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MEMORANDUM

TO:

Patricia C. Orrock

Chief Compliance Officer

Thomas E. Hintermister Assistant Staff Director

Audit Division

FROM:

Lisa J. Stevenson

Deputy General Counsel - Law

Lorenzo Holloway

Assistant General Counsel

Compliance Advice

Margaret J. Forman maf 7

Attorney

SUBJECT: Proposed Draft Final Audit Report on New American City, Inc. (LRA 964)

The Office of the General Counsel has reviewed the proposed Draft Final Audit Report ("proposed Report") on New American City, Inc. The proposed Report contains four findings: Misstatement of Financial Activity (Finding 1); Disclosure of Receipts (Finding 2); Disclosure of Disbursements (Finding 3); and Reporting of Debt and Obligations (Finding 4). We concur with the findings. If you have any questions, please contact Margaret J. Forman, the attorney assigned to this audit.