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BRUSSELS 1040 BELGIUM

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September 24, 1997

Jose M. Rodriguez, Esq.  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463


Re: Frederick W. Volcansek, Sr.  
MUR No. 4250

Dear Mr. Rodriguez:

I am enclosing non-privileged documents responsive to the Federal Election Commission's administrative subpoena to Frederick W. Volcansek, Sr. These documents are produced subject to and without waiving the objections previously submitted.

Best personal regards.

Sincerely,

  
Bobby R. Burchfield

Enclosures

cc: Mr. Frederick W. Volcansek, Sr.

SEP 26 12 47 PM '97

114-111  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK  
WASHINGTON, D.C. 20463

SENT BY:

110- 7-94 : 5:08PM :

BAKER, HOSTETLER

013050020270: 2

**BAKER  
&  
HOSTETLER**  
COUNSELLORS AT LAW

WASHINGTON SQUARE SUITE 1100 • 1050 CONNECTICUT AVENUE, N.W. • WASHINGTON, D.C. 20036-5804 • (202) 661-1800  
FAX (202) 661-1788 • TELE 2887270  
WRITER'S DIRECT DIAL NUMBER (202) 661-1804

October 6, 1994

**VIA FACSIMILE AND FIRST CLASS MAIL**

Benton L. Becker  
Secretary/Treasurer/General Counsel  
Young Brothers Development (USA), Inc.  
The Kendar Building  
1350 Madruga Avenue  
Suite 329  
Coral Gables, Florida 33146

Re: Loan Guarantee

Dear Mr. Becker:

The National Policy Forum ("NPF") is seeking a loan of \$2.1 million from the Signet Bank of Washington, D.C. ("Bank"). NPF is seeking the loan to partially repay certain outstanding loan obligations, current debts and to temporarily finance the operations of NPF pending the receipt of existing pledges and other donations to the organization. Young Brothers Development (USA), Inc. ("YBD (USA), Inc."), a for profit Florida corporation, has stated to NPF that it is willing to provide collateral security to the Bank in sufficient size and form so that the Bank will agree to loan \$2.1 million to NPF pursuant to the Bank's normal and usual commercial practices and terms.

You have requested our review of whether this transaction conflicts with certain United States laws. Your concern arises out of the fact that the existing and currently due loan obligations of NPF are to an organization which has an affiliated political committee as defined by the Federal Election Campaign Act of 1971, as amended (the "Act").

**FACTS**

The National Policy Forum is organized as a corporation pursuant to provisions of the District of Columbia Non-Profit Corporation Act. The articles of incorporation restrict its operation exclusively for social welfare purposes within the

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SENT BY:

10/27/94

17:24

110-7-94 : 5:09PM :

KENDRA EXECUTIVE CENTER

BANKING HOSTETLER-

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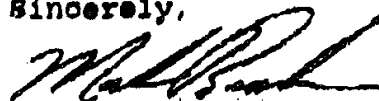
Benton Becker  
Secretary/Treasurer/General Counsel  
October 7, 1994  
Page 2

meaning of Section 501(C)(4) of the Internal Revenue Code. NPF describes itself as a broad base inclusive organization designed to "go out to the grassroots" to listen to Americans about issues on their minds and develop a search for ideas that work. For purposes of this letter, we have been assured (and assume it to be true) that NPF makes no contributions or expenditures in connection with or to influence any election and assured that NPF is opened to all Americans who have ideas to offer for meeting the challenges Americans face today in their individual lives, their families, their communities and their work.

The NPF will use a portion of the Bank's loan proceeds to repay its presently outstanding loan obligations. We have been assured (and assume it to be true) that the partial repayment by NPF of such outstanding loan obligations will not be made to a political committee as defined by the Act.<sup>1</sup>

Based upon the facts and circumstances stated in this letter: (1) YSD (USA's), Inc. participation in this loan transaction as a third party provider of collateral does not conflict with any provision of any federal election or campaign financing regulation; (2) the transaction does not conflict with any provision of NPF's bylaws or articles of incorporation; and (3) we are not aware of any federal or state statute which would prohibit YSD (USA), Inc. from pledging its collateral to the Bank as security for the repayment of the proposed loan by NPF.

Sincerely,



E. Mark Braden

EMB/bse

cc: Mr. Dan Denning

LAW OFFICES OF

**BENTON L. BECKER**

**CORAL GABLES, FLORIDA**

OF COUNSEL  
RICHARD M. HABER  
TAMPA, FLORIDA

THE KENDAL BUILDING  
1850 MADRUGA AVENUE  
SUITE 320  
CORAL GABLES, FLORIDA 33146  
(305) 662-4099

—  
BAR MEMBER OF  
WASHINGTON D.C., MARYLAND AND FLORIDA

—  
TELEFAX: (305) 662-9276

WASHINGTON, D.C.  
RICHARD RICHARDS  
1025 THOMAS JEFFERSON ST., N.W.  
SUITE 105  
WASHINGTON, D.C. 20007  
(202) 342-8810

MEMORANDUM TO: Ambrous Young

**CONFIDENTIAL**

FROM: Benton L. Becker 

DATE: September 23, 1994

RE: RNC Matter

As per our telephone conversation the evening (EST) of Thursday, September 22, 1994, I submit this memo as an outline of what I consider to be the appropriate procedure to be employed in the matter of YBD (USA) Inc.'s possible guarantee of a \$2.1 million loan made by the National Policy Forum (NPF) from the Signet Bank in Washington, D.C.

