthy argument of the Democrats. This concept is not new, as you well know, the United Kingdom always has a shadow cabinet standing by to replace the in-power party, however it is an innovative approach in the U.S. as no one has ever tried it.

Please call me if you need my further explanations.

Best regards

' 1) /

II / I

mbrous Young

ATY/aw

EXHIBIT

Date:

<u> 6/3/77</u>

Reporter: David A. Kasdan, RPR

c.c. Mr. Richard Richards

### SHEA & GARDNER 1800 MASSACHUSETTS AVENUE. N.W.

WASHINGTON, D.C. 20036

FHANCIS M. SHEA (1905-1989) WARNER W. GARDNER LAWRENCE J. LATTO RICHARD T. CONWAY ROBERT T. BASSECHES BENJAMIN W. BOLEY RALPH J. MOORE, JR. MARTIN J. FLYNN STEPHEN J. POLLAK DAVID BOOTH BEERS ANTHONY A. LAPHAM RICHARD M. SHARP JOHN D. ALDOCK WILLIAM S. HOORE JOHN TOWNSEND RICH JAMES R. BIEKE I. MICHAEL GREENBERGER FIR. JAMES WOOLSEY FREDERICK G. SCHAFRICK

WILLIAM H. DEMPSEY BARBARA L. KIRSCHTEN

-

j i

ă

STEPHEN J. HADLEY WILLIAM A. GALEOTA PATRICK M. HANLON TIMOTHY K. SHUBA JAMES R. BIRD MICHAEL S. GIANNOTTO JEFFREY C. MARTIN WILLIAM R HANLON ELIZABETH RUNYAN GEISE COLLETTE C. GOODMAN JULIE M. EDMOND LAURA S. WERTHEIMER THOMAS J MIKULA EUGENIA LANGAN MANCY B STONE CHRISTOPHER E. PALMER MARK S. RAFFMAN OF COUNSEL

DAVID B. COOK (202) 826-2000 TELECOPIER: (202) 828-2195

September 11, 1996

ERIC C. JEFFREY ROBERT B. WASSERMAN BERNICE M. BLAIR ANNE R. BOWDEN LISA A. LANDSMAN CYNTHIA GURNEE PUGH DANA J. MARTIN J. BRADFORD WIEGMANN LLOYD D. COLLIER VALERIE E. ROSS MICHAEL K. ISENMAN MARTHA HIRSCHFIELD AMY HORTON DAVID J. KATZ CELESTINE R. MCCONVILLE DONALD J. MUNRO

KIM E. DETTELBACH SUSAN L. PACHOLSKI JAMES R. BRAMSON HEATHER H. ANDERSON" JOLYNN CHILDERS DELLINGE ERIKA H. SINGER REENA N. GLAZER DAVID ALLEN GRAFF JULIE FURR YOUNGMAN JODI L. SHORT. ELIZABETH A. ROBISCHON' A. CHRISTOPHER BRYANT HOWARD R. RUBIN-

"NOT ADMITTED IN D.C

John R. Bolton National Policy Forum 229 1/2 Pennsylvania Avenue, S.E. Washington, D.C. 20003

BY CERTIFIED MAIL

Re:

October 13, 1994, Credit and Security Agreement between National Policy Forum (the "Borrower") and Signet Bank (the "Bank"), as amended (the "Credit Agreement"), and October 13, 1994 Promissory Note issued by the Borrower to the Bank, as amended (the "Note")

Dear Mr. Bolton:

I am counsel for the Bank in connection with the referenced Note and Credit Agreement evidencing the Bank's loan to the Borrower in the current outstanding principal amount of \$1.336,000.00 (the "Loan"). The Loan is secured by Certificates of Deposit pursuant to Assignments of Deposit (the "Assignments") dated October 13, 1994, from USA Young Brothers Development, Inc. (the "Assignor") to the Bank.

I have been instructed by the Bank to give notice to the Borrower of the occurrence of Events of Default, under and as defined in the Agreement and the Note, including without limitation the following:

- (1)Default, uncured within 60 days, in payment of interest due and payable on June 30, 1996; and
- (2) The Bank has determined that there has occurred a material adverse change in the financial condition of the Borrower that causes the prospect of payment of the Note to be impaired.

Reporter: David A. Kasdan, RPR

ก186

John R. Bolton September 11, 1996 Page 2

The foregoing Events of Default are based upon information available to the Bank at this time. and the listing does not purport to be complete or exclusive.

As a result of the Events of Default stated above and pursuant to the Bank's right under the Agreement to demand immediate payment of all indebtedness under the Note upon the occurrence of any Event of Default. I hereby declare on behalf of the Bank the entire outstanding principal balance under the Agreement and the Note in the amount of \$1,336,000.00, plus accrued and unpaid interest thereon, immediately due and payable, and we demand immediate payment to the Bank. Accrued and unpaid interest as of the date of this letter is in the amount of \$27,985.23.

This letter, by copy thereof to the Assignor, will further provide notice that, if full payment of all indebtedness under the Agreement and the Note is not received by the Bank within 10 days from your receipt of this letter, then the Bank intends to exercise its rights and remedies under the Credit Agreement and the Assignments, including without limitation, its rights to cash in the Certificates of Deposit securing the Loan and assigned by the Assignor to the Bank and to apply the proceeds thereof, including without limitation all accrued interest, against any and all of the Borrower's obligations under the Credit Agreement and the Note. In addition to payment of principal and interest, such obligations may include, without limitation, late fees and attorneys fees as provided in the Credit Agreement.

The Bank reserves all of its rights and remedies under the Credit Agreement, the Assignments, and under all applicable laws, including without limitation the Uniform Commercial Code as enacted in Virginia.

Sincerely.

Timothy K. Shuba

Counsel for Signet Bank

(By certified Mail) Benton L. Becker, Young Brothers Development, Ltd. (USA) çc: Thomas Josefiak, Republican National Committee John Bredin, Signet Bank

a ija a ij

E

ű (T

1 tž

ei. 13

a

#### Benton L. Becker

#### CORAL GABLES. FLORIDA

RICHARD M HABER TAMPA FLORIDA

THE KENDAR BUILDING 1550 MADRUGA AVENUE SUITE 329 CORAL GABLES, FLORIDA 33146 (305) 662-4099

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAI: (305) 862-9276

WASHINGTON, D.C. RICHARD RICHARDS IO23 THOMAS JEFFERSON ST. N.W. SUITE IOS WASHINGTON, D.C. 20007 (202) 342-90/0

MEMO TO:

Ambrous Young

Richard Richards

FROM:

Benton L. Becker

RE:

Signet Bank/National Policy Forum Loan Guarantee

DATE:

September 16, 1996

The attached correspondence was received from Signet Bank's counsel on this date. As is evident from the attached, because of the National Policy Forum's (NPF) June 30, 1996 "default", followed by the NPF's written notice to Signet Bank of NPF'S intention to make no further payments on their outstanding bank loan; Signet Bank has demanded the immediate payment of the balance of all indebtedness in the amount of \$1,336,000.00, plus accrued and unpaid interest of \$27,985.23. The terms of the loan between the National Policy Forum and Signet Bank authorize the bank to demand payment of the balance of all indebtedness, following a partial default by NPF. The bank is also authorized, in such event, to execute upon the YBD Certificates of Deposit placed with the bank by YBD as collateral for the NPF loan.

Unfortunately, under the terms of the loan agreement, Signet Bank is within its rights to take the above action. Any remedy that YBD may have is dependent upon the good will and good character of the RNC principals that initially proposed the NPF loan and YBD's guarantorship of it.

Reporter: David A. Kasdan, RPR

0188

#### SHEA & GARDNER 1800 MASSACHUSETTS AVENUE, N.W.

WASHINGTON, D.C. 20036

FRANCIS M. SHEA HIPOS-19891 DAVID M. COOK WARNER W. GARONER STEPHEN J. HAI LAWRENCE J. LATTO ROBERT T. BASSECHES RENJAMIN W. BOLEY RALPH J. MOORE, JR. MARTIN J. FLYNN MARTIN J. FLYNN STEPHEN J. POLLAK DAVIO BOOTH BEERS ANTHONY A, LAPHAM RICHARD M, SHARP JOHN D. ALACCE JOHN D ALOOCK WILLIAM S. MOORE JOHN TOWNSEND RICH JAMES A. B.EKE I, MICHAEL OREEHBERGER R. JAMES WOOLSEY FREDERICK C. SCHAFRICK

STEPHEN J. HADLEY WILLIAM Q. GALEOTA MATRICK M MANLON THOTHY K SHUBA JAMES R. BIRD MICHAEL S. GIANNOTTO JEFFREY C. MARTIN WILLIAM W MANLON ELIZABETH RUNYAN GEISE COLLETTE C. GOODMAN JULIE M. EDMOND LAURA S. WERTHEIMER RICHARD M WYNER THOMAS J MIKERA EUGENIA LANGAN NANCY B STONE CHRISTOPHER E. PALMER MARK S. PAFFMAN

