



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2339

DATE FILMED 5/9/88 CAMERA NO. 2

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 30, 1987

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA *for RJC 1/30/87*
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: THE MONDALE/FERRARO COMMITTEE, INC.; THE MONDALE/
FERRARO COMMITTEE, INC./LEGAL AND ACCOUNTING
COMPLIANCE FUND; AND INDEPENDENTS FOR MONDALE/
FERRARO: MATTER REFERRABLE TO THE OFFICE OF
GENERAL COUNSEL

On January 29, 1987, the Commission voted to refer the attached matter (Exhibit I) to your office for review and consideration.

The revised final audit report on the Mondale/Ferraro committees will be circulated for Open Session Agenda placement and will include the standard language in the public release version of the report that a referral has been made to the Commission's Office of General Counsel.

All workpapers in support of this matter are available for review in the Audit Division. Should you have any questions, please contact Alex Boniewicz or Joe Stoltz at 376-5320.

Attachment as stated

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Apparent Prohibited Contributions

Section 9003(b)(2) of Title 26 of the United States Code states, in relevant part, that no contributions to defray qualified campaign expenses will be accepted except to the extent necessary to make up any deficiency in payments received out of the fund on account of the application of 26 U.S.C. § 9006(c).

1. Travel and Subsistence Expense Funds Advanced

The term contribution as defined at 2 U.S.C. § 431(8)(A) includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office (emphasis added).

A person's use of personal funds, whether in the form of cash, check, or credit, to purchase goods or services on behalf of a political committee with the understanding that the committee later will provide reimbursement is technically on advance and hence a "contribution" within the meaning of the statute.

With a credit card, an advance occurs in the legal sense when the card is tendered in payment. However, the Audit Division in the past has only identified for the Commission those instances when claims for reimbursement have gone unpaid for more than 30 days from the date the claim was submitted to the committee or where credit card bills submitted directly to the committee have gone unpaid beyond the due date.

During the course of the audit, apparent prohibited contributions, totaling \$28,718.75^{1/}, were noted. This consisted of travel and subsistence costs incurred between May and July, 1984, for which two requests for reimbursements, in the amounts of \$19,865.91 and \$8,852.84, were processed by the General Fund on or around September 10, 1984. The General Fund issued a single check representing amounts owed on both reimbursement requests on September 12, 1984.

^{1/} It should be noted that \$4,159.73 was determined to apply to the Mondale for President Committee, Inc., having been incurred prior to June 12, 1984.

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Audit staff's analysis indicates that \$1,077.84 of these expenses were incurred during May; \$5,533.81 during June; \$20,930.10 during July; and, for \$1,177, incurrence was not determinable. The time necessary for reimbursement, from the date incurred to the date the General Fund made reimbursement, varied from 55 to 125 days. Further, it could not be determined when the billings for these items were actually received by the person, as his credit card account statements were not available, nor required, for review.

In the Interim Audit Report, the Audit staff recommended the General Fund provide an explanation as to why these transactions should not be viewed as having resulted in prohibited contributions to the General Fund. In its January 2, 1986 response, the General Fund asserts that the conclusion in the Interim Audit Report that a prohibited contribution has been made is incorrect.

The response notes that the bulk of these expenses were incurred in June and July and were paid via credit card. Further, it states that this means billing for these amounts was not received until sometime in August. The expenses were assembled within about 30 days, and submitted on September 10, 1984 to the General Fund, which paid them two days later, on September 12. The General Fund's response concludes that these facts simply do not make out a prohibited contribution, as the expenses were submitted in a timely fashion and the General Fund promptly paid them.

A review of the documentation supporting this expenditure indicates the majority of the expenses incurred were charged on American Express cards.

2. Possible Prohibited Bank Contribution

Section 441b(a) of Title 2 of the United States Code states, in relevant part, that it is unlawful for any national bank to make a contribution or expenditure in connection with any election to any political office, or for any officer or any director of any national bank to consent to any contribution or expenditure by the national bank prohibited by this section. Further, 2 U.S.C. § 441b(b)(2) defines "contribution or expenditure" to include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value (except a loan of money by a national or State bank made in accordance with the applicable

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banking laws and regulations and in the ordinary course of business) to any candidate, campaign committee, or political party or organization, in connection with any election to any of the offices referred to in this section.

During the course of the audit of the Mondale/Ferraro Committee, Inc. (the "General Fund"), expense reimbursements totaling \$28,718.75, paid to Mr. Bert Lance, were noted. This amount, is comprised of travel and subsistence costs incurred between May and July, 1984, with the reimbursement requests processed on or around September 10 and paid by the General Fund on September 12, 1984.

Review of the documentation supporting the expense reimbursement requests indicates that \$28,503.41 of this amount was initially charged to three American Express ("AMEX") card accounts. Two of the cards appeared to be jointly held; one card listing the National Bank of Georgia 2/ ("NBG") and Bert Lance, and the other card listing NBG and C. Beverly Lance. For the third AMEX card, only the account number could be identified. The Audit staff contacted the AMEX Cardmember Services division and was informed that in this situation one of the parties is the "basic" cardholder, and the others were "additional" cardholders. Liability is limited to the "basic" cardholder. Additionally, the credit card company's policy prevented disclosure of the identification of the "basic" cardholder.

The Audit staff reviewed the General Fund's disclosure reports, as well as selected disclosure reports filed by Mondale for President, Inc., to identify other similar disbursements made to the persons, credit card company or bank involved. No other

2/ The 1984 edition of Moody's Bank and Finance Manual does not list either Mr. or Mrs. Lance as an officer or member of the Board of Directors for NBG. According to this same text, Mr. Lance is shown as Chairman of the Calhoun First National Bank (GA).

disbursements were noted as a result of the review of reports filed by Mondale for President, Inc. Within the General Fund's reports, three additional travel reimbursements, totaling \$9837.27, were noted; two to Bert Lance (\$8735.48) and one to C. Beverly Lance (\$1101.79).

Documentation required to determine whether these additional items are indeed, similar, is not currently available for review.

The Audit staff is of the opinion that the use of these credit cards may represent a prohibited contribution by the National Bank of Georgia if the bank was the "basic" cardholder. Further, it is our opinion that since the General Fund and its Treasurer were not likely in a position to control the use of the credit cards, and since the expense reimbursement requests were paid promptly when presented, that no violation be found against the General Fund.

Recommendation

The Audit staff recommends that these matters be referred to the Office of General Counsel.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Mondale/Ferraro Committee, Inc.;)
The Mondale/Ferraro Committee,)
Inc./Legal and Accounting)
Compliance Funds; and)
Independents for Mondale/Ferraro:)
Matters Referrable to the Office)
of General Counsel)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 29, 1987, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions with respect to the January 15, 1987 report from the Audit Division on the above-captioned matters:

1. Decline to refer to the Office of General Counsel those matters cited in Exhibits A and B of the report.
2. Refer to the General Counsel those matters cited in Exhibit C of the report.

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

Attest:

Jan. 30, 1987
Date

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

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SENSITIVE

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

FIRST GENERAL COUNSEL'S REPORT

**MUR # 2339
STAFF MEMBER
Carol Laham**

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

**RESPONDENT(S): Bert Lance
C. Beverly Lance
Mondale/Ferraro Committee, Inc., and
Michael S. Berman, as treasurer
National Bank of Georgia**

**RELEVANT STATUTE(S): 2 U.S.C. § 431(8)(A)(i)
2 U.S.C. § 441a(a)(1)
2 U.S.C. § 441a(f)
2 U.S.C. § 441b(a)
2 U.S.C. § 441b(b)(2)
26 U.S.C. § 9003(b)(2)
11 C.F.R. § 100.7(a)(1)
11 C.F.R. § 110.1(a)(1)
11 C.F.R. § 110.9(a)
11 C.F.R. § 9003.2(b)(2)**

**INTERNAL REPORTS CHECKED: Audit Referral
MUR 1349 Factual and
Legal Analysis
MUR 2175**

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

On January 29, 1987, the Federal Election Commission ("the Commission") approved certain matters for referral from the Audit Division to the Office of General Counsel, resulting from the Final Audit Report of Mondale/Ferraro Committee, Inc., the Mondale/Ferraro Committee, Inc./Legal and Accounting Compliance Fund; and Independents for Mondale/Ferraro.

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II. FACTUAL AND LEGAL ANALYSIS

A. Background

On June 14, 1984, the Mondale Presidential Campaign registered with the Commission as the principal campaign committee of the Honorable Walter F. Mondale. On July 31, 1984, the Committee changed its name to the Mondale/Ferraro Committee, Inc. ("the Committee"). The Audit Division of the Commission conducted an audit of the Committee for the period June 14, 1984 through December 31, 1984, the final coverage date of the latest reports filed at the time of the audit. For this period, the Committee reported a beginning cash balance of \$-0-, total receipts of \$44,419,140.68 and total disbursements of \$43,027,424.28, with a closing cash balance on December 31, 1984 of \$1,391,726.37. The matters referred to the Office of General Counsel involve both the Federal Election Campaign Act of 1971, as amended ("FECA"), and the Presidential Election Campaign Fund Act ("the Fund Act").

B. Individual Contributions in Excess of the Limitations

2 U.S.C. § 431(8)(A)(i) defines the term "contribution" to include any gift, subscription, loan, advance or deposit of money or anything of value made by any person for the purposes of influencing any election for Federal office. See 11 C.F.R. § 100.7(a)(1).

No person shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed \$1000. 2 U.S.C. § 441a(a)(1)(A); 11 C.F.R. § 110.1(a)(1) [1980], now 11 C.F.R. § 110.1(b)(1).

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The Audit staff identified apparent prohibited contributions totalling \$28,718.75 during the course of the audit for travel and subsistence costs incurred between May and July 1984, for which two requests for reimbursements in the amounts of \$19,865.91 and \$8,852.84 were processed by the Committee on or around September 10, 1984. The Committee issued a single check to Bert Lance representing amounts owed on both reimbursement requests on September 12, 1984.^{1/} The Committee justified these expenditures incurred by Bert Lance and his staff "because the ultimate outcome of the trips was that Mr. Lance assumed the role of general election campaign Chairman on July 14," and that these expenditures related to that role.

The Audit staff's review of the documentation supporting the expense reimbursement requests indicates that \$28,503.41 of this amount was initially charged to three American Express card accounts. One of the cards appeared to be held by Bert Lance and the National Bank of Georgia ("NBG") ; a second card appeared to be held by C. Beverly Lance and NBG ; and the third card could only be identified by its account number (No. 3728 635536 91013). Further, the Audit staff's review indicates that \$1,077.84 of these expenses were incurred during May; \$5,533.81 during June; \$20,930.10 during July; and for \$1,177, incurrence was not determinable. The time necessary for reimbursements, from the date incurred to the date the Committee made reimbursement varied

^{1/} During the audit and in the interim audit report the staff questioned whether these costs should have been applied to the primary because of their timing. The Mondale Committee was given a chance to respond to this allocation question, and it was agreed that \$4,159.73 would be allocated to the primary. As a result, the primary committee paid the general committee for the amount of those expenditures.

from 55 to 125 days.^{2/}

At issue is whether these expenses incurred by credit card should be considered a contribution to the Committee by Bert Lance and C. Beverly Lance. A person's use of personal funds, whether in the form of cash, check, or credit to purchase goods or services on behalf of a political committee with the understanding that the committee later will provide reimbursement is an advance and hence a "contribution" within the meaning of the statute.