These procedures outlined in this memo are calculated to accomplish the following goals:

1. To insure that no arguable violation of US law could result to YBD or its principals, and
2. To secure and reduce the risk of loss to YBD's investment (collateral) during the time period that the loan is in being, and
3. To reduce the length of time (expected at the outside to be six to eight months) YBD will be required to continue to post its collateral as a loan guarantor.

Subject to your final approval and your receipt of a letter of acceptance from an appropriate official, these procedures reflected below would be implemented.

YBD (USA) Inc. would receive a letter from the Chairman of the NPF, Mr. Haley Barbour, containing the following provisions:

1. That the NPF is currently obligated to pay back a loan in the amount of \$2.5 million to the RNC, and
2. That the NPF's obligation to the RNC is in arrears, and

FWV 000003

3. That the NPF intends to borrow \$2.1 million from a Washington, D.C. bank, Signet, and to transfer all of the loan proceeds received to the RNC in partial satisfaction of its (NPF's) debt to the RNC, and
4. That in order to secure a bank loan, it will be necessary for the NPF to obtain a guarantor for its proposed \$2.1 million loan from a D.C. bank and YBD (USA) Inc. has agreed, subject to the terms contained herein, to so serve, and
5. That NPF currently has \$1.5 million in pledges from contributors, which pledges have been identified as to contributor name, amount of pledge and date pledge is to be paid on a confidential exhibit attached to the NPF letter to YBD (USA) Inc., and
6. That as a material term in the loan transaction between the NPF and the Signet Bank, the NPF will irrevocably dedicate and assign all of its current \$1.5 million in pledges to the Signet Bank for repayment and curtailment of the NPF loan, and
7. That the first \$600,000.00 in "new" pledges received by the NPF, following the establishment of the NPF loan with the Signet Bank, will also be irrevocably dedicated and assigned to the Signet Bank for loan payment and curtailment, and
8. That the NPF has represented to YBD (USA) Inc. that in the past years the NPF has always received 100% of all pledges made to it and that the NPF fully expects to receive, and assign to the Signet Bank, all of its current and prospective pledges as described herein, and
9. That prior to the loan transaction, the General Counsel for the NPF will provide a written opinion letter to the General Counsel of YBD (USA) Inc. concluding that YBD (USA)'s service as a loan guarantor for the NPF, as described herein, constitutes no violation of US law, and
10. That the NPF/Signet Bank loan documents will contain acceptable language providing that at any time in the future, the two parties to the loan (NPF and Signet) may mutually agree to replace YBD (USA) Inc.'s loan guarantorship and its collateral with a new mutually agreeable substitute guarantor and substitute collateral.

In my view, the above ten procedural steps, plus my other comments contained herein, provide us with the top security for this loan guarantee.

For your review, I have enclosed a two page announcement published by the Federal Election Commission (FEC) on August 3, 1994. The FEC is the federal agency charged with the responsibility of monitoring and regulating the federal election laws. This publication deals directly with the law's prohibition against foreign nationals being involved in federal elections.

With this in mind, as you have instructed, all considerations have been made to assure that no claim and no violation of law could result from YBD (USA) serving as a loan guarantor. Accordingly, the procedure which could be undertaken between YBD (HK) and YBD (USA) should not be an assignment of an asset, but rather should be a pure loan of \$2.1 million cash to YBD (USA) from YBD (HK), very similar to past loans and loan repayments between the two companies. When received by YBD (USA), YBD (USA) will purchase a \$2.1 million certificate of deposit from the Signet Bank and thereafter use the Signet Bank issued CD to guarantee the Signet Bank loan to the NPF.

I shall await your response before proceeding further on this matter.

*Frederick W. Volcansek, Sr.*

Wednesday, July 10, 1996

Mr. Haley Mahoney  
Chairman  
National Policy Forum

Fax: 202-638-6774

Dear Haley,

I hope that you and Marsha had a most pleasant Fourth of July Celebration. Gailyn and I spent it with a part of our family out on the Mall watching the spectacular fireworks demonstration. The whole celebration reminded me once again of how glad I am to be an American.

Although I am spending most of my time in Brazil on behalf of Bob Mosbacher's business interests, I see you periodically on CNN "preaching truth and wisdom." I know you are working hard, and I send you my best wishes for the Party's success.

I regret that I must call your attention to this matter, once again. However last month, I called John Bolton about the issue of closing out the NPF's financial obligation to me. The National Policy Forum has not paid me the final payment of \$ 5,000, due in December, 1995. I have tried to be patient, since I recognize how difficult it has been for the NPF to raise money, and I did not want to "make an issue of it."

I suggested to John Bolton that even though our contract has expired, I was still trying to be helpful to NPF's cause through my continued efforts to work with Ambrous Young. I was subsequently shocked to learn that John had said to Benton Becker that I was trying to arrange a "large fee" for myself for my assistance in working with Ambrous Young.

I have never asked for any money except for the six \$ 5,000 payments which were in accordance with our written agreement of July 13, 1991, and of which only one remains. For my efforts with Ambrous Young, you know that I have only requested one of your limited "pairs of Reagan Cuff Links."