12021 828-2000 TELECOPICA: (202) 826-2195

September 11, 1996

EMC C. JEFFREY HOBERT B. WASSERMAN BERNICE M. BLAIR ANNE R. BOWDEN LISA A. LANDSMAN CYNTHIA GURNEE PUGH J. BRADFOND WIEGMANN LLOYD D. COLLIER VALERIE E. ROSS MICHAEL H. ISENMAN MARTINA HIRSCHFIELD DAVID J. RATZ MOWARD R RUBHIS CELESTINE R MCGONVILLE DONALD J. MUNROS

MIM E. DETTELBACH SUSAN L. PACHOLSKI VAMES R. BRANSON HEATHER M. ANDERSON HOLYHN CHILDERS DELLINGER ERINA H. SINGER REZNA H GLAZER DAVID ALLEN GRAFF JULIE FURR YOUNGHAN JODI L. SHORT ELIZABETH A. ROBISCHOH' A. CHRISTOPHER BRYANT"

OF COUNSEL WILLIAM M. DEMPSEY BARBARA L. HIRSCHTEN

ij

Ü

[1]

2

1

John R. Bolton National Policy Forum 229 1/2 Pennsylvania Avenue, S.E. Washington, D.C. 20003

BY CERTIFIED MAIL

Re:

October 13, 1994, Credit and Security Agreement between National Policy Forum (the "Bostower") and Signet Bank (the "Bank"), as amended (the "Credit Agreement"), and October 13, 1994 Promissory Note issued by the Borrower to the Bank, as amended (the "Note")

Dear Mr. Bolton:

I am counsel for the Bank in connection with the referenced Note and Credit Agreement evidencing the Bank's loan to the Borrower in the current outstanding principal amount of \$1,336,000.00 (the "Loan"). The Loan is secured by Certificates of Deposit pursuant to Assignments of Deposit (the "Assignments") dated October 13, 1994, from USA Young Brothers Development, Inc. (the "Assignor") to the Bank.

I have been instructed by the Bank to give notice to the Borrower of the occurrence of Events of Default, under and as defined in the Agreement and the Note, including without limitation the following:

- (1) Default, uncured within 60 days, in payment of interest due and payable on June 30, 1996; and
- (2) The Bank has determined that there has occurred a material adverse change in the financial condition of the Borrower that causes the prospect of payment of the Note to be impaired.

John R. Bolton September 11, 1996 Page 2

The foregoing Events of Default are based upon information available to the Bank at this time, and the listing does not purport to be complete or exclusive.

As a result of the Events of Default stated above and pursuant to the Bank's right under the Agreement to demand immediate payment of all indebtedness under the Note upon the occurrence of any Event of Default, I hereby declare on behalf of the Bank the entire outstanding principal balance under the Agreement and the Note in the amount of \$1,336,000.00, plus accrued and unpaid interest thereon, immediately due and payable, and we demand immediate payment to the Bank. Accrued and unpaid interest as of the date of this letter is in the amount of \$27,985.23.

This letter, by copy thereof to the Assignor, will further provide notice that, if full payment of all indebtedness under the Agreement and the Note is not received by the Bank within 10 days from your receipt of this letter, then the Bank intends to exercise its rights and remedies under the Credit Agreement and the Assignments, including without limitation, its rights to cash in the Certificates of Deposit securing the Loan and assigned by the Assignor to the Bank and to apply the proceeds thereof, including without limitation all accrued interest, against any and all of the Borrower's obligations under the Credit Agreement and the Note. In addition to payment of principal and interest, such obligations may include, without limitation, late fees and attorneys fees as provided in the Credit Agreement.

The Bank reserves all of its rights and remedies under the Credit Agreement, the Assignments, and under all applicable laws, including without limitation the Uniform Commercial Code as enacted in Virginia.

Sincerely

Timothy K. Shuba Counsel for Signet Bank

cc: (By certified Mail) Benton L. Becker, Young Brothers Development, Ltd. (USA)
Thomas Josefiak, Republican National Committee
John Bredin, Signet Bank

#### LAW OFFICES OF RICHARD RICHARDS

2605 WASHINGTON BLVD SULLE 300 OCDEN, DI 94401 PHONE (801) 139-9916 1-AX (801) 399 3954

IN THICHSANDS STEVE HOUSE MEATHER, WANABLIDANG BARS RA HARIJPE HARIA ASSESSMENT OF THE PARTY OF THE

1025 THOMAS JEFFERSON ST., NW SUITE 105 WASHINGTON, DC 20007 PHONE (202) 342 9610 FAX (202) 342-0656

Reporter: David A. Kasdan, RPR

CHTTOHIANES RENTON C BOCKER
COMMICABLES, 17

September 17, 1996

The Honorable Haley Barbour Chairman Republican National Committee 310 First Street, S.E. Washington, DC 20003

Dear Mr. Chairman:

Congratulations on a successful convention. I was there but did not make it a point to see you because I know you are under a great deal of pressure during the convention time. I have attempted to contact John Bolton on several occasions but we were never able to communicate.

I have recently heard from Mr. Young in Hong Kong and needless to say, he is somewhat distressed about the non-payment by the Forum. He has advised us that you have stated you were led by me to believe that payment was not necessary. The bank has subsequently given us notice that they are now going to claim the entire debt in default and utilize our security to pay it in tull.

The following is my understanding of exactly what has transpired in this whole transaction:

Just prior to the elections of 1994, I was asked by Fred voicansek to help facilitate a loan in excess of \$2 million to assist you in replacing hard money at the Forum with soft money so that the hard dollars could be used to help pick up 60 targeted House scats.

As a result of Fred's request, I contacted Mr. Ambrous Young and asked him if he was interested in that kind of assistance for the Party. You and I then had several discussions concerning a loan guarantee by Mr. Young.

Funds were transferred from Hong Kong to Young Brother USA, a Florida corporation of which I am the President. Shortly after the Joan was made, you journeyed to Hong Kong and approached Mr. Young for the first time about the question of forgiveness of the loan. Mr. Young called me and told me of the discussion and

21

u din nad ۱Ď Ţī informed me that he wanted to be as helpful to you as he could and he would take the request of forgiveness under advisement.

Mr. Young began discussions with you about a trip to China. One was scheduled, then cancelled, and a second trip scheduled in which you, Mr. Young and I were all to go to China for the purpose of seeing if we could facilitate some business in China that Mr. Young had in mind. It was during those discussions that the question of forgiveness became seriously considered and Mr. Young indicated to both you and me, and you and I also discussed, the possibility of forgiveness if Mr. Young could get some business opportunities that would justify forgiveness of such a large indebtedness. Forgiveness was always contingent upon Mr. Young getting something in return that would justify this kind of a generous gift.

As the payments became due, you then requested forgiveness of individual payments, the first of which Mr. Young refused, but agreed to skip the payment, pay the interest, and put the payment on the back side of the loan, which he did.

As further discussions ensued, you and I spoke again at least a couple of times in which I advised you that Mr. Young still wanted to work something out with you that could result in torgiveness, but he had to have some economically sound reason for doing so; therefore, the quarterly payments should be made. That did not negate the forgiveness of the loan if things could still be worked out.

During our last personal discussion, I advised you that Mr. Young could not forgive the loan for two reasons. First, he did not want to give up a couple million dollars, and second, he was airaid of adverse publicity for himself, his American company and the Forum. During those discussions you made the statement to me in words to the effect, "I will not spend hard dollars to pay off this loan." I responded with words to the effect, "We cannot forgive it, therefore, if you are not going to pay it, you'll simply have to default. We would be better off with you defaulting than us forgiving." I did not say, because I did not have authority to say, "Go ahead and default and we will do nothing." In essence that would be our way of forgiving the loan. I think I did say I doubted Mr. Young would sue you in the event of default, but Mr. Young did not say that, and did not give me authorization to say we wouldn't sue and therefore, go ahead and default and we'll simply walk away.

There cannot be any dispute that this was a loan Mr. Young made it in good faith to assist you in capturing some targeted Congressional seats. You promised in writing to repay the Note and that if necessary, you would go before the Budget Committee and ask for authorization to borrow money to do so.

There is no question that it was the intent of Mr. Young to forgive all or part of the Note if he could make economic sense of doing so, but he would have to be the judge of that. I could not; neither could you. In our last discussions, Mr. Young was still trying to make some economic sense out of your trip so that he could be generous with you. Mr. Young has been generous with the Republican Party for several years and would like to continue to do so. He does not want to have unpleasantness between himself and you, as Chairman, and/or the Republican National Committee, but he simply cannot justify writing off a couple million dollars at this stage.

As a result, he has referred this matter back to Mr. Benton Becker, who has acted as his Counsel throughout in the preparation of the agreement, the Promissory Note, etc. I believe it would be most unfortunate if this matter results in bitterness between Mr. Young and you or the Party, and particularly, if there is litigation involved which would obviously be embarrassing to everyone concerned.

I would suggest that something be done by the Forum immediately to avoid taking all of Mr. Young's security at this stage.

I don't know what more can be said. I think I have honestly and accurately stated the situation, but in the final analysis, although there were numerous discussions and it was the intent of Mr. Young to be forgiving of all or part of the obligation, the conditions upon which his forgiveness were based nave not come to pass. Therefore, he cannot justify this kind of generosity; particularly, when the monies are not his, but corporate monies that he will personally be responsible to replace.