For the purposes of the FECA, the Audit Division considers an advance to have been made when claims for reimbursement have gone unpaid for more than 30 days from the date the claim was submitted, or when the credit card bills submitted directly to the committee have gone unpaid beyond the due date. In this case, the bills were not submitted directly to the Committee so that the second of the two standards clearly does not apply. Although the first standard is applicable, the Office of the General Counsel believes that it does not sufficiently address the situation. The Lances started making these charges to the American Express cards in the month of May and continued through July. It is possible, therefore, that some of the bills could have been received as early as June with payment due in July. Yet, Bert Lance did not submit any request for reimbursement until September. While the amount of these early bills may have

^{2/} The Audit staff also identified three additional travel reimbursements to Bert and C. Beverly Lance totalling \$9,837.27. There is no indication regarding whether these expenses were paid by credit card or regarding the timing of these reimbursements vis-a-vis the expenditures.

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been minimal, the Committee may have had up to two months free use of the funds at issue. Under the Audit Division's test, Bert Lance could have waited indefinitely before requesting reimbursement and as long as the Committee made the reimbursement within 30 days of Mr. Lance's request, no advance would have occurred. The General Counsel's Office believes that the more appropriate way to handle credit card reimbursement situations is to adopt a time limit for submitting a claim, after which the Commission will consider an advance to have been made and a contribution to have resulted. Under the time limit, a claim for reimbursement would have to be made to a committee within 30 days of the closing date on the credit card invoice and, further, the committee would have to reimburse the claimant within 30 days of the date of the claim.^{3/}

Accordingly, this Office recommends that the Commission find reason to believe that Bert Lance and C. Beverly Lance violated 2 U.S.C. § 441a(a)(1)(A) to the extent these advances exceeded the limitations.

C. Prohibited Contributions by the National Bank of Georgia

2 U.S.C. § 441b(a) states in relevant part that it is unlawful for any national bank to make a contribution or expenditure in connection with any election to any political

^{3/} Although the new Title 26 regulations do not address this particular situation, they will be keying into the closing date on the credit card bill to determine when an advance is made so that the standard proposed above is not in conflict with those regulations.

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office, or for any officer or any director of any national bank to consent to any contribution or expenditure by the national bank prohibited by this section.

Further 2 U.S.C. § 441b(b)(2) defines "contribution or expenditure" to include any direct or or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business) to any candidate, campaign committee, or political party or organization, in connection with any election to any of the offices referred to in this section.

As noted above, two of the American Express cards used to incur these expenses listed the National Bank of Georgia as joint holder. The Audit staff was informed by the American Express Cardmember Services Division that in this situation one of the parties is the "basic" cardholder to whom liability is limited, and the others were "additional" cardholders. However, this Office has been informed that corporate accounts do exist where the corporation and the cardholder are jointly liable. American Express did not release any information as to whom is liable on these cards. If the bank is the basic cardholder on any of these cards, or if, in fact, the bank is jointly liable on these cards, then the prohibitions of section 441b are implicated. Thus, the bank may have made a prohibited contribution to the Committee.

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In addition, if either of the Lances is an officer of the NGB and their authorizations on these cards are made as agents of the bank, they may also be subject to the prohibitions of section 441b.^{4/}

Accordingly, this Office recommends that the Commission find reason to believe that the National Bank of Georgia violated 2 U.S.C. § 441b by making prohibited corporate contributions, and the Committee and Michael Berman, as treasurer, violated 2 U.S.C. § 441b for accepting prohibited corporate contributions.

D. Unidentified Cardholder

As noted above, the Audit staff identified a third American Express account on which charges were made without being able to identify the cardholder (No. 3728 635536 91013). Because Bert Lance requested reimbursement on these expenses, and because many of the charges were made in the name of Bert Lance it appears that this card also may have been in the name of Bert or C. Beverly Lance. Thus, this Office recommends that the Commission find reason to believe that Bert Lance and C. Beverly Lance violated 2 U.S.C. § 441a(a)(1)(A) with respect to this third card in order to further investigate.

E. Contributions Accepted by the Committee

Pursuant to 2 U.S.C. § 441a(a)(1)(A) a person can make contributions up to \$1000 per election to a candidate. The Act also provides that no candidate or political committee shall

^{4/} The Audit Division's preliminary check into whether Bert Lance was an officer of NGB proved negative.

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knowingly accept any contribution in excess of the stated limitations. 2 U.S.C. § 441a(f); 11 C.F.R. § 110.9(a). Further, section 9003(b)(2) of Title 26, United States Code, provides that in order to be eligible for matching payments, presidential candidates must certify that no contributions to defray qualified campaign expenses have been or will be accepted by the candidates or any of their authorized committees except to the extent necessary to make up any deficiency in payments received from the Fund. See 11 C.F.R. § 9003.2(b)(2). Thus, ordinarily an individual can make, and a candidate can accept, contributions up to \$1000 without violating the limits of 2 U.S.C. § 441a. Once the candidate has entered into an agreement pursuant to 26 U.S.C. § 9003, however, he or she may no longer accept any contributions to defray qualified campaign expenses unless there is a deficiency in the Fund. Thus, while the contributor still may contribute up to \$1000 without violating the Act, the candidate can no longer accept the contribution without violating 26 U.S.C. § 9003(b)(2).

As seen above, over \$20,000 in qualified campaign expenses were charged on three credit cards in the months of May through July 1984 without any reimbursement request being made of the Committee until September 1984. Although the Committee reimbursed Bert Lance within two days of his request, the question of whether the committee accepted contributions in violation of section 9003(b)(2) still remains. In making this determination, this Office believes the same standard regarding

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credit card advances should apply to both the recipient and the contributor. Whereas here, as noted previously, Bert Lance incurred these expenditures in relation to his role as Chairman of the general election campaign, the Committee should not be allowed to claim that it was an unknowing recipient of contributions. Rather, this Office believes that the Committee has an obligation to ensure that no contribution is being accepted in the form of an unpaid advance. This is especially so in this situation since Bert Lance and the Committee had an ongoing relationship such that Bert Lance was conducting business on behalf of the Committee with the expectation of being reimbursed. Thus, if Bert Lance did not request reimbursement within 30 days of the closing date on the credit card invoice and/or the Committee did not reimburse Bert Lance within 30 days of his request, then a contribution was made by Bert Lance and accepted by the Committee in violation of 26 U.S.C. § 9003(b)(2). This violation will also have occurred if the National Bank of Georgia was responsible for making the contributions at issue.

Accordingly, this Office recommends that the Commission find reason to believe Mondale/Ferraro Committee, Inc. violated 26 U.S.C. § 9003(b)(2) by accepting contributions in the general election to defray qualified campaign expenses.

Finally, in order to ascertain the facts necessary to make a more complete determination as to each party's liabilities as well as to determine whether contributions were in fact made and received by the use of these American Express cards, this Office

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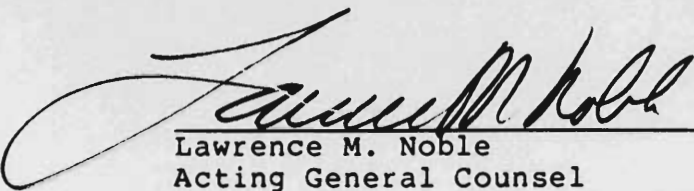
has proposed Interrogatories and Requests for Production of Documents to be sent to each of the respondents which should help resolve this matter.

III. RECOMMENDATIONS

1. Find reason to believe that Bert Lance violated 2 U.S.C. § 441a(a)(1)(A).
2. Find reason to believe that C. Beverly Lance violated 2 U.S.C. § 441a(a)(1)(A).
3. Find reason to believe that the National Bank of Georgia violated 2 U.S.C. § 441b(a).
4. Find reason to believe that the Mondale/Ferraro Committee, Inc., and Michael Berman, as treasurer violated 2 U.S.C. § 441b(a) and 26 U.S.C. § 9003(b)(2).
5. Approve and send the attached letters and Factual and Legal Analysis.
6. Approve and send the attached Interrogatories and Requests for Production of Documents.

Date

8/12/87


Lawrence M. Noble
Acting General Counsel

Attachments

1. Referral Materials
2. Proposed Letters with Interrogatories and Requests for Production of Documents and Factual and Legal Analysis (2)

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FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
ACTING GENERAL COUNSEL

FROM: MARJORIE W. EMMONS /JERYL L. WARREN *JL*

DATE: AUGUST 14, 1987

SUBJECT: OBJECTIONS TO MUR 2339 - FIRST
GENERAL COUNSEL'S REPORT
SIGNED AUGUST 12, 1987

The above-captioned document was circulated to the
Commission on Wednesday, August 12, 1987 at 4:00.

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

Commissioner Aikens	_____
Commissioner Elliott	_____
Commissioner Josefiak	<u> X </u>
Commissioner McDonald	_____
Commissioner McGarry	<u> X </u>
Commissioner Thomas	<u> X </u>

This matter will be placed on the Executive Session
agenda for Tuesday, August 18, 1987.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Bert Lance)
C. Beverly Lance)
Mondale/Ferraro Committee Inc.,) MUR 2339
and Michael S. Berman, as)
treasurer)
National Bank of Georgia)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session of August 18,
1987, do hereby certify that the Commission took the follow-
ing actions in MUR 2339:

1. Decided by a vote of 4-1 to reject recommenda-
tion number one in the General Counsel's
report dated August 12, 1987, and instead find
no reason to believe that Bert Lance violated
2 U.S.C. § 441a(a) (1) (A).

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

2. Decided by a vote of 4-1 to reject recommenda-
tion number two in the General Counsel's
report, and instead find no reason to believe
that C. Beverly Lance violated 2 U.S.C.
§ 441a(a) (1) (A).

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

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3. Decided by a vote of 5-0 to find reason to believe that the National Bank of Georgia violated 2 U.S.C. § 441b(a).

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

4. Decided by a vote of 5-0 to find reason to believe that the Mondale/Ferraro Committee, Inc., and Michael Berman, as treasurer, violated 2 U.S.C. § 441b(a).

Commissioners Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Aikens was not present.

5. Decided by a vote of 4-1 to reject the recommendation of the General Counsel and instead find no reason to believe that the Mondale/Ferraro Committee, Inc., and Michael Berman, as treasurer, violated 26 U.S.C. § 9003(b)(2).

Commissioners Elliott, Josefiak, McDonald, and McGarry voted affirmatively for the decision; Commissioner Thomas dissented. Commissioner Aikens was not present.

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6. Decided by a vote of 5-0 to direct the Office of General Counsel to send appropriate letters and an appropriate Factual and Legal Analysis pursuant to the above-noted decisions.

Commissioners Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Aikens was not present.

7. Decided by a vote of 5-0 to direct the Office of General Counsel to send appropriate Interrogatories and Requests for Production of Documents.

Commissioners Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Aikens was not present.

Attest:

8-20-87

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 10, 1987

Mr. Bert Lance
P.O. Box 637
Calhoun, Georgia 30701

RE: MUR 2339

Dear Mr. Lance:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission considered the issue of whether you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making prohibited contributions to the Mondale/Ferraro Committee, Inc. in the form of credit card advances. On August 18, 1987, the Commission found that there is no reason to believe that you committed a violation of 2 U.S.C. § 441a(a)(1)(A). Accordingly, the Commission has closed the file in this matter as it pertains to you.

This matter will become part of the public record within 30 days after it has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. If you wish to submit any materials to appear on the public record in this matter, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

Sincerely,

Lawrence M. Noble
Acting General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 10, 1987

Mr. C. Beverly Lance
1903 Noble Creek Drive
Atlanta, Georgia 30327

RE: MUR 2339

Dear Mr. Lance:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission considered the issue of whether you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making prohibited contributions to the Mondale/Ferraro Committee, Inc. in the form of credit card advances. On August 18, 1987, the Commission found that there is no reason to believe that you committed a violation of 2 U.S.C. § 441a(a)(1)(A). Accordingly, the Commission has closed the file in this matter as it pertains to you.