In the early days of the Spring of 1994, our goal to get a "loan guarantee of over \$ 2,000,000 for the NPF was realized in less than six months. My efforts with the Telecommunications Conference, even in fund raising and my assistance in establishing the program are held with pride.

Some how, I have forgotten my efforts to successfully get nearly

FWV 000006

\* 200,000 for the "Baby Bells", Indian Corporation and the Reinsurance Industry Association. Since you, Don Fierce and I negotiated my financial arrangement, I am distraught to think that anyone could misconstrue my good intentions.

I am devastated, now that I am "gone" from Washington, D.C. in pursuit of new opportunities, that I could be so badly maligned. I sincerely hope that you will straighten out this issue with John Bolton and clear my name. I have the fondest memories of my efforts in working with you, Don Fierce and Dan Penning.

I look forward to your earliest response to this matter, since I have nothing but the highest regards for our joint efforts. Again, I regret that this matter should even exist.

Sincerely,

cc Dan Penning  
Dan Fierce

100% "SEE" 40" 00





# Republican National Committee

**Malley Barbour**  
Chairman

**August 30, 1994**

**Mr. Ambrous T. Young**  
President, Managing Director  
Young Brothers Development Co., Ltd.  
23rd Floor, Dah Sing Financial Centre  
108 Gloucester Road  
HONG KONG

**Dear Ambrous:**

**Thank you for a lovely dinner Saturday night in Washington, D.C. I am very pleased to have met Annie and to have had an opportunity to visit with you.**

**My office is contacting Steve to confirm he will attend the Team 100 meeting on September 13. I want to invite him to come by my office for a visit after the meeting; then he and I can go to Senator Dole's dinner together from here.**

**As we discussed at dinner, I plan to attend an International Democrat Union (IDU) conference for party chairmen in Korea next year. It is tentatively scheduled for early September, 1995. I am reiterating my invitation for you to join me at the conference.**

**The IDU is the organization of center-right parties in the world. The party chairmen's conference will include some heads of party who are also heads of government, such as Prime Minister Carl Bildt of Sweden the current chairman of IDU. I think you would enjoy the conference, and the attendees would like meeting you.**

**Since the arrangements are so sketchy, I will stay in touch with your office directly or through Dick Richards as the schedule develops. As I mentioned at dinner, I hope to travel to Hong Kong in conjunction with this conference.**

FWV 000008

Mr. Ambrous T. Young

Page 2

August 30, 1994

By the way, a group of our Team 100 members — an organization of our most generous donors, of which Steve is a member — will be in Asia this September. They will visit Taipei, Hong Kong and several cities in the PRC.

I have suggested to Henry Barbour, my nephew, who runs the program, to contact you for your suggestions and counsel. I am certain you will be hearing from Henry very soon.

Please know I appreciate your counsel and the support of you and your family. I look forward to seeing you again soon.

Sincerely,



Haley Barbour  
Chairman

HB/bmr

# NATIONAL POLICY FORUM

*A Republican Center for the Exchange of Ideas*

September 19, 1994

HALEY BARBOUR  
Chairman

Mr. Ambrous T. Young  
President, Managing Director  
Young Brothers Development Co., Ltd.  
23rd Floor, Dah Sing Financial Centre  
108 Gloucester Road  
HONG KONG

Dear Ambrous:

Steve and I had a delightful visit last week, and I am very pleased he was able to attend the Team 100 meeting. I hope he enjoyed it.

Needless to say, I am very grateful for the news he delivered. It is extremely generous and tremendously helpful to our efforts.

He and my nephew Henry visited several times, and I am sure by the time you receive this letter the Team 100 group will have visited Hong Kong. I hope the schedules worked out so that they were able to meet you and your family.

Steve advised me you had already given some thought to the article you will be writing for Commonsense. They are working on the issue for the last quarter of '94, and I'm sure it will not be too many weeks before they contact you about your article in the issue after that.

By the way I had a great meeting with Dick Richards and Fred Volcansek, as well as Steve. Dick is a champ and a real ally. I know he is a trusted associate of yours, but I want you to know he is also a highly respected party leader whose counsel I benefit from very often.

It is my understanding that our attorneys will be meeting with Benton Becker later this week. I got the impression from Steve and Dick that this was the next step to consummate the loan.

Finally, I was heartened by Steve's telling me that at the end of the year consideration would be given to doing even more. The Young family and your company are exceptionally generous, and I am genuinely grateful for the confidence you are showing in me. There is no better or more effective way to help in what we are doing than this.

FWV 000010

202-544-2900

Mr. Ambrous T. Young  
September 19, 1994  
Page 2

Know that I look forward to seeing you again soon. Having met Steve, of whom I know you must be very proud, I look forward to our spending more time together and, particularly, hope your schedule will allow you to participate in the International Democrat Union Conference next year in Seoul. I would like for the party leaders from around the world to meet you and to benefit from your counsel.

Sincerely,

A handwritten signature in cursive script, appearing to read "T. Young", with a long horizontal flourish extending to the right.

bcc: Dick Richards  
Fred Volcansek  
Don Fierce  
Dan Denning

*Frederick W. Volcansek*

Friday, June 16, 1995

To: Haley Barbour

Fax: 202-863-8774

I thought you would find these discussion points helpful in order to keep our TelCon short.