Please call me. I believe we can still resolve this matter without animosity - it can be a win for both sides.

ł

Best regards,

Richard Kichards.

## YOUNG BROTHERS DEVELOPMENT CO., LTD.

7th Floor, Harcourt House 39 Gloucester Road Hong Kong

Telephone #52-2598-6632 (General) Facsimile 852-2598-0575 (Chairman & CEO) 852-2598-5109 (Aviation & Bus.Dev.) 852-2528-3012 (Finance & Adm.)

#### **FAX TRANSMISSION COVER SHEET**

TO:

0000

Mr. Richard Richards

c.c. Mr. Benton Becker

b.c.c. Mr. Steve Richards

YOUR FAX NO.: 1 801 399 9954 (Mr. Richards)

1 305 662 9276 (Mr. Becker)

SUBJECT:

Loan to the National Policy Forum

DATE:

September 17, 1996

FROM:

**Ambrous Young** 

OUR REF. NO.:

FAX/638/96

COVER SHEET + PAGES TO FOLLOW = 2

Reporter: David A. Kasdan, RPR

TAIWAN

SINGAPORE

HONG KONG

AUSTRALIA

UNITED STATES

7th Floor, Harcourt House 39 Gloucester Road Hong Kong Telephone 852-2598-6632 (General)
Facsimile 852-2598-0575 (Chairman & CEO)
852-2598-5109 (Aviation & Bux.Dev.)
852-2528-3012 (Finance & Adm.)

**OUR REF: FAX/638/96** 

September 17, 1996

Mr. Richard Richards
Richard Richards Law Office
2605 Washington Blvd., Ste 300
Ogden, UT84401
U.S.A.
FAX: 1 801 399 9954

Dear Dick:

ű

\* į

#### LOAN TO THE NATIONAL POLICY FORUM

I confirm the receipt of your letter to the Honourable Chairman Haley Barber of which you have stated accurately the history of events and in turn made crystal clear of each individual's position during the period of events. Therefore, I feel that whoever is involved in the decision process of the loan repayment shall no doubt respect the reality with honour.

As you know, I have been a loyal supporter of the Republican Party over the years, and I sincerely hope that my privilege for the continuation of doing so will be allowed without discouragement.

For the above reasons, I request you sincerely as well as Mr. Benton Becker to coordinate or act on our behalf for whatever is necessary and adequate to untangle the existing problem.

As emphasized above, our loyalty to the party as well as to the Honourable Chairman Haley Barbour will remain unchanged.

Bost regards

Ambrous Young

ATY/aw

c.c. Mr. Benton Becker, FAX: 1 305 662 9276

b.c.c. Mr. Steve Richards, PAX: 1 202 342 0650

TANVAN

SINGAPORE

HONG KONG

AUSTRALIA

UNITED STATES

î,

Ü

ĵŋ

LAW OFFICES OF

#### BENTON L. BECKER

#### CORAL GABLES. FLORIDA

OF COUNSEL RICHARD M. HABER TAMPA PLORIDA

THE KENDAR BUILDING ISSO MADRUGA AVENUE SUITE 329 CORAL GABLES, FLORIDA 33:46

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX: 13061 662-9276

WASHINGTON, D.C. RICHARD RICHARDS 1025 THOMAS JEFFERSON ST., N.W. SUITE 106 WASHINGTON, U.C. 20007 12021 342-9610

September 19, 1996

David Norcross 1156 15th Street, N.W. Suite 550 Washington, D.C. 20005

National Policy Forum's

outstanding obligation to Signet Bank

Dear David:

I trust you have been informed and received a copy of the attached September 11, 1996 correspondence to John R. Bolton from the counsel for the Signet Bank advising of Signet Bank's intent to demand immediate payment of all indebtedness on the National Policy Forum's loan. This action, although fully authorized by the terms of the NPF loan with Signet, will have the inevitable effect of irrevocably depleting the Young Brothers Development collateral held by the bank.

I know Dick Richards has recently written Haley, suggesting an in-person meeting. I hope one will occur...soon. We ought not be powerless to amicably resolve this dispute.

Sincerely,

Benton b. Becker

BLB: jef Enclosure

cc: Mr. Ambrous Young

Mr. Richard Richards

Reporter: David A. Kasdan, RPR

0197



3 Ť,

1. .

### SHEA & GARDNER 1800 MASSACHUSETTS AVENUE, N.W.

WASHINGTON, D.C. 20036

FRANCIS M. SHEA HOUS-19691 DAVID W. COOR WARMER W. GARDNER STEFREN J. MA ENEMENCE J LATTO BICHARD T. CONWAY HORERT T. BASSECHES BENJAMIN W. BOLEY PALPH J. MOORE. JR. MATTIN J. FLYNN STEPHEN J. POLLAR DAVID BOOTH BLERS ANTHONY A. LAPHA RICHARD M. SHAMP JOHN D. ALDOCK WILLIAM S. MOORE JOHN TOWNSEND RICH JAMES B. BIEKE I MICHAEL GREENBERGER R JAMES WOOLSEY PREDERICK C. SCHAPRICK OF COUNSEL WILLIAM H. DEHMBE

BARBARA L. KIRSCHTEN

STEPHEN J MADLEY WILLIAM R GALEGTA PATRICK M MANLON JAMES R. SIRD MICHAEL S. GIANNOTTO JEFFREY C. MARTIN WILLIAM A MANIEDW BLIZAGETH RUNVAN GEISE COLLETTE C. GOODMAN JULIE M. EDMOND LAURA S. WERTHEIMER MICHARD M. WYNER THOMAS J MINULA CHRISTOPHER C. PALMER

12021 628-2000 TELECOPIER: IROZI 628-2195

September 11, 1996

ERIC C. JEFFREY ROBERT B. WASSERHAM DERNICE M. BLAIR ANNE R. BOWDEN LISA A. LANDSHAN CYMTHIA GURNEE PUGH DANA J. MARTIN J. BRADFORD WIEGMANN LLOYD D. COLLIER VALERIE E. ROSS MICHAEL K. ISENMAN MARTHA HIRSCHFIELD AMY HORTON DAVID J. KATZ HOWARD R. RUBIN'S CRUESTINE R. MCCONVILLE DONALD J. MUNRO

RIM & DETTELBACH INCLUMENT IN ESMAL HEATHER M. ANDERSON' JOLYNN CHILDERS DELLINGER ERIKA K. SINGER RECHA M. GLAZER DAVID ALLEN GRAFF JULIE FURA TOUNGHAN JODI L. SHORT. PLIZABETH A. ROBISCHON A. CHRISTOPHER BRYANT

WOT ADMITTED IN D.C

John R. Bolton National Policy Forum 229 1/2 Pennsylvania Avenue, S.E. Washington, D.C. 20003

BY CERTIFIED MAIL

Re:

October 13, 1994, Credit and Security Agreement between National Policy Forum (the "Borrower") and Signet Bank (the "Bank"), as amended (the "Credit Agreement"), and October 13, 1994 Promissory Note issued by the Borrower to the Bank, as amended (the "Note")

Dear Mr. Bolton:

I am counsel for the Bank in connection with the referenced Note and Credit Agreement evidencing the Bank's loan to the Borrower in the current outstanding principal amount of \$1,336,000.00 (the "Loan"). The Loan is secured by Certificates of Deposit pursuant to Assignments of Deposit (the "Assignments") dated October 13, 1994, from USA Young Brothers Development, Inc. (the "Assignor") to the Bank.

I have been instructed by the Bank to give notice to the Borrower of the occurrence of Events of Default, under and as defined in the Agreement and the Note, including without limitation the following:

- (1) Default, uncured within 60 days, in payment of interest due and payable on June 30, 1996; and
- **(2)** The Bank has determined that there has occurred a material adverse change in the financial condition of the Borrower that causes the prospect of payment of the Note to be impaired.



John R. Bolton September 11, 1996 Page 2

The foregoing Events of Default are based upon information available to the Bank at this time, and the listing does not purport to be complete or exclusive.

As a result of the Events of Default stated above and pursuant to the Bank's right under the Agreement to demand immediate payment of all indebtedness under the Note upon the occurrence of any Event of Default, I hereby declare on behalf of the Bank the entire outstanding principal balance under the Agreement and the Note in the amount of \$1,336,000.00, plus accrued and unpaid interest thereon, immediately due and payable, and we demand immediate payment to the Bank. Accrued and unpaid interest as of the date of this letter is in the amount of \$27.985.23.

This letter, by copy thereof to the Assignor, will further provide notice that, if full payment of all indebtedness under the Agreement and the Note is not received by the Bank within 10 days from your receipt of this letter, then the Bank intends to exercise its rights and remedies under the Credit Agreement and the Assignments, including without limitation, its rights to cash in the Certificates of Deposit securing the Loan and assigned by the Assignor to the Bank and to apply the proceeds thereof, including without limitation all accrued interest, against any and all of the Borrower's obligations under the Credit Agreement and the Note. In addition to payment of principal and interest, such obligations may include, without limitation, late fees and attorneys fees as provided in the Credit Agreement.