This matter will become part of the public record within 30 days after it has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. If you wish to submit any materials to appear on the public record in this matter, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

Sincerely,

Lawrence M. Noble
Acting General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 10, 1987

Mr. R.P.M. Carlson, President
National Bank of Georgia
2000 Riveredge Parkway, N.W.
Atlanta, Georgia 30328

Re: MUR 2339
National Bank of Georgia

Dear Mr. Carlson:

On August 18, 1987, the Federal Election Commission found that there is reason to believe the National Bank of Georgia violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the National Bank of Georgia. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office, along with answers to the enclosed questions, within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

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

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time

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Letter to R.P.M. Carlson
Page 2

so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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

Sincerely,



Scott E. Thomas
Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form

83040702751

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
) MUR 2339
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**INTERROGATORIES AND REQUEST
FOR PRODUCTION OF DOCUMENTS**

TO: R.P.M. Carlson, President
National Bank of Georgia
2000 Riveredge Parkway, N.W.
Atlanta, Georgia 30328

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In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, DC 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

INSTRUCTIONS

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

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery requests shall refer to the time period from May, 1984 to October, 1984.

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

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DEFINITIONS

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

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

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

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

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

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

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

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Questions and Document Requests to the National Bank of Georgia

1. Please describe the National Bank of Georgia's legal obligation on the American Express card issued in the name of Bert Lance and the National Bank of Georgia. (For example, is the Bank jointly and severally liable for charges made to this card.)
2. Please describe the National Bank of Georgia's legal obligation on the American Express card issued in the name of C. Beverly Lance and the National Bank of Georgia.
3. Please describe the National Bank of Georgia's legal obligation on the American Express card in the account number of 3728 635536 91013. In addition, please identify to whom this card is issued.
4. For each of the above American Express cards, please provide copies of any agreements you have with the individual cardholders, the American Express Company, and any other person.
5. Please explain whether the National Bank of Georgia was aware of the specific charges being made to American Express cards in its name by either Bert Lance or C. Beverly Lance.
 - A. Please state whether these individuals were authorized by the Bank to incur these charges.
6. Please indicate whether you received copies of the American Express bills issued for the above American Express cards.
 - A. If so, please provide copies of the American Express bills for the months of May through October of 1984 for the above American Express cards.
7. State whether the National Bank of Georgia paid these American Express bills either directly or in the form of reimbursement to either Bert Lance, C. Beverly Lance, or any other person.
 - A. If so, please provide copies of the front and back of all checks issued in payment to the American Express Company for the bills identified above.
8. State who has the authority to make charges in the above American Express cards other than Bert Lance and C. Beverly Lance. Please explain what relationship this person or these persons have to the National Bank of Georgia.
9. Documents provided by the Mondale/Ferraro Committee indicate that charges were being made on behalf of the committee on American Express cards issued to the the National Bank of Georgia between May and July 1984:

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- A. State whether any agent of the National Bank of Georgia was making expenditures on behalf of the Mondale/Ferraro Committee, Inc. during this period.
- B. If so, state whether the Committee authorized these expenditures. Furthermore, state whether the authorization was given prior to or after their incurrence.
- C. State whether you had a specific arrangement with the Committee regarding reimbursement of these expenditures; and, if so, please provide any written acknowledgements of this agreement or understanding. If there are no written instruments pursuant to this agreement, please describe the terms of your agreements.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 10, 1987

Mr. Michael S. Berman, Treasurer
Mondale/Ferraro Committee, Inc.
2233 Wisconsin Avenue, N.W., #214
Washington, D.C. 20007

Re: MUR 2339
Mondale/Ferraro Committee, Inc.

Dear Mr. Berman:

On August 18, 1987, the Federal Election Commission found that there is reason to believe the Mondale/Ferraro Committee, Inc., ("the Committee") and you as treasurer, violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information. The Commission also found that there is no reason to believe that the Committee and you, as treasurer, committed a violation of 26 U.S.C. § 9003(b)(2) by accepting prohibited contributions from Bert Lance and C. Beverly Lance in the form of credit card advances.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office, along with answers to the enclosed questions, within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

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

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time

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Letter to Michael S. Berman
Page 2

so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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

Sincerely,



Scott E. Thomas
Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form

83040702768

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 2339

**INTERROGATORIES AND REQUEST
FOR PRODUCTION OF DOCUMENTS**

TO: Mr. Michael S. Berman, Treasurer
Mondale/Ferraro Committee, Inc.
2233 Wisconsin Avenue, N.W., #214
Washington, D.C. 20007

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In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, DC 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

INSTRUCTIONS

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

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery requests shall refer to the time period from May, 1984 to October, 1984.

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

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DEFINITIONS

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

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

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

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

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

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

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

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Questions and Document Requests to the Mondale/Ferraro Committee, Inc.

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1. Documents provided by the Mondale/Ferraro Committee, Inc. ("the Committee") indicate that charges were being made by Bert Lance and C. Beverly Lance on American Express cards issued in their names and in the name of the National Bank of Georgia as well as to a third American Express Card with the Account No. 3728 635536 91013 between May and July 1984:
 - A. Describe the nature of the relationship, including any written or oral agreements, between Bert Lance and the Committee during this period.
 - B. Describe the nature of the relationship, including any written or oral agreements, between C. Beverly Lance and the Committee during this period.
 - C. Describe the nature of the relationship, including any written or oral agreements, between the National Bank of Georgia and the Committee during this period.
 - D. State whether the Committee was aware that at least two of the American Express cards tendered as payment for the reimbursed expenditures were issued jointly to the National Bank of Georgia.
 - E. State whether the Committee authorized these expenditures. If so, was the authorization given prior to or after their incurrence.
 - F. State whether the Committee had any specific arrangement with the National Bank of Georgia regarding reimbursement of those expenditures; and, if so, please provide any written acknowledgements of this agreement or understanding. If there are no written instruments pursuant to this agreement, please describe the terms of your agreements.
 2. State whether the Committee was aware that American Express cards were being tendered as payment for the expenditures at issue.
 3. State whether the Committee was provided with the actual American Express receipts for the requests for reimbursements at issue; and, if so, were these receipts examined prior to the issuance of the reimbursement to Bert Lance.
 4. State whether the Committee was provided with the actual American Express bills, or whether Bert Lance simply requested reimbursement of the expenditures at issue.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 23, 1987

Mr. Michael S. Berman, Treasurer
Mondale/Ferraro Committee, Inc.
2233 Wisconsin Avenue, N.W., #214
Washington, D.C. 20007

Re: MUR 2339
Mondale/Ferraro Committee, Inc.

Dear Mr. Berman:

Pursuant to my conversation of September 22nd with Lyn Oliphant I have enclosed a duplicate copy of the September 10, 1987 letter and its enclosures in the above MUR. If you have any further difficulties feel free to call me at (202) 376-5690.

Sincerely,

Carol A. Laham

Carol A. Laham
Attorney

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600# 4472 HAND DELIVERED

SUTHERLAND, ASBILL & BRENNAN

RIVEREDGE

SUITE 950

2000 RIVEREDGE PARKWAY, N.W.

ATLANTA, GEORGIA 30328

(404) 956-1807

3100 FIRST ATLANTA TOWER

ATLANTA, GEORGIA 30383

(404) 656-8700

TELECOPIER: (404) 953-0871

TELEX: 289313

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B. KNOX DOBBINS

DIRECT DIAL: (404) 656-8781

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MAIL ROOM

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1666 K STREET, N.W.

WASHINGTON, D.C. 20006

(202) 872-7600

September 29, 1987

Via Overnight Courier

Confidential

Ms. Carol Laham
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2339

Dear Ms. Laham:

As you know, I represent National Bank of Georgia in connection with the investigation by the Federal Election Committee as to matters specified in the September 10 investigation letter received by NBG on September 15. Enclosed with this letter is a statement of designation of counsel signed by Mr. Guy Freeman, as president and chief executive of, and on behalf of, NBG. In our conversation on September 18 and through your telephone call of September 21 you confirmed that Mr. Freeman, rather than R.P.M. Carlson, who left the employment of NBG before the investigation letter was received, could respond to the investigation letter and swear to responses and documents provided by NBG in response to the investigation letter.

The enclosed responses document one fact that was not available to the Commission in making its determination of "reason to believe" that the alleged violations may have taken place. Although National Bank of Georgia was listed on the face of the subject cards issued to Mr. Bert Lance and Mr. C. Beverly Lance, the NBG listing was only an indication that NBG had referred Messrs. Lance to American Express Travel Related Services Company, Inc. for American Express' determination to extend credit and a travel card to Messrs. Lance.

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OFFICE OF GENERAL COUNSEL
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Ms. Carol Laham
September 29, 1987
Page 2

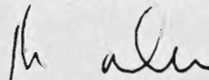
Enclosed as a document responsive to the Commission information letter is a form of agreement that governs the NBG and American Express relationship, which involves principally a referral by NBG to American Express of bank customers who wish to receive American Express travel cards.

In making a referral to American Express, NBG does agree to issue a separate line of credit to those persons American Express accepts for its travel card program. Although an NBG line of credit customer in good standing may borrow to pay American Express charges, NBG has no liability for the American Express cards issued or the charges incurred by NBG customers who receive American Express cards, and NBG is not made aware of the use of the travel cards obtained by its customers or the charges that are incurred on the cards. The referral of Messrs. Lance to American Express by NBG was made on the same terms as all other customer referrals by NBG to American Express, and, I would suggest, on the same terms American Express has entered into with all commercial banks that wish to help their customers obtain American Express travel cards.

We are confident that the factual clarification provided by the enclosed will allow the Office of the General Counsel to recommend to the Commission that there is not probable cause to believe that NBG has violated the cited election and campaign legislation. Of course, if you reach a contrary determination, we would appreciate your earliest advice and the opportunity to submit a brief on the probable cause issue.

If this office or NBG can be of further assistance in resolving the investigation, please telephone me directly.

Yours very truly,



B. Knox Dobbins

BKD:db
Enclosures

cc: Mr. Guy W. Freeman (w/encl.)
President and Chief Executive Officer
National Bank of Georgia

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Confidential

Before the Federal Election Commission

In the Matter of MUR 2339

Response of Mr. Guy W. Freeman and National Bank of Georgia
to Interrogatories and Request for Production of Documents

To: The Federal Election Commission

The following provides written answers under oath to the joint Interrogatories and Request for Production of Documents (the "Commission Request") submitted by the Federal Election Commission to Mr. R.P.M. Carlson, as president of National Bank of Georgia ("NBG"), Atlanta, Georgia, and received by NBG on September 15, 1987. Submitted by NBG with this Response are documents responsive to the documents request contained in the Commission Request and a statement of designation of counsel naming Knox Dobbins of the Atlanta office of Sutherland, Asbill & Brennan as counsel for the Bank and Mr. Freeman, president of NBG. All further notifications and other communications from the Commission to Mr. Freeman or NBG should be directed to Mr. Dobbins.

Mr. Carlson, to whom the Commission Request was directed, resigned from all positions at NBG on September 11, before NBG's receipt of the Commission Request. Counsel for NBG has confirmed with Ms. Carol Laham, attorney in the Office of General Counsel for the Commission, that Mr. Guy Freeman, who was president at the time of the preparation of the Commission Request, and who became chief executive officer of NBG upon Mr. Carlson's resignation, should respond to verify documents and answers submitted to the Commission Request.

Mr. Freeman and NBG request continued confidential treatment of the subject investigation and all communications and information made and provided in the investigation.