Best Regards,

*Frederick W.*

1. As you know, Ambrous has been meeting this week with Zhang Zemin and Li Peng. In his discussions, he has briefed them on his personal efforts in support of you and the NPF and has shared with them the two articles in Commonsense which he authored.
2. Ambrous has told them of your upcoming trip to Asia and specifically of your pending visits to Beijing, Shanghai, and Hong Kong.
3. Ambrous has indicated that you have been a real supporter of Ambrous' efforts by insuring that the issues of reunification receive fair treatment/equal discussion and that you personally arranged his meetings with Senator Dole and Speaker Gingrich.
4. Both Zhang Zemin and Li Peng would like to meet with you during your visit to Beijing. However, they are concerned as to whether you are on an official visit or a personal one. They prefer that your visit be personal. In spite of your recent meeting with the PRC Ambassador, they were unaware of your coming.
5. Ambrous wishes to set up these meetings for you in Beijing. He is really excited about the leaders interest in meeting with you. He says that this is unprecedented.
6. Ambrous has asked that you come privately and that you not travel with a delegation. He strongly believes that your meetings need to be small and intimate.
7. Ambrous reminded me that when Henry Kissinger comes to China, he comes alone. If he brings along a client, it is only one. Ambrous says that you should defer your delegation visit to Beijing; then on a future visit, you and your associates would be welcomed at the highest levels.
8. Your response to Ambrous on this issue will significantly affect the level of the outcome from your efforts to gain consideration of forgiveness on the loan for NPF.

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**COMMERCE CONSULTANTS INTERNATIONAL, LTD.**

1025 Thomas Jefferson St., N.W.  
Suite 105  
Washington, D.C. 20007

Telephone: (202) 342-9610  
FAX (202) 342-0650

July 28, 1994

00 "04" 395 "1707

Mr. Ambrous T. Young  
Young Brothers Development Co., Ltd.  
23rd Floor, Dah Sing Financial Centre  
108 Gloucester Road  
Wanchai, Hong Kong

Via Fax 852-873-0902

Dear Ambrous:

Thank you for your time and hospitality on my recent stay in Hong Kong. I very much enjoyed the company of you and your family.

Following up on our conversation regarding the Republican National Committee and the National Policy Forum, I discussed the question of scheduling with the Chairman of the RNC, Mr. Haley Barbour, and a meeting followed by dinner for Monday, August 1, 1994 appears to be the best time given everyone's busy schedule.

Again, I want to tell you that this effort is being handled in a very select manner and the parties are all very sensitive to discussing this effort with you personally in the most appropriate circumstances.

Finally, I expect Dick to contact you shortly regarding this initiative. If I can be of any assistance, please do not hesitate to contact me.

Thank you again for your hospitality. I look forward to see you again.

Best personal regards,

  
Steve Richards

FWV 000014

*Frederick W. Volcansek*

Thursday, July 28, 1994

Talking Points for Haley Barbour *m Dick Richards*

1. Fred Volcansek and your nephew, Steve, have been meeting with me, staff members of the RNC and the National Policy Forum (NPF) to discuss ways in which Ambrous Young and his family might be of help to our efforts during the upcoming mid-term election time period.
2. Although Fred and Steve have assured me that you have been apprised, in concept, of what is being proposed, because I understand that Ambrous is a long time friend and client of yours, I wanted to call you personally to discuss the importance of this project.
3. I am sure that you have been tracking the possibilities for the Republican Party in the upcoming mid-term elections in both the House and the Senate. They appear to be better than we ever anticipated. We truly have a chance to take at least a working majority in the House.
4. As you well know from your experience in this job as Chairman, the key is the fund raising. We need to support over 90 races. At the same time, we need to keep working on the policy framework being developed at the NPF. I believe that it is imperative that we do both simultaneously.
5. We would like to propose a loan from Ambrous Young's family to the NPF which will allow us to free up the money previously advanced to the NPF and make it available for the elections. Pledges are coming in steadily but not in the amounts or in the time necessary to accomplish the goals we have set and which would appear to be truly attainable.
6. Dick, I understand that Ambrous is considering my invitation to come to Washington, D.C. next week on August 1 for a meeting and dinner. I have planned to introduce him to Bob Dole and Newt Gingrich and maybe Connie Mack so that Ambrous can understand how serious we are about this and to assure him how much we will appreciate his support.
7. I would really appreciate your support of my effort in this regard and hope that you could join us for the meeting. I understand that you are anticipating going to the Far East on business, but I hope that I can prevail upon you to come here first and join me in putting this together.
8. Your leadership in this party has always meant a lot to me and your support of my election as Chairman has not been forgotten. I know you love it in Ogden, and you have said for years that you wanted to go back to Utah to retire, but I hope that you won't stay away from your role as a major player in our national efforts here at the RNC. Please consider coming to Washington, D.C. for this meeting and letting me bring you up to date on how close we are to realizing a major success in the Congress.

*Frederick W. Volcansek*

Monday, August 29, 1994

To: Don Fierce  
Dan Denning

1. The idea of a separate personal letter to Ambrous from Haley is to include the following:

a. It would incorporate Haley's offer to have Ambrous contribute an article to "Common Sense" for the March '95 issue.

b. It would remind Ambrous that Haley would like for Ambrous to attend the Political Leaders Conference in Seoul, Korea in September '95.

c. It would suggest that Haley would like to look to Ambrous as a key advisor on trade related and political issues in the Far East.

d. Mention the Team 100 trip to the Far East and offer to have him participate in a meaningful way. Maybe some specifics.

e. Mention Haley's desire to meet Steve Young personally when he comes for the Team 100 meeting in September.