The Bank reserves all of its rights and remedies under the Credit Agreement, the Assignments, and under all applicable laws, including without limitation the Uniform Commercial Code as enacted in Virginia.

Sincercity,

Timothy K. Shuba Counsel for Signet Bank

cc: (By certified Mail)

Benton L. Becker, Young Brothers Development, Ltd. (USA)
Thomas Josefiak, Republican National Committee
John Bredin, Signet Bank

#### LAW OFFICES OF RICHARD RICHARDS

2606 WASHINGTON BLVD. SUITE 300 OGDEN. UT 84401 PHONE: (801) 399-9910 PAX: (801) 399-9954

H, THOMAS STEVENSON MKMBER. LTAH AND HASHO HARB

44

.C

4

10

Ħ

[]

RICHARD RICHARDS MEMBER DC AMERICAN BARR 
> erika di edi. Naziona di edi.

October 16, 1996

The Honorable Haley Barbour Chairman Republic National Committee 310 First Street, S.E. Washington, DC 20003

Dear Haley:

I am a little surprise and somewhat disappointed that you haven't seen fit to respond to my letter of September 17, 1996.

As I indicated in that letter, I thought there was a way we could work this problem out, but apparently you have no desire to pursue that avenue and therefore, we will simply do what we think is in our best interest.

I believe it is significant that Bob Dolc and the Republican Party are now challenging contributions made to the Clinton campaign by Indonesian citizens through an American contact. Obviously, there are some differences between that situation and ours; however, I think we stand the same risk of some very adverse publicity if the loan were forgiven and it therefore became a gift. This is something you ought to consider.

Absent any correspondence from you or any effort to resolve the matter on a more amicable basis, the matter will be left in the hands of Attorney Becker for resolution.

Sincerefly,

Richard Richards

RR/ppc

Date: L/3/17
Reporter: David A. Kasdan, RPR

0200

#### BENTON L. BECKER

#### CORAL GABLES. FLORIDA

OF COUNSEL RICHARD M. HABER TAMPA FLORIDA

Α

y"ı

n é. n é

THE KENDAR BUILDING 1550 MADRUGA AVENUE SUITE 329 CORAL GABLES, FLORIDA 33140 (305) 662-4099

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX (305) 662-9276

WASHINGTON, D.C. RICHARD RICHARDS IO25 THOMAS JEFFERSON ST. N.W. SUITE 105 WASHINGTON, D.C. 20007 12021 342-0610

November 11, 1996

PERSONAL AND CONFIDENTIAL VIA FACSIMILE AND FEDERAL EXPRESS 202-544-0296

National Policy Forum 229 1/2 Pennsylvania Avenue, S.E. Washington, D.C. 20003 Attention: Chairman Haley Barbour

> Dispute Resolution between The National Policy Forum and Young Brothers Development (USA), Inc.

Dear Mr. Barbour:

Consistent with recent discussions between representatives of the National Policy Forum and Young Brothers Development (USA), Inc., YBD (USA), Inc. herewith submits this proposal to the National Policy Forum in settlement of all actual or contemplated disputes, claims or causes of action that may exist by and between YBD (USA), Inc. and the National Policy Forum resulting from the terms and performance of an October 13, 1994 Loan Agreement between Policy Forum and Signet Bank (formerly Bank/Virginia), to which YBD (USA), Inc. collaterally assigned eleven YBD (USA), Inc. Signet Bank Certificates of Deposit.

In settlement of all disputes between YBD (USA), Inc. and National Policy Forum, YBD (USA), Inc. proposes that the National Policy Forum cause the sum of eight hundred thousand dollars (\$800,000.00) to be tendered to YBD (USA), Inc. at the Law Offices of Benton L. Becker at 1550 Madruga Avenue, Suite 329, Coral Gables, Florida 33146 on or before November 22, 1996. receipt of the settlement sum described above, the parties will execute appropriate, mutual Releases.

Acceptance of this offer should be directed undersigned.

BLB:jef

cc: Mr. Richard Richards,

President, YBD (USA), Inc.

Becker Counsel to YBD (USA), Inc.

cerelly

0201

Date: Reporter: David A. Kasdan, RPR

Signet Bank 1350 Connection NW Suite 1000 Washington DC 20036-1701 FAX 202-872-9250 202-331-4147

John S Bredin Vice President Association Financial Serv Group

## **SIGNET**

November 14, 1996

By Certified Mail

Benton L. Becker, Esq. Secretary/Treasurer Young Brothers Development, Ltd. (USA) 1550 Madruga Avenue, Suite 329 Coral Gables, FL 33146

Re:

October 13, 1994, Credit and Security Agreement between National Policy Forum (the "Borrower") and Signet Bank (the "Bank"), as amended (the "Credit Agreement"), and October 13, 1994 Promissory Note issued by the Borrower to the Bank, as amended (the "Note")

Dear Mr. Becker:

We are writing with respect to the referenced Note and Credit Agreement regarding the loan to the Borrower from the Bank that was paid in full on 9/30/96. On that date, the Bank exercised its rights and rem\_dies under the Credit Agreement and the Assignments to cash in the Certificates of Deposits securing the Loan and assigned by Young Brothers Development (USA), Inc. (Assignor) to the Bank and to apply the proceeds thereof, including without limitation all accrued interest, against the Borrower's obligations under the Credit Agreement and the Note. After all obligations to the Bank were liquidated, an amount of \$55,460.09 remained from the certificate of deposit collateral to be returned to the Assignor as the Assignor's property. Pursuant to your instructions in your letter dated November 14, 1996, we will wire transfer today \$55,460.09 to Barnett Bank, N.A., South Florida, ABA No. 063000047, account number in the name of Young Brothers Development (USA), Inc. to the attention Dawn Wahrburg at 305-699-5445.

A full accounting of the loan liquidation is enclosed for your information in a spreadsheet format.

Sincerely,

John Bredin

Vice President

EXHIBIT

Date:

Reporter: David A. Kasdan, RPR

0202

. . .

##A

J

į.

ζħ

ä

Ö

9

(]

#### BENTON L. BECKER

#### CORAL GABLES, FLORIDA

OF COUNSEL RICHARD M. HARER TAMPA FLORIDA

THE KENDAR BUILDING 1550 MADRUGA AVENUE BUITE 329 CORAL GABLES, FLORIDA 33140 (305) 662-4099

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX: CIOSI 062-9276

WASHINGTON, D.C. RICHARD RICHARDS ICES THOMAS JEFFERSON ST. N.W. BUITE 106 WASHINGTON, B.C. 20007 12081 243-0610

November 14, 1996

VIA FACSIMILE 202-872-9250 Signet Bank Ms. Clara McElroy Commercial Relationship Assistant 1350 Connecticut Avenue, N.W. Suite 1000 Washington, D.C. 20036

Dear Ms. McElroy:

As per your conversation with our associate, Steven Richards on this date, kindly wire transfer the balance of the \$55,460.09 YBD (USA), Inc. funds retained in the Signet Bank to YBD (USA), Inc.'s bank account in Coral Gables, Florida as designated below.

Barnett Bank, N.A., South Florida

A.B.A. No.: 063000047

Account Number:

Name of Account: Young Brothers Development (USA), Inc.

Attention: Dawn Wahrburg (305-699-5445)

Sincerely,

Benton L. Becker Secretary/Treasurer YBD (USA), Inc.

cc: Steven Richards

EXHIBIT

Date:

Reporter: David A. Kasdan, RPR

0203





17

Ü

نده آبریا

۱Ö

#<u>#</u>

# Ũ 

# BLANK, ROME, COMISKY & McCAULEY

COUNSELORS AT LAW

FOUR PENN CENTER BLAZA Philadelphia, PA .9:03-2599 218-549-8800

1620 POND ROAD, SUITE 200 ALLENTOWN, PA 15104-2255 \$10-398-1C10

1463 Horth Providence Road MEDIA, PA : BC63-2081 410-601-7800

HEE ISTH STREET, NW. SUITE ESO WASHINGTON, DC 20005-1704

202-755-4100

Fax (202) 785-5588

\$10 LAKE DRIVE EAST CHERRY HILL. NJ 00002-1164 909-779-380D

1820 MARKET STREET. 8TH PLOOP WILMINGTON, DELAWARE 19801-8528

302-428-E400 140! FORUM WAY

PACSIMILE

WEST PALM BEACH, PL 33401-2363 407-686-8100

FAX #:

TO:

FROM:

DATE:

Benton L. Becker, Eze

NUMBER OF PAGES INCLUDING THIS COVER SHEET:

REMARKS: DEAR Mr. Becker Attached is A Gorn MUTUAL release re NEF Stepace 914 me your comments Thanks

Reporter: David A. Kasdan, RPR

The documents accompanying this telecopy contain information which may be confidential and/or legally privileged. This information is intended only for the use of the individual or entity named on this transmission sheet. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reference on the contents of this telecopied information is strictly prohibited, and that the documents should be returned to the firm of Slank, Rome, Confaky & McCauley immediately, If you and that the documents should be returned to the firm of stank, nowe, Comisky a necessary immediately, 27 you have received this in error, please notify us by telephone immediately at (202) 785-6100 collect so that we say name received this in arror, please notity us by telephone immediately as lave, restained to the return of the original documents to us at no cose to you. The unauthorized disclosure, use, or mulification of confidential or ontill anad information insubservantly transmitted to unit may conside in criminal publication of confidential or privileged information inadvertently transmitted to you may result in criminal

all diayothesande



#### MUTUAL RELEASE

Agreement made this day of November, 1996, between National Policy Forum, 229; Pennsylvania Ave, N.E., Washington, D.C., 20003 ("NPF") and WSA Young Brothers Development, Inc., a Market State of the S

WHEREAS, NPF entered into a series of loan transactions with signet Bank, a Virginia banking corporation with offices at 1350 Connecticut Avenue, N.W., Washington, D.C., 20036, ("Bank"), beginning on or about October 13, 1994, which loans were secured by Certificates of Deposit of YBD-USA, ("the loan transactions").