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. Responding specifically to the questions and document requests contained in the Commission requests, Mr. Freeman and NBG state as follows:

1. Please describe the National Bank of Georgia's legal obligation on the American Express card issued in the name of Bert Lance and the National Bank of Georgia. (For example, is the Bank jointly and severally liable for charges made to this card.)

NBG has no legal obligation on the subject American Express card. The National Bank of Georgia name appears on the face of American Express cards issued on referral by NBG, but the presence on the face of the cards of the NBG name does not denote any liability on the part of NBG for the card or charges incurred on the card.

2. Please describe the National Bank of Georgia's legal obligation on the American Express card issued in the name of C. Beverly Lance and the National Bank of Georgia.

NBG has no legal obligation on the subject American Express card. The National Bank of Georgia name appears on the face of American Express cards issued on referral by NBG, but the presence on the face of the cards of the NBG name does not denote any liability on the part of NBG for the card or charges incurred on the card.

3. Please describe the National Bank of Georgia's legal obligation on the American Express card in the account number of 3728 635536 91013. In addition, please identify to whom this card is issued.

NBG is without knowledge as to whom American Express card 3728 63556 91013 has been issued. American Express representatives, contacted on September 16, 1987, declined to identify the holder of the subject card to representatives of NBG. NBG has no liability on any outstanding American Express cards, however. The Bank's responsibility for cards issued by American Express to NBG customers referred by the Bank is solely to provide any NBG customer approved by American Express with a separate line of credit from NBG. Customers, if in good standing with the Bank, may borrow under the line of credit to pay various American Express charges, including travel card charges, but NBG has no liability with respect to the charges or travel cards.

NBG did not, in or after the subject 1984 period, issue American Express travel cards to its officers or employees for use in Bank-related travel or expenses.

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4. For each of the above American Express cards, please provide copies of any agreements you have with the individual cardholders, the American Express Company, and any other person.

NBG provides as Exhibit 1 an unsigned and undated agreement with American Express Travel Related Services Co., Inc. Although the agreement provided as Exhibit 1, to the best knowledge of management, has not been signed by NBG or American Express, it has been understood by NBG since the initiation of its referral program that the Agreement reflected the terms on which the Bank would refer customers to American Express.

5. Please explain whether the National Bank of Georgia was aware of the specific charges being made to American Express cards in its name by either Bert Lance or C. Beverly Lance.

- A. Please state whether these individuals were authorized by the Bank to incur these charges.

National Bank of Georgia was not aware and has no record of specific charges made to the subject American Express cards issued to Bert Lance and C. Beverly Lance.

6. Please indicate whether you received copies of the American Express bills issued for the above American Express cards.

- A. If so, please provide copies of the American Express bills for the months of May through October of 1984 for the above American Express cards.

NBG did not receive copies of any of the American Express bills issued for the American Express travel cards referenced in Question 5 above.

7. State whether the National Bank of Georgia paid these American Express bills either directly or in the form of reimbursement to either Bert Lance, C. Beverly Lance, or any other person.

- A. If so, please provide copies of the front and back of all checks issued in payment to the American Express Company for the bills identified above.

In the subject 1984 period, NBG did not pay American Express billings, either directly or in the form of reimbursement for or to Bert Lance or C. Beverly Lance. Although from time to time the Bank may reimburse employees for American Express or other credit card

charges incurred in connection with NBG business, NBG did not in the subject period and has not thereafter had a policy of providing American Express travel cards for Bank business use.

8. State who has the authority to make charges in the above American Express cards other than Bert Lance and C. Beverly Lance. Please explain what relationship this person or these persons have to the National Bank of Georgia.

NBG is without knowledge as to what persons have the authority to make charges on the subject American Express cards.

9. Documents provided by the Mondale/Ferraro Committee indicate that charges were being made on behalf of the committee on American Express cards issued to the National Bank of Georgia between May and July 1984:

- A. State whether any agent of the National Bank of Georgia was making expenditures on behalf of the Mondale/Ferraro Committee, Inc. during this period.

No agent of NBG, to the best knowledge of Mr. Freeman, made expenditures on behalf of the Mondale/Ferraro Committee, Inc. during the subject period. Neither Bert Lance nor C. Beverly Lance was an officer, employee, or agent of NBG during the subject 1984 period or at any time thereafter.

- B. If so, state whether the Committee authorized these expenditures. Furthermore, state whether the authorization was given prior to or after their incurrence.

Not applicable.

- C. State whether you had a specific arrangement with the Committee regarding reimbursement of these expenditures; and, if so, please provide any written acknowledgements of this agreement or understanding. If there are no written instruments pursuant to this agreement, please describe the terms of your agreements.

Not applicable.

Respectfully submitted this 29th day of September, 1987.

Sworn to and subscribed
before me this 29th day
of September, 1987.

Guy W. Freeman (SEAL)
Guy W. Freeman

Abi A. Dinsberg
Notary Public

My Commission expires:
Notary Public, Fulton County, Georgia
My Commission Expires April 26, 1991

Sworn to and subscribed
before me this 29th day
of September, 1987.

Abi A. Dinsberg
Notary Public

My Commission expires:
Notary Public, Fulton County, Georgia
My Commission Expires April 26, 1991

NATIONAL BANK OF GEORGIA

By: Guy W. Freeman
Title: President and Chief
Chief Executive Officer

Agreement dated as of _____, 198____, between AMERICAN EXPRESS TRAVEL RELATED SERVICES CO., INC., a New York corporation having its principal place of business at American Express Plaza, New York, New York ("Amexco") and _____, a financial institution organized under the laws of _____ having its principal place of business at _____ ("Financial Institution").

WITNESSETH:

WHEREAS, Amexco conducts a general purpose card business which permits the holders of American Express Cards ("Cardmembers") to charge purchases of various goods and services at establishments around the world;

WHEREAS, Amexco acquires the accounts receivable arising from such purchases and submits to its Cardmembers monthly statements of their accounts which are payable upon receipt;

WHEREAS, Financial Institution provides general financial services including the making of personal loans to qualified individuals;

WHEREAS, Amexco and Financial Institution have agreed to cooperate in a program for combining Amexco's card facilities with services offered by Financial Institution, in accordance with the terms of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties hereto agree as follows:

1. **Issuance of Cards.** (a) Amexco shall issue American Express Cards to qualified individual customers or prospective customers of Financial Institution on the terms and conditions hereinafter set forth. All such American Express Cards are hereinafter called "GOLD CARDS" and holders of such GOLD CARDS are hereinafter called "Gold Cardmembers". In addition to including the name and insignia of Amexco, each GOLD CARD may have Financial Institution's name (limited to 25 spaces) on its face.

(b) Financial Institution, with the advice and assistance of Amexco, shall promote the sale of GOLD CARDS and the use thereof both generally and in connection with services provided by Financial Institution to its present and potential clientele in accordance with the provisions of this Agreement.

(c) Amexco also issues American Express Cards through institutions other than Financial Institution; such other American Express Cards are hereinafter called "Other GOLD CARDS" and holders of Other GOLD CARDS are hereinafter called "Other Gold Cardmembers". Amexco also issues American Express Cards; such other American Express Cards are hereinafter called "Green Cards" and holders of Green Cards are hereinafter called "Green Cardmembers". Amexco may also issue American Express Cards in conjunction with Green Cards, GOLD CARDS and Other GOLD CARDS; such other American Express Cards are hereinafter called "Additional Cards" and holders of Additional Cards are hereinafter called "Additional Cardmembers". In addition to the foregoing, Green Cards, GOLD CARDS, Other GOLD CARDS and Additional Cards are hereinafter collectively called "American Express Cards". Green Cardmembers, Gold Cardmembers, Other Gold Cardmembers and Additional Cardmembers are hereinafter collectively called "Cardmembers".

2. **Applications.** (a) Amexco and Financial Institution agree that neither shall act as agent for the other in the processing of any application for credit hereunder, in the provision or receipt of credit information regarding any person, or in the extension or the denial of credit to any applicant or Gold Cardmember.

(b) Application forms for GOLD CARDS ("GOLD CARD" Applications) shall be produced and supplied by Amexco at its expense; provided, however, that if Financial Institution so requests, GOLD CARD Applications bearing the name of Financial Institution may be produced and supplied to Financial Institution by Amexco at Financial Institution's expense. Financial Institution shall prominently display GOLD CARD Applications at all of its offices.

(c) Financial Institution, at its expense, shall produce and supply open-end credit agreement forms ("Credit Agreements") to be entered into by Gold Cardmembers governing credit accounts with Financial Institution.

3. **Processing of Applications.** (a) Applications for GOLD CARDS shall be submitted to Financial Institution who shall, promptly, make such preliminary investigation of the credit responsibility of each applicant as it deems necessary to make its own credit decision of whether or not to grant an applicant a line of credit.

(b) Minimum standards for Financial Institution's preliminary investigation shall include the requirement that an applicant for a GOLD CARD qualify, under standards normally applied by Financial Institution, for an unsecured line of credit of at least \$2,000, or such higher amount as Financial Institution may establish as its minimum pursuant to Section 6 hereof.

(c) Financial Institution shall furnish to Amexco, from time to time, a list of its employees authorized to approve or disapprove applications for the aforesaid line of credit, together with a specimen of each such person's signature. Financial Institution's action on each shall be indicated over the signature of at least one such employee who shall, in the case of applications approved by Financial Institution, specify in the space provided on the application form the amount of the line of credit proposed to be established by Financial Institution for the applicant pursuant to the provisions of Section 6 hereof.

(d) Financial Institution shall transmit each original application to Amexco (retaining a copy for its own records), regardless of whether such application has been approved for a line of credit by Financial Institution. All such applications shall remain the property of Amexco.

(e) Upon receipt of each original application, Amexco shall, promptly, make such investigation of the credit responsibility of the applicant as Amexco deems necessary to make its own credit decision of whether or not to issue a GOLD CARD to the applicant.

(f) If an application for a GOLD CARD is approved by both Financial Institution for a line of credit and Amexco for a GOLD CARD, a GOLD CARD shall be issued by Amexco to the applicant in question, and an open-end credit account, as defined in Section 6 hereof, shall be opened for the applicant by Financial Institution.

(g) Issued GOLD CARDS shall be mailed by Amexco directly to the applicant; provided, however, that if Financial Institution requests to have an issued GOLD CARD delivered to it, Financial Institution will deliver the GOLD CARD to the applicant either personally or by any other means which will ensure delivery of the GOLD CARD to the applicant. Financial Institution shall be liable for any and all unauthorized use of any GOLD CARD arising during the period between Amexco's delivery of the GOLD CARD to Financial Institution and Financial Institution's delivery of the GOLD CARD to the applicant. For purposes of this Agreement, the term "unauthorized use" shall mean the use of the GOLD CARD by a person other than the Gold Cardmember, who does not have actual, implied, or apparent authority for such use, and for which the Gold Cardmember receives no benefit. All renewal GOLD CARDS shall be mailed directly by Amexco to Gold Cardmembers.

(h) Financial Institution shall use its best efforts to ensure that no more than one GOLD CARD application for any one person is forwarded to Amexco by Financial Institution. Financial Institution shall decline any application made by a person who has already been issued a GOLD CARD through Financial Institution pursuant to this Agreement.

4. **Annual Fees.** The amount of the annual Cardmembership fees ("Fees") to be charged a Gold Cardmember for the issuance and use of both new and renewal GOLD CARDS shall be determined solely by Amexco. All Fees shall be paid directly to Amexco, shall be in amounts determined by Amexco, and shall belong to and retained by Amexco.