2. A white paper would be drafted by Benton Becker which would lay out the concepts for the issues which we discussed Saturday evening.

a. A task force on Far East issues which combines Trade, Defense, Economic and Political issues under one study group within the National Policy Forum.

b. Asking Ambrous Young and his family to be actively involved. Some explanation.

c. Asking Dick Richards to be actively involved. Some explanation.

d. A discussion of the loan guarantee for the National Policy Forum, and the critical timing of its funding.

e. Describing the political picture as it appears for the November elections.

f. Emphasize the need to move both policy and political issues on separate but simultaneous paths.

8000 Towers Crescent Drive, Suite 1350 Vienna, Virginia 22182  
Telephone 703-760-7847 Fax 703-757-7471

FWV 000016





**Republican  
National  
Committee**

**Haley Barbour  
Chairman**

**August 30, 1994**

**Mr. Benton Becker  
Kendar Building  
Suite 215  
1550 Madruga Avenue  
Coral Gables, Florida 33146**

**Dear Benton:**

**It is my understanding one of your clients — a domestic corporation — is considering guaranteeing a \$3.5 million bank loan to the National Policy Forum (NPF).**

**As you know the Republican National Committee has loaned NPF over \$2 million since last summer. Currently, NPF has just under \$2 million in pledges and renewals, primarily due later this year and in 1995, as compared to a balance outstanding to the RNC of approximately \$2.1 million. RNC has never asked NPF to secure its loan by giving the receivables as collateral, but I am certain NPF would gladly pledge them to the lender and/or guarantor.**

**Because NPF is separate from the Republican National Committee, the RNC is not automatically responsible for its debts. Nevertheless, I am committed to making sure NPF raises sufficient funds to cover its operations and to pay off any and all its debts. Moreover, as Chairman of the RNC, in the event NPF defaults on any debt, I will ask the Republican National Committee to authorize me to guarantee and pay off any NPF debts. I am confident the RNC would grant me such authority at its next meeting, provided there is a valid, outstanding debt of NPF to a U.S. bank or other lending institution, guaranteed by a U.S. citizen or domestic corporation.**

**FWV 000017**

Mr. Benton Becker

Page 2

August 30, 1994

The full Republican National Committee supports the work of the National Policy Forum and recognizes its great value to our country and our party's future.

Sincerely,



Haley Barbour  
Chairman

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# YOUNG BROTHERS DEVELOPMENT CO., LTD.

**FAXED**  
6/9/94

23rd Floor, Dea Sing Financial Centre  
108 Gloucester Road  
Hong Kong

Telephone 852-598-6632  
Facsimile 852-598-3109  
852-598-0575  
Telex 83516 YBDEL HK

September 6, 1994

Benton L Becker  
Benton Becker Law Offices  
The Kendar Building  
1550 Madruga Avenue  
Suite 329  
Coral Gables, Florida 33146  
USA

**COPY**

Dear Benton :

**RE: RNC ISSUE**

Discussed the above issue with my father, who is currently in Beijing. This is our position at this time :

- 1.0 There is still one element that is preventing YBD from making a definitive commitment. This element is presently being pursued actively and we expect to have an answer within 10 days time.
- 2.0 In the event that YBD does commit to the RNC issue, YBD will most likely participate in the urgent funding requirement, ie the 2.1 amount.
- 3.0 How to proceed with the technical issues is a concern for YBD at this time, we would thus appreciate your comments and suggestions on how this is resolved. Should YBD (HK) or YBD (USA) be the guarantor ?
- 4.0 Lastly, how can YBD benefit from such an exercise with the RNC ? Should YBD pursue specific positions in the Republican National Forum ? How can we be sure the Party will respond favorably to us after assisting them in their time of need ?

I am off to Beijing tomorrow, but will be back by Thursday afternoon (my time). I am then off to Washington on the 10th to attend the Team 100 National Meeting on the 13th. Am scheduled to meet privately with Haley on this trip. Any comments you may have before then would be greatly appreciated.

With warmest regards,



Steve Young

FWV 000019

00 "04" 395 "17" 12

# YOUNG BROTHERS DEVELOPMENT CO., LTD.

23rd Floor, Dah Sing Financial Centre  
108 Gloucester Road  
Hong Kong

Telephone 852-598-4492  
Facsimile 852-598-5109  
852-598-0575  
Telex 83514 YBDCI HK

September 8, 1994

Richard Richards  
Richard Richards Law Office  
2605 Washington Blvd., Ste 300  
Ogden, Utah 84401  
USA  
Fax No : 801-3999954

Dear Dick :

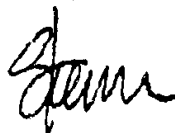
Please be advised that I will be arriving Washington DC on the 12th of September. I am scheduled to depart late afternoon on the 14th. I am booked at the Four Seasons Hotel.

Tentatively, I have a meeting set with Haley Barbour at 5:30 p.m. on the 13th at his office.

We are actively pursuing the RNC issue and it appears that we should be able to make a decision within the next couple of days. I sent Benton a fax the other day identifying our concerns and I enclose a copy for your reference.

I look forward to seeing you next week.