WHEREAS, NPF has satisfied said loans in full, and For the

WHEREAS, the Bank he released the Certificates of Depositor of 13 A-USA in satisfaction of the 175 des balance of the NPF and love transaction, and Third Taniaction, and Third Taniaction, and Third Taniaction, and Third Taniaction and The Taniaction and The Taniaction and Taniaction a

whereas, the said correlates of Deposit have been returned fruit of mangeratives and baing to you with the loss sustained by you with the loss sustained by you with the loss sustained by you with the loss transaction, and

WHEREAS, the loan transactions between NPF, YBD-USA and Bank have been concluded to the satisfaction of all parties.

NOW, therefore, the parties hereto, in consideration of the mutual covenants contained herein, and intending to be legally bound hereby, do hereby agree to remise, release and discharge

 each other of and from any and all claims, demands, causes of action, actions, rights, damages, judgments, costs, compensation, suits, debts, dues, accounts, bonds, covenants, agreements, expenses, attorneys' fees, damages, penalties, punitive damages, and liability of any nature whatsoever, in law or in equity or otherwise, which either part now has, shall or may have, whether known or unknown, foreseen or unforeseen, suspected or unsuspected, by reason of any cause, matter or thing whatsoever, from the beginning of the world to the date of these presents, including, but not limited to, the loan transaction.

In Witness whereof, the parties hereto have caused this agreement to be executed as of the above date.

NATIONAL POLICY FORUM

| ву: | •=    | Tit      | le           | article de la constante |
|-----|-------|----------|--------------|-------------------------|
| USA | Young | BROTHERS | DEVELOPMENT, | INC.                    |
| By: |       | Tit      | le .         |                         |

YOUNG BROTHERS DEVELOPMENT CO., LTD.

7th Floor, Harcourt House 39 Gloucester Road Hong Kong Telephone 852-2598-0632 (General)
Facsimile 852-2598-0575 (Chairman & CEO)
852-2598-5109 (Aviation & Bus, Dev.)
852-2528-3012 (Finance & Adm.)

**OUR REF: FAX/783/96** 

November 21, 1996

Mr. Benton L. Becker The Kendar Building 1550 Madruga Avenue Suite 329 Coral Gables, FL 33146 U.S.A.

FAX: 1 305 662 9276

Dear Benton:

### NATIONAL POLICY FORUM - REPAYMENT

Following our telephone conversation today, I have the pleasure to give you the account details below for you to make the telegraphic transfer of USS800,000 repayment from the National Policy Forum:

Account Name:

Young Brothers Development Co., Ltd.

Account Number:

Bank:

The Hongkong & Shanghai Banking Corporation

1 Queen's Road Central

Hong Kong

Best regards,

Ambrous Young

ATY/aw

TAIWAN

SINGAPORE

HONG KONG

AUSTRALIA

UNITED MATES

0207

### BENTON L. BECKER

#### JN L. DELNER

OF COUNSEL RICHARD M. HABER TAMPA FLORIDA

Ü

4

75

٠Ō

4. T

#### CORAL GABLES. FLORIDA

THE KENDAR BUILDING 1550 MADRUGA AVENUE SUITE 329 CORAL GABLES, FLORICA 33146 (305) 662-4099

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX: (305) 662-9276

WASHINGTON, D.C., RICHARD RICHARDS 1025 THOMAS JEFFERSON ST., N.W. SUITE 105 WASHINGTON, D.C. 20007 12021 342-9810

November 25, 1996

VIA FEDERAL EXPRESS
Mr. Howard M. Fry
Blank, Rome, Comisky & McCauley
1156 15th Street, N.W.
Suite 550
Washington, D.C. 20005-1704

Re: NPF/YBD(USA)

Dear Mr. Fry:

I enclose three sealed and executed originals of the Mutual Release prepared on behalf of the NPF and YBD(USA), as requested in your correspondence of November 21, 1996.

With this transmittal, kindly cause an NPF check to be issued in the amount of \$744,539.91 payable to YBD(USA) and transmitted to my attention at the above Coral Gables, Florida address. Thank you for your consideration in this matter.

Sincerely,

Benton b. Becker

BLB: jef Enclosures

#### BLANK, ROME, COMISKY & McCAULEY COUNSELORS AT LAW

FOUR PENN CENTER PLAZA PHILADELPHIA, PA 19103-2599 215-569-5500

1620 POND ROAD. SUITE 200 ALLENTOWN, PA 18104-2255 610-395-1010

1400 NORTH PROVIDENCE ROAD MEDIA, PA 18063-2051 610-691-7800

1156 ISTH STREET, NW. SUITE 550 WASHINGTON, DC 20005-1704

202-785-4100 FAX 202-785-5566

210 LAKE DRIVE EAST CHERRY HILL, NJ 08002-1164 609-779-3600

1220 MARKET STREET, BTH FLOOR WILMINGTON, DELAWARE 19801-2535 302-425-6400

1401 FORUM WAY WEST PALM BEACH, FL 33401-2353 407-686-8100

November 21, 1996

#### VIA FEDERAL EXPRESS

Benton L. Becker, Esq. The Kendar Building 1550 Madruga Avenue Suite 329 Coral Gables, FL 33146

Dear Benton,

Enclosed please find four copies of a Mutual Release with the National Policy Forum. Please return three executed copies and we will promptly return a copy executed by NPF to you.

Thank you.

Very truly yours,

HOWARD M. FRY

HMF:jd

enclosure

#### MUTUAL RELEASE

Agreement made this day of November, 1953, between National Policy Forum, 229% Pennsylvania Ave, N.E., Washington, D.C., 20003 ("NPF") and Young Brothers Development (USA), Inc., a Florida corporation, 1550 Madruga Avenue, Coral Gables, Florida, 33146 ("YBD-USA") (hereinafter referred to collectively as the "parties").

WHEREAS, NPF entered into a series of loan transactions with Signet Bank, a Virginia banking corporation with offices at 1350 Connecticut Avenue, N.W., Washington, D.C., 20036, ("Bank"), beginning on or about October 13, 1994, which loans were secured by Certificates of Deposit of YBD-USA, ("the loan transactions").

WHEREAS, NPF has failed to tender payment to the Signet Bank for the outstanding balance of the NPF loans, and

WHEREAS, the Bank surrendered the Certificates of Deposit of YBD-USA in satisfaction of the balances of the NPF loan transaction, and

WHEREAS, NPF has paid to YBD-USA, in hand received, a fairly negotiated sum of money satisfactory to the parties as being commensurate with the loss sustained by YBD-USA in the loan transaction, and

WHEREAS, all disputes and claims pertaining to the loan transactions between NPF, YBD-USA and Bank have been concluded to the satisfaction of all parties.

NOW, therefore, the parties hereto, in consideration of the mutual covenants contained herein, and intending to be legally bound hereby, do hereby agree to remise, release and discharge each other of and from any and all claims, demands, causes of action, actions, rights, damages, judgments, costs, compensation, suits, debts, dues, accounts, bonds, covenants, agreements, expenses, attorneys' fees, damages, penalties, punitive damages, and liability of any nature whatsoever, in law or in equity or otherwise, which either party now has, shall or may have, whether known or unknown, foreseen or unforeseen, suspected or unsuspected, by reason of any cause, matter or thing whatsoever, from the beginning of the world to the date of these presents, including, but not limited to, the loan transaction.

In Witness whereof, the parties hereto have caused this agreement to be executed as of the above date.

| NATI | MAT POTT | .i FURUM |      |  |
|------|----------|----------|------|--|
| By:  |          | Title    | <br> |  |
| -    |          | Title    |      |  |

USA YOUNG BROTHERS DEVELOPMENT, INC.