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5. **Payments to Financial Institution.** (a) In consideration of the processing, marketing, and other services rendered by Financial Institution to Amexco and for other valuable consideration, Amexco agrees to pay Financial Institution for all new and renewal GOLD CARDS issued by Amexco during the preceding quarter of each fiscal year, the amounts listed on Schedule A attached hereto and incorporated herein. Amexco reserves the right to make changes to Schedule A upon 10 days notice to Financial Institution.

(b) Any payment made by Amexco to Financial Institution pursuant to this Section 5 with respect to any GOLD CARD in any given year shall be deducted by Amexco from subsequent payment(s) to Financial Institution if the Gold Cardmember does not pay renewal Fee(s).

6. **Line of Credit.** (a) Financial Institution shall establish for each GOLD CARD applicant who meets its credit criteria an unsecured line of credit of at least \$2,000, or such higher amount as Financial Institution may establish, in its discretion and as permitted by applicable laws and/or regulations, as its minimum amount for a line of credit for Gold Cardmembers. Pursuant to such line of credit, and subject to the terms and conditions contained herein, a Gold Cardmember may obtain from Financial Institution, from time to time, one or more loans or advances having an aggregate principal amount outstanding at any one time of up to the amount of the aforementioned minimum line of credit to be established by Financial Institution for GOLD CARD applicants.

(b) Financial Institution shall be solely responsible for setting interest rates and any other fees or charges for all loans or advances made pursuant to such line of credit. Financial Institution agrees that it will not treat any Gold Cardmember less favorably than it treats other customers for whom Financial Institution has established comparable lines of credit. Accordingly, Financial Institution will not offer to establish, or establish, lines of credit for GOLD CARD applicants on terms less favorable than those generally offered by Financial Institution to other customers for comparable credit facilities.

(c) Within 30 days after the date of execution of this Agreement, Financial Institution shall, by separate letter, furnish Amexco with a copy of the Credit Agreement to be used by Financial Institution and notify Amexco as to the interest rates and other charges or fees proposed for loans or advances to Gold Cardmembers. Financial Institution shall notify Amexco before any changes are made to the Credit Agreement, interest rates, or of any other charges or fees which Financial Institution may impose from time to time.

(d) Financial Institution shall obtain such new agreements, including Credit Agreements, from Gold Cardmembers as may be necessitated by the aforementioned changes.

7. **Use of Cards; Services.** A Gold Cardmember shall have all the rights and privileges of a Cardmember. In addition, Gold Cardmembers shall have the right to avail themselves of the services specified below.

a) **Methods of Obtaining Loans.** Subject to any applicable legal requirements, a Gold Cardmember may obtain loans or advances, pursuant to the line of credit established by Financial Institution, in any of the following ways:

(i) Loans or advances may be obtained by a Gold Cardmember in accordance with the provisions of the Credit Agreement governing such Gold Cardmember's line of credit. Gold Cardmembers may elect to receive all, or part of, the proceeds of loans or advances made at offices of Financial Institution in the form of cash, credit to a demand deposit account with Financial Institution or by purchase from Financial Institution of travelers checks. If Financial Institution is a sales outlet for American Express Travelers Cheques ("Travelers Cheques"), Financial Institution shall use its best efforts to publicize and make known to Gold Cardmembers that proceeds of loans or advances may be used to obtain Travelers Cheques; provided, however, that nothing contained herein shall be deemed to modify any separate arrangements and/or agreements between Amexco and Financial Institution respecting service charges and/or commissions on sales of Travelers Cheques by Financial Institution.

(ii) Loans may be obtained by a Gold Cardmember instructing Financial Institution to pay, for the account of the Gold Cardmember, all or part (in an amount not less than \$100 for any one loan) of the amount due on the Gold Cardmember's current or 30-day Amexco monthly statement of charges. All current and 30-day monthly statements sent to Gold Cardmembers for amounts not less than \$100 shall contain such instructions. Such instructions shall be given by the Gold Cardmember's completion of a written order form (included with the Amexco monthly statement) to Financial Institution, which order form shall provide that it shall be valid only if received by Amexco within 30 days after the date of the monthly statement. Upon receipt of each properly completed and valid order, Amexco shall credit the account of the Gold Cardmember and retain the order for its own records. Amexco, on a daily basis, shall, and is hereby authorized to, draw in Financial Institution's name and present for payment a check made payable to Amexco for each order processed in the amount credited to the account of the Gold Cardmember. Financial Institution shall duly honor each such check properly presented for payment. Upon Financial Institution's receipt of such check, it shall establish a loan on its records in the principal amount specified by the Gold Cardmember as indicated on the face of the check.

(iii) Loans may be obtained by a Gold Cardmember purchasing Travelers Cheques at any Travel Service Office of Amexco, its subsidiaries and Representatives in the United States or outside the United States ("Amexco Office"). A Gold Cardmember may purchase Travelers Cheques of not less than \$100 nor more than an aggregate of \$1,000 at any one time at any Amexco Office within or without the United States, minus, in each case, the amount of any cash and/or any Travelers Cheques obtained by such Gold Cardmember at the same time through the cashing of a personal check. Each Amexco Office shall use its best efforts to ensure that no Gold Cardmember at any of its offices purchases more than an aggregate of \$2,000 of Travelers Cheques in any calendar month, but Financial Institution shall not have any recourse in the event such aggregate limit is exceeded except as hereinafter provided. In order to make a purchase in any Amexco Office outside the United States, a Gold Cardmember shall be required to present the Gold Cardmember's GOLD CARD, valid unexpired passport and fulfill any additional requirements normally applied at such office with respect to the cashing of personal checks by Cardmembers; provided, however, that if a Gold Cardmember purchases Travelers Cheques at an Amexco Office located in a country which admits citizens of the United States without presentation of an American passport and the Gold Cardmember does not present a passport, such Gold Cardmember shall be permitted to purchase Travelers Cheques as if the office were located in the United States. All Travelers Cheque sales made to Gold Cardmembers pursuant hereto shall be made on terms no less favorable than the terms on which such sales are made to the general public.

The Gold Cardmember shall pay for Travelers Cheques by completing a draft drawn on Amexco, payable to Amexco or the affiliate making the sale, which authorizes Amexco to prepare a check in the Gold Cardmember's name in the same amount as the draft and present the check for payment. Such check shall be payable to Amexco's order by Financial Institution. Amexco shall present such check to Financial Institution for payment through usual banking channels. Upon proper presentation of such check to Financial Institution, Financial Institution shall pay it and establish a loan on its books for the account of the Gold Cardmember in a principal amount equal to the total amount of the check.

(iv) Loans may also be obtained pursuant to Amexco's Express Funds Service by a Gold Cardmember's cashing at any other participating financial institution ("Payee Institu-

tion") drafts drawn on Amexco by the Gold Cardmember on forms ("Express Funds GOLD CARD Drafts") that Amexco has furnished for such purposes to the Payee Institution. Each Express Funds GOLD CARD Draft shall authorize Amexco to prepare a draft to Amexco's order in the Gold Cardmember's name in the same amount as the Express Funds draft and present it to Financial Institution for payment. Upon a draft being cashed by a Payee Bank, Amexco, pursuant to the authorization contained in the Express Funds GOLD CARD Draft, shall draw a check in the Gold Cardmember's name that will be presented by Amexco to Financial Institution through usual banking channels. Upon proper presentation of such check to Financial Institution, Financial Institution shall pay such check and establish a loan to the Gold Cardmember on its books in the amount of the draft. Amexco shall use its best efforts to ensure that no Gold Cardmember cashes drafts at any one or more Payee Institutions in an aggregate amount in excess of \$1,000 in any calendar week, but Financial Institution shall not have any recourse against Amexco in the event such aggregate limit is exceeded, except as hereinafter provided.

b) **Express Funds Service.** Financial Institution shall cash for Other Gold Cardmembers of Payee Institutions drafts drawn by Other Gold Cardmembers on Express Funds GOLD CARD Drafts. Each such draft shall be in an amount not less than \$100, and shall be payable to the order of Financial Institution. Before cashing a draft, Financial Institution shall comply with all applicable regulations in the Reference Guide described in Section 13 below. Amexco agrees that if Financial Institution complies with such regulations, Amexco will promptly pay such draft. Financial Institution agrees that if Financial Institution cashes any draft without complying with the aforementioned regulations and Amexco suffers any loss as a result thereof, Financial Institution will indemnify Amexco and hold Amexco harmless from such loss, provided, however, that in no event shall the amount of such loss exceed the principal amount of the draft in question.

c) **Guaranteed Check Cashing.** Financial Institution shall cash personal checks of Other Gold Cardmembers or Additional Cardmembers in any amount not in excess of \$1,000, in accordance with the regulations set forth in the Reference Guide described in Section 13 below. Financial Institution shall present such checks for clearance and collection through usual banking channels. Amexco agrees that if such regulations are complied with and any check cashed by Financial Institution hereunder is not paid by the drawee institution, the check will be promptly paid by Amexco upon the check's assignment to Amexco.

d) **Other Services.** Financial Institution, at its option, may also offer other services to Gold Cardmembers; provided, however, that before offering any such service, Financial Institution shall obtain the approval of Amexco thereto if the terms of such proposed service(s) require presentation of the GOLD CARD as a condition to obtaining the service.

8. Chargebacks.

(a) For purposes of this Section 8, any method of accessing a line of credit described in Section 7 herein is hereinafter referred to as a "check" and/or a "draft".

Financial Institution shall be obligated to pay or honor any check or draft presented to it for payment in accordance with the provisions of Section 7 hereof and/or to establish a loan on its books to the Gold Cardmember in connection therewith, unless one or more of the following circumstances shall exist:

(i) If all or part of any check or draft would exceed the Gold Cardmember's line of credit and Financial Institution charges back the full amount of such check or draft to Amexco within five business days after such check or draft was prop-

erly presented to Financial Institution for payment, provided, however, that notwithstanding the foregoing, if a Gold Cardmember purchases more than an aggregate of \$2,000 of Travelers Cheques in any calendar month and thereby authorizes Amexco to draw and present check(s) or draft(s) in such amount(s) without Financial Institution's express authorization, Financial Institution may chargeback the amount of such purchases in excess of \$2,000 within twenty (20) days after the end of the calendar month in which the excess check(s) or draft(s) were drawn by Amexco; or

(ii) If such check or draft results from a purchase or loan transaction which occurred, or which was received by Amexco, more than two business days after Amexco actually received notice from Financial Institution that a Gold Cardmember's line of credit had been cancelled or suspended in accordance with Section 10(a) below, and Financial Institution charges back the amount thereof to Amexco within five business days after such check or draft is presented to Financial Institution for payment; or

(iii) If such check or draft results from a purchase made or loan obtained by a Gold Cardmember as a result of the honoring by Amexco, an affiliate of Amexco's or a Payee Institution of a lost, stolen, expired or otherwise unacceptable GOLD CARD, and Financial Institution charges back the amount thereof to Amexco within five business days after Financial Institution receives actual notice from Amexco or the Gold Cardmember that the GOLD CARD in question was lost, stolen, expired or otherwise unacceptable, or after such check or draft is presented for payment, whichever is later.

In the event of any chargeback by Financial Institution pursuant to this subsection 8(a), Amexco, for its own account, may seek to collect the charge from the Gold Cardmember by any appropriate means.

b) It is expressly understood that Financial Institution shall not be obligated, but may so elect, to make a loan to any Gold Cardmember if the making of any such loan when added to the unpaid principal balance of all outstanding loans made pursuant to subsection 7(a) hereof would exceed the maximum line of credit established by Financial Institution for such Gold Cardmember pursuant to Section 6 above. In the event that Financial Institution elects to make a loan to a Gold Cardmember, which loan, when added to the unpaid principal balance of all outstanding loans made pursuant to subsection 7(a), exceeds the Gold Cardmember's maximum line of credit, then Financial Institution shall not be entitled to charge back the amount thereof to Amexco except in accordance with the provisions contained herein.