Best regards,



Steve Young

FWV 000020

PRC TAIWAN SINGAPORE HONG KONG AUSTRALIA UNITED STATES

OPERATIONS THROUGHOUT THE ASIA PACIFIC REGION

**SHEA & GARDNER**  
1800 MASSACHUSETTS AVENUE, N.W.  
WASHINGTON, D.C. 20036

FRANCIS M. SHEA (1908-1989)

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ROBERT T. BASSEKES  
BENJAMIN W. BOLEY  
RALPH J. MOORE, JR.  
MARTIN J. FLYNN  
STEPHEN J. POLLAK  
DAVID BOOTH GILLES  
ANTHONY A. LAFRAM  
RICHARD M. SHARP  
JOHN D. ALDOCK  
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JAMES R. BIEKE  
I. MICHAEL GREENBERGER  
R. JAMES WOOLSEY  
FREDERICK C. SCHAFFICK

OF COUNSEL  
WILLIAM H. DEMPSKY  
BARBARA L. KIRSCHEN

DAVID B. COOK

STEPHEN J. MADLEY  
WILLIAM R. GALEOTA  
PATRICK M. HANLON  
TIMOTHY K. SHUBA  
JAMES R. BIRD  
MICHAEL S. DIANNOTTO  
JEFFREY C. MARTIN  
WILLIAM R. HANLON  
ELIZABETH RUMYAN GEISE  
COLLETTE C. GOODMAN  
JULIE M. EDMOND  
LAURA S. WERTHEIMER  
RICHARD M. WYNER  
THOMAS J. KIRKULA  
EUGENIA LANGMAN  
NANCY S. STONE  
CHRISTOPHER E. PALMER  
MARK S. RAFFMAN

(202) 828-2000  
TELECOPIER: (202) 828-2185

September 11, 1996

ERIC C. JEFFREY  
ROBERT B. WASSERMAN  
BERNICE M. BLAIR  
ANNE R. BOWDEN  
LISA A. LANDSMAN  
CYNTHIA GUARNEE PUOM  
DANA J. MARTIN  
J. BRADFORD WIEGMANN  
LLOYD D. COLLIER  
VALERIE E. ROSS  
MICHAEL K. ISCHMAN  
MARTHA WESSCHFIELD  
AMY HORTON  
DAVID J. KATZ  
CELESTINE R. MCCONVILLE

KIM E. DEYTELBAUGH  
SUSAN L. PACHOLSKI  
JAMES R. BRAMSON  
HEATHER M. ANDERSON  
JOLYNN CHILDERS DELLINGER  
CARA K. SINGER  
REENA M. OLIVER  
DAVID ALLEN DRAFF  
JULIE FARR YOUNGMAN  
JODI L. SHORT  
ELIZABETH A. ROBBISCHON  
A. CHRISTOPHER BYRANT  
HOWARD R. RUBIN  
DONALD U. MUNRO

NOT ADMITTED IN D.C.

John R. Bolton  
National Policy Forum  
229 1/2 Pennsylvania Avenue, S.E.  
Washington, D.C. 20003

**BY CERTIFIED MAIL**

Re: October 13, 1994, Credit and Security Agreement between National Policy Forum (the "Borrower") and Signet Bank (the "Bank"), as amended (the "Credit Agreement"), and October 13, 1994 Promissory Note issued by the Borrower to the Bank, as amended (the "Note")

Dear Mr. Bolton:

I am counsel for the Bank in connection with the referenced Note and Credit Agreement evidencing the Bank's loan to the Borrower in the current outstanding principal amount of \$1,336,000.00 (the "Loan"). The Loan is secured by Certificates of Deposit pursuant to Assignments of Deposit (the "Assignments") dated October 13, 1994, from USA Young Brothers Development, Inc. (the "Assignor") to the Bank.

I have been instructed by the Bank to give notice to the Borrower of the occurrence of Events of Default, under and as defined in the Agreement and the Note, including without limitation the following:

- (1) Default, uncured within 60 days, in payment of interest due and payable on June 30, 1996; and
- (2) The Bank has determined that there has occurred a material adverse change in the financial condition of the Borrower that causes the prospect of payment of the Note to be impaired.

FWV 000021

John R. Bolton  
September 11, 1996  
Page 2

The foregoing Events of Default are based upon information available to the Bank at this time, and the listing does not purport to be complete or exclusive.

As a result of the Events of Default stated above and pursuant to the Bank's right under the Agreement to demand immediate payment of all indebtedness under the Note upon the occurrence of any Event of Default, I hereby declare on behalf of the Bank the entire outstanding principal balance under the Agreement and the Note in the amount of \$1,336,000.00, plus accrued and unpaid interest thereon, immediately due and payable, and we demand immediate payment to the Bank. Accrued and unpaid interest as of the date of this letter is in the amount of \$27,985.23.

This letter, by copy thereof to the Assignor, will further provide notice that, if full payment of all indebtedness under the Agreement and the Note is not received by the Bank within 10 days from your receipt of this letter, then the Bank intends to exercise its rights and remedies under the Credit Agreement and the Assignments, including without limitation, its rights to cash in the Certificates of Deposit securing the Loan and assigned by the Assignor to the Bank and to apply the proceeds thereof, including without limitation all accrued interest, against any and all of the Borrower's obligations under the Credit Agreement and the Note. In addition to payment of principal and interest, such obligations may include, without limitation, late fees and attorneys fees as provided in the Credit Agreement.