Bv:

0211

I AW OFFICES OF

#### Benton L. Becker

-- . . .... VO. L. FR BENIUM L. BECKER

#### CORAL GABLES. FLORIDA

OF COUNSEL RICHARD M. HADER TAMPA FLORIDA

THE KENDAR BUILDING 1550 MADRUGA AVENUE SUITE 329 CORAL GABLES, FLORIDA 32140 (305) 662-4099

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX: (305) 662-9276

WASHINGTON, D.C. RICHARD RICHARDS ICES THOMAS JEPFERSON ST., N.W. SUITE 165 WASHINGTON, D.C. 20007

(202) 342-9610

Ambrous Young

FROM:

Benton L. Becker

RE:

National Policy Forum Matter

DATE:

November 25, 1996

For your records I attach copies of the following records and documents pertaining to resolution of the above matter:

A Mutual Release executed by me on behalf of YBD(USA), Inc. and returned to the National Policy Forum (NPF) for their execution and transmittal of the 800 funds referenced in the Mutual Release.

Upon the NPF's receipt of the attached Mutual Release, NPF will transmit to the YBD(USA) office in Coral Gables, Florida the agreed upon sum, which will be immediately deposited in the YBD(USA) account and, given approximately five (5) days for clearance of an out-of-state check, will then be wire transferred to the YBD account at the Hong Kong and Shanghai Banking Corporation.

- A copy of my correspondence of November 11, 1996 to HB confirming the terms of the NPF/YBD(USA) settlement.
- A recent communique from Georgetown's Pardoe Real Estate regarding the YBD Georgetown condominium, recommending an initial listing of the property for \$300,000.00. If it is your continued desire to list, and attempt to sell, the property, I would recommend proceeding with this listing as early as January 1.

5627276

#### MUTUAL RELEASE

Agreement made this day of November, 1996, between National Policy Forum, 229% Pennsylvania Ave, N.E., Washington, D.C., 20003 ("NPF") and Young Brothers Development (USA), Inc., a Florida corporation, 1550 Madruga Avenue, Coral Gables, Florida, 33146 ("YBD-USA") (hereinafter referred to collectively as the "parties").

WHEREAS, NPF entered into a series of loan transactions with Signet Bank, a Virginia banking corporation with offices at 1350 Connecticut Avenue, N.W., Washington, D.C., 20036, ("Bank"), beginning on or about October 13, 1994, which loans were secured by Certificates of Deposit of YBD-USA, ("the loan transactions").

WHEREAS, NPF has failed to tender payment to the Signet Bank for the outstanding balance of the NPF loans, and

WHEREAS, the Bank surrendered the Certificates of Deposit of YBD-USA in satisfaction of the balances of the NPF loan transaction, and

WHEREAS, NPF has paid to YBD-USA, in hand received, a fairly negotiated sum of money satisfactory to the parties as being commensurate with the loss sustained by YBD-USA in the loan transaction, and

WHEREAS, all disputes and claims pertaining to the loan

边

the satisfaction of all parties.

\$ C.

Ü

NOW, therefore, the parties hereto, in consideration of the mutual covenants contained herein, and intending to be legally bound hereby, do hereby agree to remise, release and discharge each other of and from any and all claims, demands, causes of action, actions, rights, damages, judgments, costs, compensation, suits, debts, dues, accounts, bonds, covenants, agreements, expenses, attorneys' fees, damages, penalties, punitive damages, and liability of any nature whatsoever, in law or in equity or otherwise, which either party now has, shall or may have, whether known or unknown, foreseen or unforeseen, suspected or unsuspected, by reason of any cause, matter or thing whatsoever, from the beginning of the world to the date of these presents, including, but not limited to, the loan transaction.

In Witness whereof, the parties hereto have caused this agreement to be executed as of the above date.

NATIONAL POLICY FORUM

| By: | Title |
|-----|-------|
|     |       |

USA YOUNG BROTHERS DEVELOPMENT, INC.

LAW OFFICES OF

헏

#### eenton L. Becker

#### CORAL GABLES. FLORIDA

OF COUNSEL RICHARD M. HABER TAMPA FLORIDA THE KENDAR BUILDING 1550 MADRUGA AVENUE SUITE 329 CORAL GABLES, FLORIDA 33445 13051 662-4099

BAR MEMBER OF WASHINGTON D.C., MARTLAND AND FLORIDA

TELEFAR: (305) 662-9275

WASHINGTON, D.C. RICHARD RICHARDS 1025 THOMAS JEFFERSON ST., N.W. SUITE 103

WASHINGTON, D.C. 20007 12021 342-9610

#### MEMORANDUM

TO:

Haley Barbour

John Bolton

FROM:

Benton L. Becker,

DATE:

December 23, 1996

RE:

Modification of language in recent draft of "Mutual Release" between Young Brothers Development (YBD) (USA),

Inc. and National Policy Forum (NPF)

In your latest draft of the document captioned Mutual Release between YBD (USA) and the NPF (copy attached for ease of reference), I recommend the deletion of paragraphs three and four (designated with x's) on page one of the draft Mutual Release. In its stead, either a new Release could be prepared and executed (absent paragraphs three and four), or the parties may choose to rely upon the earlier YBD (USA) executed Mutual Release.

Our insistence upon the paragraphs three and four deletion is predicated upon my opinion, and the opinion of tax counsel, that the paragraph three language may be erroneously interpreted as a "gift" from YBD (USA), Inc. to the NPF, and thereby giving rise to an arroneous claim of gift taxes due by YBD (USA). Although, as we know, such a claim would be meritless, YBD (USA) would not wish to be burdened with the defense of same.

It is our hope that with today's transmittals, this matter can be immediately concluded.

(I)

2 1

### MUTUAL RELEASE

Agreement made this day of December, 1996, between National Policy Forum, 229% Pennsylvania Ave, N.E., Washington, D.C., 20003 ("NPF") and Young Brothers Development (USA), Inc., a Florida corporation, 1550 Madruga Avenue, Coral Gables, Florida, 33146 ("YBD-USA") (hereinafter referred to collectively as the "parties").

WHEREAS, NPF entered into a series of loan transactions with Signet Bank, a Virginia banking corporation with offices at 1350 Connecticut Avenue, N.W., Washington, D.C., 20036, ("Bank"), beginning on or about October 13, 1994, which loans were secured by Certificates of Deposit of YBD-USA, ("the loan transactions").

- WHEREAS, NPF believed in good faith that YBD-USA, based on representations by YBD-USA representatives, intended to allow its Certificates of Deposit to be used to satisfy substantially all of the outstanding balance of the NPF loans, and
- (X) WHEREAS, YBD-USA chose not to do so, and

WHEREAS, NPF has failed to tender payment to the Signet Bank for the outstanding balance of the NPF loans, and

FROM BLANK ROME COMISKY CAULEY, WASH, DC. (FR1) 12, 20' 96 1 ST. 11:17/NO. 4260995227 P 3

22

WHEREAS, the Bank surrendered the Certificates of Deposit of YBD-USA in satisfaction of the balances of the NPF loan transaction, and

WHEREAS, NPF has paid to YBD-USA, in hand received, a fairly negotiated sum of money satisfactory to the parties as being commensurate with the loss sustained by YBD-USA in the loan transaction, and

WHEREAS, all disputes and claims pertaining to the loan transactions between NPF, YBD-USA, and Bank have been concluded to the satisfaction of all parties.

NOW, therefore, the parties hereto, in consideration of the mutual covenants contained herein, and intending to be legally bound hereby, do hereby agree to remise, release and discharge each other, and the bank, of and from any and all claims, demands, causes of action, actions, rights, judgments, costs, compensation, suits, debts, dues, accounts, bonds, covenants, agreements, expenses, attorneys' fees, damages, penalties, punitive damages, and liability of any nature whatsoever, in law or in equity or otherwise, which either party now has, shall or may have, whether known or unknown, foreseen or unforeseen, suspected or unsuspected, by reason of any cause, matter or thing whatsoever, at any time, including, but not limited to, the loan transaction.

雄

In Witness whereof, the parties hereto have caused this agreement to be executed as of the above date.

The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s

\* 15 mm 15 m

I

| NAT | TIONAL POLICY FORUM             |
|-----|---------------------------------|
| By: | Title                           |
| USA | YOUNG BROTHERS DEVELOPMENT, INC |
| By: | Title                           |

December 23, 1996

#### DRAFT LETTER

Chairman Haley Barbour National Policy Forum 229 1/2 Pennsylvania Avenue, S.E. Washington, D.C. 20003

Re: Resolution of YBD (USA), Inc. dispute with National Policy Forum

Dear Mr. Barbour:

1.1

نڌ د ان اي

This letter shall serve to memorialize the formal resolution of the resulting circumstances surrounding the National Policy Forum's (NPF) October 13, 1994 loan transaction with the Signet Bank, Young Brothers Development (YBD) (USA)'s submission to Signet Bank of YBD (USA) Certificates of Deposit as security for the NPF loan, following a period of timely payment on the loan by NPF, NPF's failed to tender payment to the Signet Bank for the outstanding balance of the NPF loan and Signet Bank's surrender of the YBD (USA) Certificates of Deposit in satisfaction of the balance of the NPF loan. (Hereafter referred to as "loan transaction.")

NPF and YBD (USA), Inc. have fully and satisfactorily resolved all of their disputes pertaining to the above described loan transaction. Since the Republican National Committee was not a party to, nor in any manner involved in, the loan transaction, it was not a party to, nor involved in, the resolution of the loan transaction dispute between YBD (USA), Inc. and NPF.

I trust you concur with the above recitals.