9. Joint Promotions and Advertising.

a) At the time Financial Institution submits an executed copy of this Agreement to Amexco in New York for Amexco's signature or as soon as possible thereafter, Financial Institution shall also submit, on a form to be furnished to Financial Institution by Amexco, a summary of the marketing program Financial Institution proposes to conduct during the period beginning with the date of this Agreement and ending at the end of the second year thereafter. If any change is subsequently made by Financial Institution in its marketing program, Financial Institution shall promptly notify Amexco thereof in writing. Without in any way limiting Amexco's rights under Section 12 hereof, if Amexco, in its sole discretion, disapproves of the marketing program of Financial Institution or any change thereto, Amexco shall have the right, as the case may be, to not enter into this Agreement or to terminate the same in accordance with the provisions of Section 12 hereof.

b) Amexco shall assist Financial Institution in its advertising and marketing endeavors by furnishing, without charge, the following services and materials (subject to availability):

(i) **GOLD CARD Drafts and Promotional Material.** Express Funds GOLD CARD Drafts, Express Funds Service decals, "take-one boxes" and counter insignia cards, (all of which Financial Institution agrees to display in and/or make available at all domestic retail offices), Reference Guides, and Statement inserts.

(ii) **Other Sales Promotional Material.** Such other sales promotional materials, for direct mail solicitation and otherwise, as Amexco and Financial Institution may mutually agree.

c) Financial Institution agrees that it will not engage in any advertising or publicity, of or concerning, the GOLD CARD program or engage in any solicitations therefor prior to the operating commencement date specified to Financial Institution by Amexco, unless Financial Institution obtains Amexco's prior approval thereof.

d) **Trademarks and Service Marks License.** During the term of this Agreement, Financial Institution shall have the non-exclusive right to use the mark and name "AMERICAN EXPRESS" and such other names and marks as are identified in Schedule B attached hereto and incorporated herein (all such marks are hereinafter collectively referred to as "American Express Marks"). Amexco reserves the right to make changes from time to time to said Schedule B, and any such change(s) shall be incorporated herein. Financial Institution shall use the American Express Marks solely for the purposes of identifying and promoting Financial Institution's participation in the American Express Card Service. Financial Institution is not, and is not to hold itself out as, an agent of Amexco in any manner whatsoever.

(i) Financial Institution agrees that its usage of American Express Marks shall be in compliance with the terms of this Agreement, and that Financial Institution will do nothing to bring disrepute to, nor in any manner damage, the good will symbolized by the American Express Marks. Financial Institution shall immediately notify Amexco of any and all matters which are likely to negatively effect the goodwill of the American Express Mark.

(ii) Financial Institution recognizes that Amexco is the owner of American Express Marks and the validity of all trademark and service mark registrations pertaining thereto. Financial Institution shall obtain Amexco's approval prior to all advertising, promotion and use of American Express Marks and shall immediately discontinue any usage specifically objected to by Amexco.

(iii) Financial Institution shall indemnify and hold Amexco harmless from and against any and all claims, damages, liabilities, cost or expense, including reasonable attorney's fees, which Amexco incurs as a result of Financial Institution's breach of this subsection 9(d).

(iv) Financial Institution shall have no right to license or sublicense American Express Marks or the use thereof. Financial Institution's license to use American Express Marks shall immediately expire in the event of the termination of this Agreement. In any such event, all rights granted to Financial Institution hereby shall immediately terminate and revert to Amexco, and Financial Institution shall discontinue making any use whatsoever of American Express Marks.

10. Cancellation of GOLD CARDS and Suspension of Lines of Credit.

a) Amexco may at any time, with or without cause, cancel any outstanding GOLD CARD, as provided in the Gold Cardmember Agreement which is furnished to Gold Cardmembers upon the issuance of new and renewal GOLD CARDS. Upon Financial Institution's notification to Amexco that Financial Institution has cancelled

the line of credit of any Gold Cardmember, Amexco hereby agrees to cancel the GOLD CARD features or services of such GOLD CARD, as enumerated in this Agreement, and such GOLD CARD shall cease to function as a GOLD CARD; provided, however, that nothing contained herein shall be deemed to prohibit Amexco from permitting a Gold Cardmember from using the GOLD CARD as a valid and unexpired Green Card for a reasonable period of time, not to extend beyond the expiration date embossed on such GOLD CARD, after cancellation of the GOLD CARD features or services. Any oral notification of such cancellation from Financial Institution to Amexco shall be immediately confirmed by Financial Institution in writing on an advice form. Financial Institution shall also have the right to suspend temporarily the line of credit of any Gold Cardmember on the ground that the maximum limit established for such line of credit has been exceeded, or for any other reason Financial Institution deems proper, and in each such case, Financial Institution shall promptly notify Amexco of such action, and confirm any oral notice by subsequent writing. If Financial Institution temporarily suspends a line of credit, Financial Institution shall immediately notify Amexco when such line of credit is reinstated and Amexco shall so notify its offices as soon as reasonably practical so that the services contemplated herein may be resumed within a reasonable time.

If Amexco cancels a Gold Cardmember or cancels the GOLD CARD features or services of a GOLD CARD, Amexco shall immediately notify Financial Institution of such action, and send written notice of cancellation to the Gold Cardmember. Amexco shall confirm any oral notification to Financial Institution in writing on an advice form.

b) In connection with obligations arising hereunder, Financial Institution may obtain information on the status of any GOLD CARD account by telephoning, at Amexco's expense, Amexco's Financial Institutions Services Unit.

c) Financial Institution shall promptly notify Amexco upon receipt of notification that a GOLD CARD has been lost or stolen.

11. Responsibility for Charges.

Except as otherwise provided herein, no provision of this Agreement shall be construed as creating an obligation of Financial Institution to be responsible for the payment of any charges incurred by a Gold Cardmember, or as creating an obligation by Amexco to be responsible for the repayment of any loan made by Financial Institution or the payment of any fee due to Financial Institution from any such Gold Cardmember.

12. Term of Agreement.

a) This Agreement shall remain in effect until terminated by either party upon six months prior written notice to the other. Financial Institution shall continue to honor American Express Cards and to make loans and provide other services to the holders thereof in accordance with the terms of this Agreement until the effective date of any such termination. After such effective date Amexco may continue to treat all outstanding GOLD CARDS as valid and unexpired American Express Cards, but upon any subsequent renewal of such GOLD CARDS the name of Financial Institution shall not appear.

b) Upon termination of this Agreement, Amexco, in its sole discretion, shall have the right to offer any or all Gold Cardmembers the right to continue to participate in the GOLD CARD program by arranging through other financial institutions credit facilities and services comparable to those provided to Gold Cardmembers by Financial Institution pursuant hereto. In the event Amexco elects to so continue the GOLD CARD program with any such Gold Cardmembers, Amexco shall, insofar as possible, offer the Gold Cardmembers the right to select a new financial institution from among a list supplied by Amexco of at least five comparable financial institutions servicing the geographic area in which such holder resides.

13. Reference Guide.

Amexco shall supply to Financial Institution a Reference Guide which shall set forth, among other things, the regulations to be followed in the Express Funds Service and the Guaranteed Check Cashing Program described herein, and such regulations shall be made a part hereof.

14. Representations & Warranties.

(a) Amexco and Financial Institution each represents and warrants to the other that (i) it has the necessary power and corporate authority to execute and deliver this Agreement and to perform the obligations set forth herein; (ii) its execution, delivery and performance of this Agreement do not, and will not, contravene its Articles of Incorporation, By-Laws or any agreement or any instrument to which it is a party or any law or regulation of any government authority, or any agency or instrumentality thereof, binding upon it; and (iii) it is, and will remain during the term of this Agreement, in compliance with all applicable federal and state laws and regulations, including but not limited to, such laws and regulations as pertain to Gold Card applications and Credit Agreements, processing of such applications and Credit Agreements, and correcting of billing errors. (b) In furtherance hereof, Amexco and Financial Institution each agree to indemnify and hold the other harmless from any and all losses, claims, demands, actions, suits or proceedings arising out of its performance hereunder in violation of any applicable statute, rule or regulation or its failure to perform any act or duty in the manner required by this Agreement.

15. Confidentiality.

In performing obligations arising pursuant to this Agreement, Financial Institution will have access to, and receive disclosure of, certain information about Amexco, including but not limited to: Amexco marketing philosophy and objectives; competitive advantages and disadvantages; Cardmember names and addresses and/or account information; and other information which Amexco considers confidential and/or proprietary (collectively "CONFIDENTIAL INFORMATION"). Financial Institution shall receive all CONFIDENTIAL INFORMATION in confidence and use all reasonable efforts to ensure against disclosure to any third party. Upon request from Amexco Financial Institution will promptly return any and all CONFIDENTIAL INFORMATION. Financial Institution agrees that if there is any disclosure of CONFIDENTIAL INFORMATION by any of its employees or agents, Financial Institution will enforce for Amexco's benefit through litigation, if necessary, all rights provided under law to seek damages and protection from additional disclosure. The obligations contained herein shall not apply to information in the public domain which was already known to Financial Institution prior to the date hereof or to information lawfully revealed to Financial Institution by a third party.

16. Miscellaneous.

a) **Notices.** Unless otherwise provided herein or agreed to by the parties, all notices, requests or other communications hereunder shall be in writing and shall be sent by first class mail, postage prepaid, or by telex or telegraph, or shall be personally delivered, to the other party at its respective address specified below:

If to Amexco: American Express
Travel Related Services Company, Inc.
American Express Plaza
New York, New York 10004

Att. Vice President
FSI Sales

810-430 2/82 5M
CD 21239 (Rev. 4-83)

If to Financial Institution:

Att. GOLD CARD Manager

or to each such party, at such other address or addresses as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this subsection 16(a). All such notices, requests and communications if mailed, telexed or telegraphed, shall be effective when deposited in the mails or when sent by telex or telegraph, respectively, addressed as aforesaid, except as otherwise specifically provided herein.

b) **Governing Law and Effectiveness.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York and shall not become effective until executed on behalf of Amexco by an authorized officer in New York.

c) **Parties in Interest; Assignment.** This Agreement shall inure to the benefit of and be binding upon the parties named herein and their respective successors and permitted assigns and shall not be construed or enforced so as to confer any benefit upon any other person except as expressly provided herein. This Agreement may not be assigned by either party without the prior written consent of the other, unless each party shall have expressly consented thereto in writing, except that Amexco may assign part or all of this Agreement to a subsidiary or to any of its affiliates.

d) **Entire Agreement; Changes.** This Agreement, together with any other documents referred to herein, constitutes the entire agreement between the parties relating to the subject matter hereof and when duly executed by the parties hereto, supersedes all prior agreements between the parties relating to the subject matter hereof, and, except as provided herein, may not be changed orally but only by a written instrument signed by the party against whom enforcement of the change is sought.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized representatives as of the date first above written.

AMERICAN EXPRESS
TRAVEL RELATED SERVICES COMPANY, INC.