The Bank reserves all of its rights and remedies under the Credit Agreement, the Assignments, and under all applicable laws, including without limitation the Uniform Commercial Code as enacted in Virginia.

Sincerely,



Timothy K. Shuba  
Counsel for Signet Bank

cc: (By certified Mail) Benton L. Becker, Young Brothers Development, Ltd. (USA)  
Thomas Josefak, Republican National Committee  
John Bredin, Signet Bank

FWV 000022

# YOUNG BROTHERS DEVELOPMENT CO., LTD.

23rd Floor, Dah Sing Financial Centre  
108 Gloucester Road  
Hong Kong

Telephone 852-598-6632  
Facsimile 852-598-5109  
852-598-0575  
Telex 83516 YBDCL HX

OUR REF: FAX/6555/94

September 26, 1994

Mr. Benton Becker  
The Kendar Building  
1550 Madruga Avenue  
Suite 215  
Coral Gables, FL 33146  
U.S.A.  
FAX: 1 305 662 9276

COMPANY  
SENSITIVE

Dear Benton:

## RE: MATTER

Reference is made to your letter of September 23, 1994 and I confirm our concurrence to the explanation and recommendations you have given and made in your letter. Please proceed with the necessary procedure and in turn let us know what we have to act at our end.

For YBD (USA), I would like you to formally structure the board of directors with account signatories to be changed from the existing arrangement to the signatories both from Hong Kong and USA, and furthermore, let me know whether I could be the chairman and CEO of the company including the signatory rights, or it has to be a U.S. citizen. This is not because of the US\$2.1 million guaranteed loan, but is aimed at developing future business for YBD (USA).

Best regards,



Ambrose Young

ATY/aw

C.C. Mr. Richard Richards (with attach.)  
Mr. Steve Richards  
Mr. Lorin Young  
Mr. Steve Young

FWV 000023

0010473951746

10/07/94

17:17

KENDAR EXECUTIVE CENTER

002

LAW OFFICES OF

**BENTON L. BECKER**

**CORAL GABLES, FLORIDA**

THE KENDAR BUILDING  
1500 MACRUGA AVENUE  
SUITE 300  
CORAL GABLES, FLORIDA 33146  
(305) 682-4000

BAR MEMBER OF  
WASHINGTON D.C., MARYLAND AND FLORIDA  
TELEFAX (305) 682-9876

OF COUNSEL  
RICHARD M. HAGER  
TAMPA, FLORIDA

WASHINGTON, D.C.  
RICHARD RICHARDS  
1025 THOMAS JEFFERSON ST. N.W.  
SUITE 105  
WASHINGTON, D.C. 20007  
(202) 342-0810

**CONFIDENTIAL**

MEMO TO: Ambrose Young (copy to Richard Richards)  
FROM: Benton L. Becker, YBD (USA), Inc.  
DATE: October 7, 1994  
RE: Transmittal of National Policy Forum letters  
and records received by YBD (USA), Inc.

For your review I have transmitted the attached recently received letters and records from the National Policy Forum, which, in my view, are consistent with our imposed precommitment conditions.

Subject to your approval, this matter is scheduled to be concluded in D.C. on October 12, 1994. I shall telephone you tonight to discuss.

*The Hall to you letter will be sent  
directly to you this weekend.*

STAT 505 40 00



NATIONAL POLICY FORUM ID:

OCT 07'94 16:32 No.009 P.02

# NATIONAL POLICY FORUM

A Republican Center for the Exchange of Ideas

HALEY BARBOUR  
Chairman

October 7, 1994

VIA TELECOPIER AND FEDEX

CONFIDENTIAL

Mr. Ambrous Young, Chairman of the Board  
Young Brothers Development (USA), Inc.  
c/o The Law Offices of Benton L. Becker  
The Kendar Building  
1550 Madruga Avenue  
Coral Gables, FL 33146

Benton L. Becker, Esq., General Counsel/Secretary  
Young Brothers Development (USA), Inc.  
c/o The Law Offices of Benton L. Becker  
The Kendar Building  
1550 Madruga Avenue  
Coral Gables, FL 33146

Re: Request to Serve as Collateral Source for Borrowings

Dear Messrs. Young and Becker:

National Policy Forum, a District of Columbia nonprofit corporation ("NPF"), hereby requests the commitment of Young Brothers Development (USA), Inc., a Florida corporation ("YBD"), to hypothecate \$2,100,000 of its cash or cash equivalent assets to Signet Bank for the purpose of securing NPF's proposed borrowing of \$2,100,000 from Signet Bank pursuant to a three year term loan (the "Loan"). If YBD agrees to make such hypothecation on the terms and conditions set forth below, please sign over your names at the end of this letter and return one fully executed original to the undersigned.

Since its inception NPF has borrowed money from outside sources to finance working capital needs in the principal sum of approximately \$2,500,000 (the "Indebtedness"), some of which Indebtedness is in arrears. In addition, NPF expects that during the last calendar quarter of 1994 it will incur operational expenses in excess of revenues in the approximate amount of \$350,000 (the "Anticipated Losses"). NPF has explored several options with respect to refinancing the Indebtedness and financing the Anticipated Losses, including, among other things, borrowing money from a commercial lender. NPF has learned, however, that it would be required to pledge, as collateral security for such a loan, assets having a value at least

FWV 000025

00104 395 1719

NATIONAL POLICY FORUM ID:

OCT 07'94 16:32 No.009 P.03

Mr. Ambrous Young, Chairman of the Board  
October 7, 1994  
Page 2

equivalent to the loan amount. NPF is not in a position to meet such collateral security requirements.