Sincerely,

Benton L. Becker Secretary/Treasurer YBD (USA), Inc.

BLB: jef

2/2

Office of the Chairman

December 19, 1996

MEMORANDUM FOR BENTON BECKER

FROM:

SANFORD MCALLISTER



I understand from Tim Frye that you are preparing letters to Haley Barbour, Chairman of the Republican National Committee and John Bolton, President of National Policy Forum concerning the NPF sentement with Young Brothers Limited.

Haley has suggested that it would be helpful if you could fax both him and John Bolton a draft copy of the letter before it is finalized. He believes this would help to avoid any further delays and/or confusion.

Haley's fax number in Mississippi is: 601/746-9583 John's fax number in Maryland is 301/662-9276

Thanks very much.

#### BENTON L. BECKER

#### CORAL GABLES, FLORIDA

OF COUNSEL RICHARD M. HABER TAMPA FLORIDA The Kendar Building 1550 Madruga Avenue Suite 329 Coral Gables, Florida 33140 (305) 682-4099

WASHINGTON, D.C. RICHARD RICHARDS 1025 THOMAS JEFFERSON ST., N.W. SUITE 105 WASHINGTON, D.C., 20007 12021 342-9610

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX: (305) 662-9276

#### MEMORANDUM

TO:

John Bolton, National Policy Forum

FROM:

Benton L. Becker

DATE:

December 26, 1995

RE:

Your December 24, 1996 request for a modification of language in the draft of "Mutual Release" between Young Brothers Development YBD-USA, Inc. and National Policy

Forum (NPF)

This is responsive to our telephone conversation of December 24, 1996, which followed your receipt and review of my December 23, 1996 memorandum to you and Mr. Barbour, wherein YBD-USA, Inc. outlined its reasons for insisting on the deletion of paragraphs three and four of page one of the NPF's most recent draft Mutual Release in the above referenced matter. During our December 24, 1996 telephone conversation, you requested me to draft new paragraph three and four replacement language in the Mutual Release, consistent with the NPF's expressed desire and YBD-USA, Inc.'s insistence on factual accuracy. Hereafter follows that effort:

Paragraphs three, four and five of the Mutual Release would be replaced with the following:

WHEREAS: After the NPF loan transaction with Signet Bank had commenced, and after NPF had made several timely payments thereon, an NPF official met with a YBD-USA, Inc. official to discuss the status of the Signet Bank loan transaction. At that meeting, the meaning of the words spoken by the YBD-USA, Inc. official were apparently erroneously interpreted by the NPF official, who maintains the belief that the YBD-USA, Inc. official authorized NPF to use the YBD-USA, Inc. secured Certificates of Deposit to satisfy the outstanding balance of the NPF loan, and

WHEREAS, acting in the belief that YBD-USA, Inc. had consented to and authorized such future non-action by NPF, NPF thereafter failed to tender payment to the Signet Bank for the outstanding balance of the NPF loans, and

0221

The first own state of the stat

# YOUNG BROTHERS DEVELOPMENT - U.S., INC.

December 26, 1996

#### DRAFT LETTER, PREPARED IN SETTLEMENT OF DISPUTE

Chairman Haley Barbour National Policy Forum 229 1/2 Pennsylvania Avenue, S.E. Washington, D.C. 20003

Re: Resolution of YBD (USA), Inc. dispute with National Policy Forum

Dear Mr. Barbour:

This letter shall serve to memorialize the formal resolution of the resulting circumstances surrounding the National Policy Forum's (NPF) October 13, 1994 loan transaction with the Signet Bank, Young Brothers Development (YBD, (USA), Inc.'s) submission to Signet Bank of YBD (USA), Inc. Certificates of Deposit as security for the NPF loan, following a period of timely payment on the loan by NPF, NPF's failed to tender payment to the Signet Bank for the outstanding balance of the NPF loan and Signet Bank's surrender of the YBD (USA), Inc. Certificates of Deposit in satisfaction of the balance of the NPF loan. (Hereafter referred to as "loan transaction.")

NPF and YBD (USA), Inc. have fully and satisfactorily resolved all of their disputes pertaining to the above described loan transaction. Since the Republican National Committee (RNC) was not a party to, nor in any manner involved in, the loan transaction, it was not a party to, nor involved in, the resolution of the loan transaction dispute between YBD (USA), Inc. and NPF. Accordingly, YBD (USA), Inc. has no, and does not have, any claim against the RNC for relief in this matter.

I trust you concur with the above recitals.

Sincerely,

Benton L. Becker Secretary/Treasurer YBD (USA), Inc.

BLB:jef

#### BENTON L. BECKER

#### CORAL GABLES. FLORIDA

OF COUNSEL RICHARD M. HABER TAMPA FLORIDA

THE KENDAR BUILDING ISSO MADRUGA AVENUE SUITE 329 CORAL GABLES, FLORIDA 33146 (308) 662-4099

BAR MEMBER OF WASHINGTON G.C. MARTLAND AND FLORIDA

TELEFAX: 13051 662-9276

WASHINGTON, D.C. RICHARD RICHARDS IDES THOMAS JEFFERSON ST. N.W. SUITE 100 WASHINGTON, D.C. 20007 12001 342-9610

#### MEMORANDUM

TO:

Kaley Barbour

John Bolton

FROM:

Benton L. Beckera

DATE:

December 30, 1996

RE:

Modification language in settlement papers between Young Brothers Development (YBD) (USA), Inc. and National

Policy Forum (NPF)

As per our telephone conversation this a.m., I submit for your review and approval the following:

- A re-draft of the final sentence of the second paragraph of the YBD (USA), Inc. letter to the NPF; and
- A re-draft of the "Mutual Release" prepared by Blank, Rome, Comisky & McCauley, deleting WHEREAS paragraphs three, four and five and substituting new paragraphs three and four, consistent with my December 26, 1996 memorandum to John Bolton (copy enclosed for ease of reference).

Ĺ

## YOUNG BROTHERS DEVELOPMENT - U.S., INC.

December 30, 1996

#### LETTER, PREPARED IN SETTLEMENT OF DISPUTE

Chairman Haley Barbour National Policy Forum 229 1/2 Pennsylvania Avenue, S.E. Washington, D.C. 20003

Resolution of YBD (USA), Inc. dispute with National

Policy Forum

Dear Mr. Barbour:

This letter shall serve to memorialize the formal resolution of the resulting circumstances surrounding the National Policy Forum's (NPF) October 13, 1994 loan transaction with the Signet Bank, Young Brothers Development (YBD, (USA), Inc.'s) submission to Signet Bank of YBD (USA), Inc. Certificates of Deposit as security for the NPF loan, following a period of timely payment on the loan by NPF, NPF's failed to tender payment to the Signet Bank for the outstanding balanca of the NPF loan and Signet Bank's surrender of the YBD (USA), Inc. Certificates of Deposit in satisfaction of the balance of the NPF loan. (Hereafter referred to as "loan transaction.")

NPF and YBD (USA), Inc. have fully and satisfactorily resolved all of their disputes pertaining to the above described loan transaction. Since the Republican National Committee (RNC) was not a party to, nor in any manner involved in, the loan transaction, it was not a party to, nor involved in, the resolution of the loan transaction dispute between YBD (USA), Inc. and NPF. Accordingly, YBD (USA), Inc. has no claim against the RNC for relief in this matter.

I trust you concur with the above recitals.

Sincerely,

Benton L. Becker Secretary/Treasurer YBD (USA), Inc.

BLB:jef

#### MUTUAL RELEASE

Agreement made this day of December, 1996, between National Policy Forum, 229 1/2 Pennsylvania Ave, N.E., Washington, D.C., 20003 ("NPF") and Young Brothers Development (USA), Inc., a Florida corporation, 1550 Madruga Avenue, Coral Gables, Florida, 33146 ("YBD-USA") (hereinafter referred to collectively as the "parties").

WHEREAS, NPF entered into a series of loan transactions with Signet Bank, a Virginia banking corporation with offices at 1350 Connecticut Avenue, N.W., Washington, D.C., 20036, ("Bank"), beginning on or about October 13, 1994, which loans were secured by Certificates of Deposit of YBD-USA, ("the loan transactions").

WHEREAS, after the NPF loan transaction with Signet Bank had commenced, and after NPF had made several timely payments thereon, an NPF official met with a YBD-USA, Inc. official to discuss the status of the Signet Bank loan transaction. At that meeting, the meaning of the words spoken by the YBD-USA, Inc. official were apparently erroneously interpreted by the NPF official, who maintains the belief that the YBD-USA, Inc. official authorized NPF to use the YBD-USA, Inc. secured Certificates of Deposit to satisfy the outstanding balance of the NPF loan, and

WHEREAS, acting in the belief that YBD-USA, Inc. had consented to and authorized such future non-action by NPF, NPF thereafter failed to tender payment to the Signet Bank for the outstanding balance of the NPF loans, and

WHEREAS, the Bank surrendered the Certificates of Deposit of YBD-USA in satisfaction of the balances of the NPF loan transaction, and

WHEREAS, NPF has paid to YBD-USA, in hand received, a fairly negotiated sum of money satisfactory to the parties as being commensurate with the loss sustained by YBD-USA in the loan transaction, and

WHEREAS, all disputes and claims pertaining to the loan transactions between NPF, YBD-USA and Bank have been concluded to the satisfaction of all parties.