By: _____

(Name)

(Title)

By: _____

(Name)

(Title)

SCHEDULE B

AMERICAN EXPRESS MARKS*

Name

AMERICAN EXPRESS

AMERICAN EXPRESS
Logo (new)

AMERICAN EXPRESS
CARD Design

AMERICAN EXPRESS
WORLD SERVICE &
Design

DON'T LEAVE HOME
WITHOUT IT

DON'T LEAVE HOME
WITHOUT THEM

EMERGENCY REFUND

EXPRESS CASH

EXPRESS PAC

Gladiator Head

GOLD CARD

MONEY ORDER Design &
AMERICAN EXPRESS

***As of October 6, 1981**

8 9 0 4 0 7 0 4 7 8 0

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2339

NAME OF COUNSEL: B. Knox Dobbins

ADDRESS: Sutherland, Asbill & Brennan

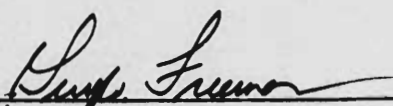
2000 RiverEdge Parkway, N.W.

Atlanta, Georgia 30328

TELEPHONE: (404) 658-8761

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

9-29-87
Date


Signature

RESPONDENT'S NAME: Guy W. Freeman

ADDRESS: National Bank of Georgia

2000 RiverEdge Parkway, N.W.

Atlanta, Georgia 30328

HOME PHONE: (404) 851-9518

BUSINESS PHONE: (404) 951-4072

83040702787

QCC# 4549
RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 OCT 13 PM 5:05

October 13, 1987

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

RE: MUR 2339

Dear Mr. Noble:

This letter is in response to the Commission's finding of reason to believe against the Mondale/Ferraro Committee in the above-referenced matter. Enclosed are the Committee's responses to the FEC Interrogatories. On the basis of the responses to these questions, the Committee believes that it is clear that there was no violation of 2 U.S.C. Section 441b on the part of the Mondale/Ferraro Committee. For this reason, the Committee urges the Commission to find no probable cause to believe that a violation of the Act has occurred and close its file in this matter.

If you have any further questions, please contact me at 333-4591. Please address any further correspondence to me in this matter to 5201 Roosevelt Street, Bethesda, Maryland 20814.

Sincerely,

Carolyn U. Oliphant
Carolyn U. Oliphant
Deputy General Counsel
Mondale/Ferraro Committee

88040702788

RESPONSE OF THE MONDALE/FERRARO COMMITTEE
TO FEC INTERROGATORIES AND REQUEST FOR
PRODUCTION OF DOCUMENTS IN MUR 2339

8 8 0 4 0 7 0 2 7 8 9
This response is submitted on behalf of the Mondale/Ferraro Committee. The Committee has no documents pertaining to the Commission's request other than the receipts and request for check forms that are already in the possession of the FEC auditors. To the best of the Committee's knowledge and belief, he answers to the interrogatories are as follows:

- 1.A. Describe the nature of the relationship, including any written or oral agreements, between Bert Lance and the Committee during this period.

Answer: The Committee was discussing with Mr. Lance what role, if any, he would play during the general election if Mondale obtained the nomination. Just prior to the Democratic convention, Mr. Lance agreed to serve as general chairman for the Mondale/Ferraro campaign. A short time later he resigned from that position.

- B. Describe the nature of the relationship, including any written or oral agreements, between C. Beverly Lance and the Committee during this period.

Answer: There was no relationship. C. Beverly Lance was in Mr. Bert Lance's travelling party.

- C. Describe the nature of the relationship, including any written or oral agreements, between the National Bank of Georgia and the Committee during this period.

Answer: None.

- D. State whether the Committee was aware that at least two of the American Express cards tendered as payment for the reimbursed expenditures were issued jointly to the National Bank of Georgia.

Answer: The Committee was not aware at the time the bills were reimbursed, nor is the Committee currently aware that the cards were issued jointly.

- E. State whether the Committee authorized these expenditures. If so, was the authorization given prior to or after their incurrence.

Answer: The Committee did not authorize any specific expenditures. It was understood that any of Mr. Lance's travel expenses related to his role in the general election would be reimbursed if permissible.

- F. State whether the Committee had any specific arrangement with the National Bank of Georgia regarding reimbursement of those expenditures; and, if so, please provide any written acknowledgements of this agreement or understanding. If there are no written instruments pursuant to this agreement, please describe the terms of your agreements.

Answer: None.

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2. State whether the Committee was aware that American Express cards were being tendered as payment for the expenditures at issue.

Answer: No.

3. State whether the Committee was provided with the actual American Express receipts for the request for reimbursements at issue; and, if so, were these receipts examined prior to the issuance of the reimbursement to Bert Lance.

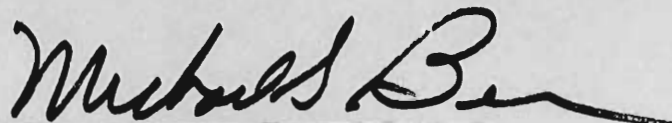
Answer: The Committee had the copies of the receipts which the auditors took from the Committee's files. The Committee routinely reviewed receipts before reimbursements in its Finance Department. There was nothing on the face of the receipts to suggest anything other than what had been represented to the Committee by Mr. Lance -- that is, that the receipts were for the personal travel expenses of Mr. Lance and his party.

4. State whether the Committee was provided with the actual American Express bills, or whether Bert Lance simply requested reimbursement of the expenditures at issue.

Answer: The Committee received the receipts which the auditors took from the Committee's files. There were no copies of bills.

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I hereby certify under penalty of perjury, that to the best of my knowledge and belief the foregoing answers are true and correct.

A handwritten signature in dark ink, appearing to read "Michael S. Berman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Michael S. Berman
Treasurer, Mondale/Ferraro

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87 DEC -7 PM 4:20

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

National Bank of Georgia

)
)
)
)

MUR 2339

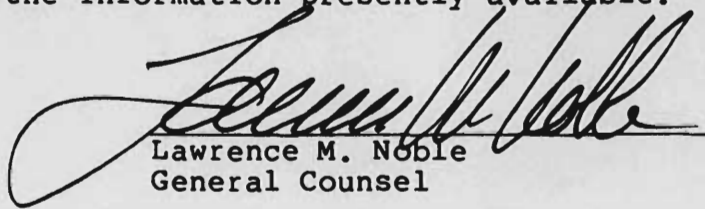
SENSITIVE

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to National Bank of Georgia, based on the assessment of the information presently available.

Date

12/4/87


Lawrence M. Noble
General Counsel

38040702793

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

87 DEC -7 PM 4:20

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)

Mondale/Ferraro Committee, Inc.)
and Michael S. Berman, as)
treasurer)

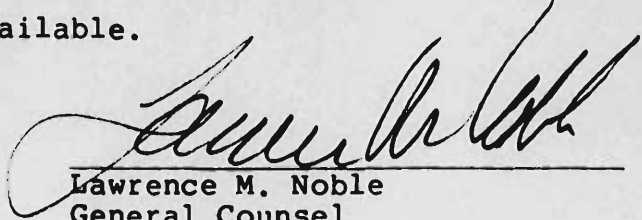
MUR 2339

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to Mondale/Ferraro Committee, Inc. and Michael S. Berman, as treasurer, based on the assessment of the information presently available.

Date

12/7/87


Lawrence M. Noble
General Counsel

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SENSITIVE

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

87 DEC 22 PM 5:09



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 22, 1987

MEMORANDUM

TO: The Commission
FROM: Lawrence M. Noble *LMN*
General Counsel
SUBJECT: MUR #2339

Attached for the Commission's review are briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. Copies of these briefs and a letter notifying the respondents of the General Counsel's intent to recommend to the Commission a finding of no probable cause to believe was mailed on December 22, 1987. Following receipt of the respondents' reply to these notices, this Office will make a further report to the Commission.

Attachments

- 1-Briefs
- 2-Letter to respondent

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 22, 1987

Mr. B. Knox Dobbins, Esquire
Sutherland, Asbill & Brennan
2000 Riveredge Parkway, N.W.
Atlanta, Georgia 30328

Re: MUR 2339
National Bank of Georgia

Dear Mr. Dobbins:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on August 18, 1987, found reason to believe that the National Bank of Georgia violated 2 U.S.C. § 441b, and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days. All requests for extension of time must be submitted in writing five days prior to the due date. Further, good cause must be shown.

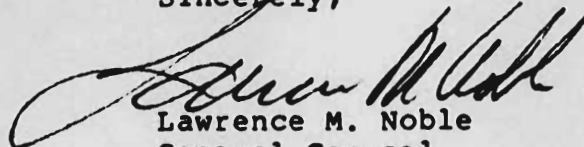
33040702796

Letter to B. Knox Dobbins
Page 2

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact R. Lee Andersen, the attorney assigned to handle this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

88040702797

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
National Bank of Georgia) MUR 2339
)

GENERAL COUNSEL'S BRIEF

I. BACKGROUND

The Commission found reason to believe that the National Bank of Georgia violated 2 U.S.C. § 441b by making prohibited corporate contributions. The Commission's finding was based on the fact that of three American Express cards used by Bert Lance to incur travel and subsistence costs incurred between May and July 1984, one appeared to be held by Bert Lance and the National Bank of Georgia, a second appeared to be held by C. Beverly Lance and the National Bank of Georgia, and the third was only identified by its account number.

II. ANALYSIS

It is unlawful for any national bank to make a contribution or expenditure in connection with any election to any political office, or for any officer or any director of any national bank to consent to any contribution or expenditure by the national bank prohibited by this section, and for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by this section. 2 U.S.C. § 441b(a).

If the bank was either the basic cardholder and therefore solely liable, or the bank was jointly liable for the American Express cards at issue, then the prohibitions of section 441b are implicated, and prohibited contributions to the Committee may

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have been made. Alternatively, the bank may also be subject to the prohibitions of section 441b if either of the Lances was an officer of the bank and their authorization on these cards were made as agents of the bank.

In response to the reason to believe finding against the National Bank of Georgia, its president, Mr. Guy W. Freeman submitted a sworn and subscribed Response to Interrogatories and Request for Production of Documents. In describing its legal obligation on the card issued to Bert Lance and C. Beverly Lance the bank stated that

NBG has no legal obligation on the subject American Express card. The National Bank of Georgia name appears on the face of American Express cards issued on referral by NBG, but the presence on the face of the cards of the NBG name does not denote any liability on the part of NBG for the card or charges incurred on the card.

(Attachment 1, p. 4). The bank also produced a copy of its Agreement with the American Express Company which governs its association with that company. This agreement corroborates the banks response with respect to its liability on the American Express cards. (Attachment 1, pp. 8-13). In a separate letter, the bank explains that although it issues a line of credit to those persons it refers to American Express, it has no liability for the cards issued or the charges incurred by NBG customers.

(Attachment 1, p. 2). Finally, the bank stated that "Neither Bert Lance or C. Beverly Lance was an officer, employee, or agent of NBG during the subject 1984 period or at any time thereafter."

(Attachment 1, p. 6).

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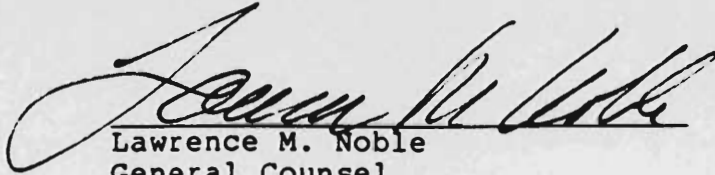
This response sufficiently addresses those issues about which the Commission needed information in order to make a further determination. The evidence indicates that the bank is neither the basic cardholder nor jointly liable on the American Express cards at issue. In addition, neither of the Lances was an officer of the bank, nor in any way an agent of the bank. Thus, section 441b is not implicated and this Office recommends that the Commission find no probable cause to believe that the National Bank of Georgia violated 2 U.S.C. § 441b.

III. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find no probable cause to believe that the National Bank of Georgia violated 2 U.S.C. § 441b.

Date

12/17/87


Lawrence M. Noble
General Counsel

83040702800



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 22, 1987

Mr. Michael S. Berman, Treasurer
Mondale/Ferraro Committee, Inc.
2233 Wisconsin Avenue, N.W., #214
Washington, D.C. 20007

Re: MUR 2339
Mondale/Ferraro Committee, Inc.

Dear Mr. Berman:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on August 18, 1987, found reason to believe that the Mondale/Ferraro Committee, Inc., and you, as treasurer, violated 2 U.S.C. § 441b, and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days. All requests for extension of time must be submitted in writing five days prior to the due date. Further, good cause must be shown.

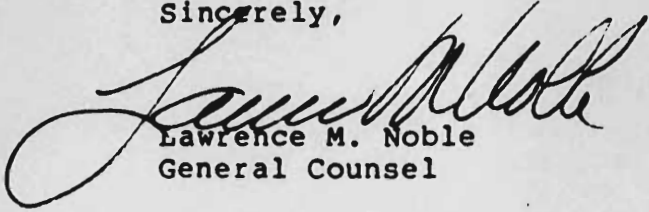
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Letter to Michael S. Berman
Page 2

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact R. Lee Andersen, the attorney assigned to handle this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

38040702802

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Mondale/Ferraro Committee, Inc.,) MUR 2339
and Michael S. Berman, as treasurer)

GENERAL COUNSEL'S BRIEF

I. BACKGROUND

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The Commission found reason to believe that the Mondale/Ferraro Committee ("the Committee") and Michael Berman, as treasurer, violated 2 U.S.C. § 441b for accepting prohibited corporate contributions. The Commission's finding was based on the fact that of three American Express cards used by Bert Lance to incur travel and subsistence costs incurred between May and July 1984, one appeared to be held by Bert Lance and the National Bank of Georgia, a second appeared to be held by C. Beverly Lance and the National Bank of Georgia, and the third was only identified by its account number.

II. ANALYSIS

It is unlawful for any national bank to make a contribution or expenditure in connection with any election to any political office, or for any officer or any director of any national bank to consent to any contribution or expenditure by the national bank prohibited by this section, and for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by this section. 2 U.S.C. § 441b(a).

If the bank was either the basic cardholder and therefore solely liable, or the bank was jointly liable for the American Express cards at issue, then the prohibitions of section 441b are implicated, and prohibited contributions to the Committee may

have been made. Alternatively, the bank may also be subject to the prohibitions of section 441b if either of the Lances was an officer of the bank and their authorization on these cards were made as agents of the bank.

In response to the reason to believe finding against it, the Committee asserts that it had no knowledge that American Express cards were being used by Bert Lance or his travelling party, which included C. Beverly Lance, and further, it had no knowledge as to the contractual obligations of the American Express cards as between the Lances and the National Bank of Georgia. The National Bank of Georgia, through its president, Mr. Guy W. Freeman submitted a sworn and subscribed Response to Interrogatories and Request for Production of Documents. In describing its legal obligation on the card issued to Bert Lance and C. Beverly Lance the bank stated that

NBG has no legal obligation on the subject American Express card. The National Bank of Georgia name appears on the face of American Express cards issued on referral by NBG, but the presence on the face of the cards of the NBG name does not denote any liability on the part of NBG for the card or charges incurred on the card.

(Attachment 1, p. 4). The bank also produced a copy of its Agreement with the American Express Company which governs its association with that company. This agreement corroborates the banks response with respect to its liability on the American Express cards. (Attachment 1, pp. 8-13). In a separate letter, the bank explains that although it issues a line of credit to those persons it refers to American Express, it has no liability

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for the cards issued or the charges incurred by NBG customers. (Attachment 1, p. 2). Finally, the bank stated that "Neither Bert Lance or C. Beverly Lance was an officer, employee, or agent of NBG during the subject 1984 period or at any time thereafter." (Attachment 1, p. 6).

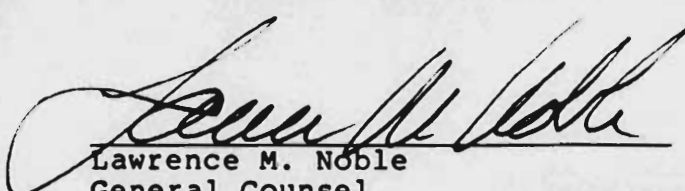
These responses sufficiently address those issues about which the Commission needed information in order to make a further determination. The evidence indicates that the bank is neither the basic cardholder nor jointly liable on the American Express cards at issue. In addition, neither of the Lances was an officer of the bank, nor in any way an agent of the bank. Thus, section 441b is not implicated and this Office recommends that the Commission find no probable cause to believe that the Mondale/Ferraro Committee, Inc. violated 2 U.S.C. § 441b.

III. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find no probable cause to believe that the Mondale/Ferraro Committee violated 2 U.S.C. § 441b.

Date

12/17/87


Lawrence M. Noble
General Counsel

88040702805

BCE#502

January 5, 1988

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

RECEIVED
FEDERAL ELECTION COMMISSION
88 JAN -6 PM 4:10

Re: MUR 2339

Dear Mr. Noble:

This letter constitutes the response of the Mondale/Ferraro Committee to the General Counsel's brief in MUR 2339. The Committee concurs in the recommendation of the General Counsel that there is no probable cause to believe a violation has occurred and that this case should be closed.

As I have previously requested, please address any future correspondence in this matter to me at the address listed below. The Committee's offices are closed and mail addressed to the former office is forwarded to a post office box. This results in a delay of approximately a week before receipt. Thanks for your attention to this request.

Sincerely,

Carolyn U. Oliphant

Carolyn U. Oliphant
Deputy General Counsel
Mondale/Ferraro Committee
5201 Roosevelt Street
Bethesda, Md. 20814
493-5343

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
88 JAN -6 PM 4:24

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SENSITIVE

EXECUTIVE SESSION

BEFORE THE FEDERAL ELECTION COMMISSION

FEB 23 1988

MUR 2339

88 FEB 16 AM 9:53

**RECEIVED
FEDERAL ELECTION COMMISSION**

In the Matter of)
)
National Bank of Georgia)
Mondale/Ferraro Committee, Inc.)
and Michael S. Berman, as)
treasurer)

GENERAL COUNSEL'S REPORT

I. BACKGROUND AND DISCUSSION

On August 18, 1987, the Commission found reason to believe that the National Bank of Georgia (the "Bank") and the Mondale/Ferraro Committee, Inc., ("Mondale/Ferraro") and Michael S. Berman, as treasurer, violated 2 U.S.C. § 441b of the Federal Election Campaign Act of 1971, as amended (the "Act"). On December 22, 1987, after conducting an investigation in the matter, the Commission forwarded briefs to the respondents recommending no probable cause to believe regarding the alleged violations of the Act. This Office received a response from Mondale/Ferraro on January 5, 1988, concurring with the recommendations of this Office. No response has been received from the Bank to date. Consequently, the Office of General Counsel recommends that the Commission find no probable cause to believe that the Bank and Mondale/Ferraro violated 2 U.S.C. § 441b of the Act.

II. RECOMMENDATIONS

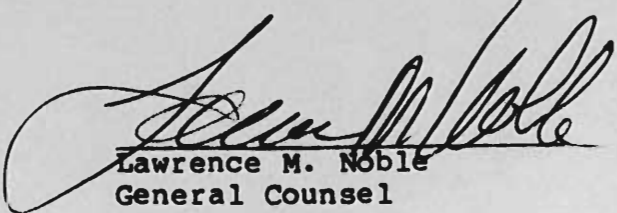
1. Find no probable cause to believe that the National Bank of Georgia violated 2 U.S.C. § 441b.
2. Find no probable cause to believe that the Mondale/Ferraro Committee, Inc., and Michael S. Berman, as treasurer, violated 2 U.S.C. § 441b.

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3. Send the attached letters.
4. Close the file.

Date

2/12/88


Lawrence M. Noble
General Counsel

Attachments

1. Response of Mondale/Ferraro
2. Proposed letters

Staff Member: R. Lee Andersen

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RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARY

88 FEB 22 PM 12: 28

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CONFIDENTIAL

February 22, 1988 **EXECUTIVE SESSION**
FEB 23 1988

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble *LMN (4/2)*
General Counsel

SUBJECT: Attachment in MUR 2339

Submitted Late

The proposed letters to respondents in MUR 2339 were not included in the no probable cause to believe package circulated to the Commission. We have attached to this memorandum copies of those letters. We ask that the rules be suspended so that the letters may be placed on the agenda late.

33040702809

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
National Bank of Georgia)
Mondale/Ferraro Committee, Inc.) MUR 2339
and Michael S. Berman, as)
treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session of February 23,
1988, do hereby certify that the Commission decided by a vote
of 6-0 to take the following actions in MUR 2339:

1. Find no probable cause to believe that the
National Bank of Georgia violated 2 U.S.C.
§ 441b.
2. Find no probable cause to believe that the
Mondale/Ferraro Committee, Inc., and Michael
S. Berman, as treasurer, violated 2 U.S.C. § 441b.
3. Send the letters attached to the General
Counsel's memorandum dated February 22, 1988.
4. Close the file.

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

Attest:

2/24/88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

38040702810



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 29, 1988

B. Knox Dobbins
SUTHERLAND, ASBILL & BRENNAN
Suite 950
2000 Riveredge Parkway, NW
Atlanta, GA 30328

RE: MUR 2339
The National Bank of
Georgia

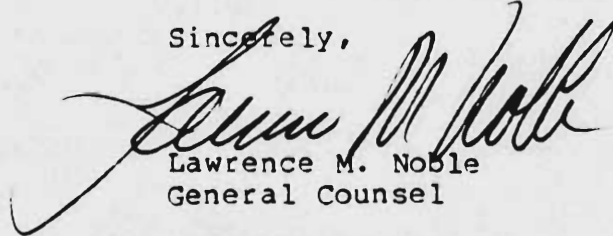
Dear Mr. Dobbins:

This is to advise you that on February 23, 1988, the Federal Election Commission found that there is no probable cause to believe your client, the National Bank of Georgia, violated 2 U.S.C. § 441b. Accordingly, the file in this matter has been closed.

This matter will become part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

If you have any questions, please contact R. Lee Andersen, the attorney assigned to handle this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble
General Counsel

33040702811



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 29, 1988

Carolyn U. Oliphant
Deputy General Counsel
Mondale/Ferraro Committee
5201 Roosevelt Street
Bethesda, MD 20814

RE: MUR 2339
Mondale/Ferraro
Committee, Inc.
Michael S. Berman,
as treasurer

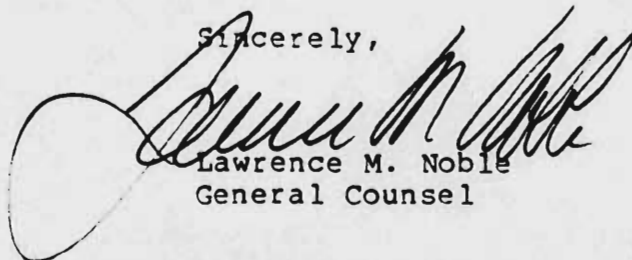
Dear Ms. Oliphant:

This is to advise you that on February 23, 1988, the Federal Election Commission found that there is no probable cause to believe your client, the Mondale/Ferraro Committee, Inc., and Michael S. Berman, as treasurer, violated 2 U.S.C. § 441b. Accordingly, the file in this matter has been closed.

This matter will become part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

If you have any questions, please contact R. Lee Andersen, the attorney assigned to handle this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble
General Counsel

88040702812



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2339

DATE FILMED 5/9/88 CAMERA NO. 2

CAMERAMAN GPC

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