NOW, therefore, the parties hereto, in consideration of the mutual covenants contained herein, and intending to be legally bound hereby, do hereby agree to remise, release and discharge each other, and the bank, of and from any and all claims, demands, causes of action, actions, rights, judgments, costs, compensation, suits, debts, dues, accounts, bonds, covenants, agreements, expenses, attorneys' fees, damages, penalties, punitive damages, and liability of any nature whatsoever, in law or in equity or otherwise, which either party now has, shall or may have, whether known or unknown, foreseen or unforeseen, suspected or unsuspected, by reason of any cause, matter or thing whatsoever, at any time, including, but not limited to, the loan transaction.

In Witness whereof, the parties hereto have caused this agreement to be executed as of the above date.

Title

NATIONAL POLICY FORUM

| Ву:   | <b>Fitle</b> |             | _      |      |
|-------|--------------|-------------|--------|------|
| YOUNG | BROTHERS     | DEVELOPMENT | (USA), | INC. |
| Des.  |              | •           |        |      |

#### BENTON L. BECKER

#### 歷

#### CORAL GABLES. FLORIDA

OF COUNSEL
RICHARD M HABER
TAMPA, FLORIDA

THE KENDAR BUILDING 1550 MADRICA AVENUE BUITE JED CORAL GARLES, FLORIDA 33146 (305) 882-4099

WASHINGTON, D.C. RICHARD RICHARDS 1025 THOMAS JEFFERSON ST., N.W. SUITE 105 WASHINGTON, D.C. 20007 12021 242-0610

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX: (308) 662-9876

#### MEMORANDUM

TO:

£ :

<u>(</u> ::

بالله الرياد

ž

::

الم يا

John Bolton, National Policy Forum

FROM:

Benton L. Becker

DATE:

December 26, 1996

RE:

Your December 24, 1996 request for a modification of language in the draft of "Mutual Release" between Young Brothers Development YBD-USA, Inc. and National Policy

Forum (NPF)

This is responsive to our telephone conversation of December 24, 1996, which followed your receipt and review of my December 23, 1996 memorandum to you and Mr. Barbour, wherein YBD-USA, Inc. outlined its reasons for insisting on the deletion of paragraphs three and four of page one of the NPF's most recent draft Mutual Release in the above referenced matter. During our December 24, 1996 telephone conversation, you requested me to draft new paragraph three and four replacement language in the Mutual Release, consistent with the NPF's expressed desire and YBD-USA, Inc.'s insistence on factual accuracy. Hereafter follows that effort:

Paragraphs three, four and five of the Mutual Release would be replaced with the following:

WHEREAS: After the NPF loan transaction with Signet Bank had commenced, and after NPF had made several timely payments thereon, an NPF official met with a YBD-USA, Inc. official to discuss the status of the Signet Bank loan transaction. At that meeting, the meaning of the words spoken by the YBD-USA, Inc. official were apparently erroneously interpreted by the NPF official, who maintains the belief that the YBD-USA, Inc. official authorized NPF to use the YBD-USA, Inc. secured Certificates of Deposit to satisfy the outstanding balance of the NPF loan, and

WHEREAS, acting in the belief that YBD-USA, Inc. had consented to and authorized such future non-action by NPF, NPF thereafter failed to tender payment to the Signet Bank for the outstanding balance of the NPF loans, and

# BLANK, ROME, COMISKY & McCAULEY

COUNSELOR

FOUR PENN CENTER PLAZA PHILADELPHIA, PA 19103-2599 215-569-2500

1620 POND ROAD, SUITE 200 ALLENTOWN, PA 18104-2255 610-395-1010

1400 NORTH PROVIDENCE ROAD MEDIA, PA 19063-2051 610-891-7800 HISG ISTH STREET, NW. SUITE \$50 WASHINGTON, DC 20005-1704

> 202-785-4100 FAX 202-785-5588

210 LAKE DRIVE EAST CHERRY HILL, NJ 08002-1164 609-779-3600

i 220 MARKET STREET. 8TH FLOOR WILMINGTON, DELAWARE 19801-2535 302-425-6400

1401 FORUM WAY WEST PALM BEACH, FL 33401-2353 407-686-8100

January 17, 1997

Benton L. Becker, Esq. The Kendar Building 1550 Madruga Avenue Suite 329 Coral Gables, FL 33146

Re: NPF/YBD(USA)

Dear Mr. Becker:

Enclosed please find executed original Release in the matter of NPF and YBD(USA) and the check of National Policy Forum payable to YBD(USA), dated January 16, 1997, in the amount of \$744,539.91.

Very truly yours,

HOWARD M. FRY

HMF:jd

enclosure

cc: H. Barbour

J. Bolton

#### MUTUAL RELEASE

Agreement made under seal this 17 day of January 1997, between National Policy Forum, 229 1/2 Pennsylvania Ave, N.E., Washington, D.C., 20003 ("NPF") and Young Brothers Development (USA), Inc., a Florida corporation, 1550 Madruga Avenue, Coral Gables, Florida, 33146 ("YBD-USA") (hereinafter referred to collectively as the "parties").

WHEREAS, NPF entered into a series of loan transactions with Signet Bank, a Virginia banking corporation with offices at 1350 Connecticut Avenue, N.W., Washington, D.C., 20036, ("Bank"), beginning on or about October 13, 1994, which loans were secured by Certificates of Deposit of YBD-USA, ("the loan transactions"); and

WHEREAS, after the NPF loan transactions with Signet Bank had commenced, and after NPF had made several timely payments thereon, a bona fide dispute arose between NPF and YBD-USA as to whether YBD-USA had agreed and authorized NPF to use the YBD-USA Certificates of Deposit to satisfy the outstanding balance of the NPF loans, without recourse by YBD-USA to any claim against NPF for reimbursement or indemnification in connection therewith; and

WHEREAS, acting in the belief that YBD-USA, Inc. had agreed to and authorized such future non-action by NPF, NPF thereafter failed to tender payment to the Signet Bank for the outstanding balance of the NPF loans; and

WHEREAS, the Bank surrendered the Certificates of Deposit of YBD-USA in satisfaction of the balances of the NPF loan transactions; and

WHEREAS, NPF has paid to YBD-USA, in hand received, a fairly negotiated sum of money satisfactory to the parties as being commensurate with the loss claimed by YBD-USA in connection with the loan transactions, in light of the dispute between the parties; and

WHEREAS, all disputes and claims pertaining to the loan transactions between NPF, YBD-USA and Bank have been concluded to the satisfaction of all parties.

NOW, therefore, the parties hereto, in consideration of the mutual covenants contained herein, and intending to be legally bound hereby, do hereby remise, release and discharge each other, and the Bank, of and from any and all claims, demands, causes of action, actions, rights, judgments, costs, compensation, suits, debts, dues, accounts, bonds, covenants, agreements, expenses, attorneys' fees, damages, penalties, punitive damages, and liability of any nature whatsoever, in law or in equity or otherwise, which either party now has, shall or may have, whether known or unknown, foreseen or unforeseen, suspected or unsuspected, by reason of any cause, matter or thing whatsoever, at any time, including, but not limited to, any claims arising out of or relating to the loan transactions and the use of the YBD-USA

Certificates of Deposit to satisfy the outstanding balance of the NPF loans.

The interpretation and enforceability of this agreement shall be determined under the law of the District of Columbia.

In Witness whereof, the parties hereto have caused this agreement to be executed under seal as of the above date.

NATIONAL POLICY FORUM

77

Haley Barbour

Benton L.

Secretary/Treasurer

Chairman, National Policy Forum

YOUNG BROTHERS DEVELOPMENT (USA), INC.

0232

#### 数

#### CORAL GABLES. FLORIDA

OF COUNSEL RICHARD M. HABER TAMPA, FLORIDA

THE KENDAR BUILDING ISSO MADRUGA AVENUE SUITE 329 CORAL GABLES, FLORIDA 33146 (305) 562-4099

BAR MEMBER OF WASHINGTON D.C., MARYLAND AND FLORIDA

TELEFAX: (305) 662-9276

WASHINGTON, D.C. RICHARD RICHARDS 1025 THOMAS JEFFERSON ST., N.W. SUITE 105 WASHINGTON, D.C. 20007

12021 342-9610

PERSONAL AND CONFIDENTIAL

MEMO TO:

Ambrous T. Young

FROM:

Benton L. Becker

RE:

Matters addressed herein

DATE:

January 29, 1997

I am informed by the Barnett Bank today that the DC check has "cleared" and that the 775 YBD (USA), Inc. wire transfer to Hong Kong was transmitted this a.m.

Further, as per prior fax, I am informed the New York stone transmittal should arrive at Ronald Abram, Ltd. today or tomorrow.

Please advise this office of the successful Hong Kong arrival of the above two items.

0233

en s en spe 4:47 iñ باد و احدوا 0 : / ę. 25 .9