In order to induce YBD to provide the collateral security necessary to support the Loan, NPF hereby represents, warrants and covenants to YBD as follows:

1. As of the date of this letter, NPF has received, but has not yet collected, pledge commitments from third parties totalling approximately \$1,100,000 (the "Current Pledges"). The Current Pledges are anticipated to be collected through December 1995 as set forth on the "Pledged Revenue" line of the projections (as of October 5, 1994) that were previously provided to you.

2. NPF projects that it will receive approximately \$250,000 of additional pledge revenues (the "Prospecting Revenues") each month commencing in December 1994 and continuing through December 1995. NPF cannot assure that such levels will be achieved, but it will make best efforts to achieve such results. In this regard, NPF has experienced the fund raising results described on Exhibit A to this letter. Furthermore, NPF's collection rate on pledges deemed by NPF to be firm commitments has been 100%.

3. NPF agrees that, on a monthly basis, it shall apply all Current Pledges and Prospecting Revenues collected during such monthly period, net of operating expenses (including allocating reserves for regular Loan payments and the making of such payments), to the repayment of the then outstanding principal amount of the Loan. NPF further agrees to make best efforts to repay the Loan in full within eight months of the closing thereof.

In addition to the foregoing, NPF understands and agrees that it shall be a condition precedent to YBD providing the collateral for the Loan that all documentation with respect to the Loan that is germane to YBD's involvement therein shall be acceptable to YBD in its reasonable discretion. Such documentation shall permit NPF to substitute collateral and shall permit the partial release of YBD's collateral as and to the extent that the principal balance of the Loan is reduced.

If YBD is in agreement with the terms of this letter, please so indicate as described above. NPF appreciates the support of

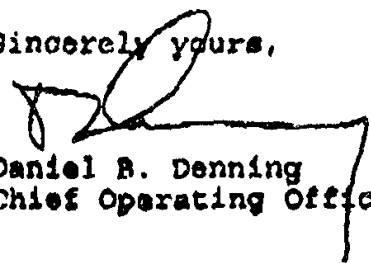
NATIONAL POLICY FORUM ID:

OCT 07'94 16:33 No.009 P.O.

Mr. Ambrous Young, Chairman of the Board  
October 7, 1994  
Page 3

YBD, and looks forward to another year of progress on the policy matters in which we are involved.

Sincerely yours,

  
Daniel B. Denning  
Chief Operating Officer

AGREED TO AND ACCEPTED BY:

Young Brothers Development (USA), Inc.

By: \_\_\_\_\_

Ambrous Young  
Chairman of the Board



# National Policy Forum

229 1/2 Pennsylvania Avenue, S.E., Washington, D.C. 20003

*A Republican Center for the Exchange of Ideas*

Haley Barbour  
Chairman

John R. Bolton  
President

July 31, 1995

Mr. Steve R. Richards  
Vice President  
Commerce Consultants International, LTD  
1025 Thomas Jefferson Street, NW  
Suite 105  
Washington, DC 20007

Dear Steve:

Attached is a copy of Signet's Assignment of Deposit for our note due July 31, 1995. We have made the payment, and Signet has released the CD. Linwood White from Signet will be sending you a confirmation within a few days.

If you have any questions or concerns please do not hesitate to call me.

Sincerely,

Steven S. Walker, Jr.  
Comptroller

attachment

cc: Fred Volkansek

Fred -  
No one from Young Brothers  
was present for the big payment.  
Please keep me posted about  
Hong Kong.  
Stu

## AMBROUS YOUNG

7th Floor, Harcourt House  
39 Gloucester Road  
Wanchai  
HONG KONG

TEL: (852) 2598 6695 (direct)  
TEL: (852) 2598 6632 (general)  
FAX: (852) 2598 0575/ 2598 5109

OUR REF: FAX/438/96

June 28, 1996

Honourable Maley Barbour  
FAX: 1 202 863 8774

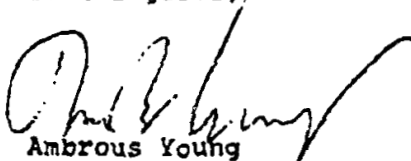
Dear Maley:

Mr. Richard Richards and Mr. Benton Becker reported to me that you are unwilling to make the payment according to the Loan Agreement of October 7, 1994 for which I am indeed concerned.

It is true that you have expressed to me the difficulties for the Forum to repay the loan to us, and it is also true I have stated to you that the agreed loan should be cleared for various reasons. If you do need additional funding, we shall try to look into the possibility of raising the money. However, these two issues must remain separate. As you know, I have tried my best but unfortunately there is not yet any success up to now.

My sincerity and loyalty to the Republicans is unchallengeable. I am writing to you to confirm that I shall devote my best for seeking sources to raise money for the Party. However, for the benefit of all parties concerned, I request you sincerely to instruct your people to continue to repay the loan in accordance with the Agreement.

Best regards,



Ambrous Young

ATY/aw

\*\* TOTAL PAGE.02 \*\*

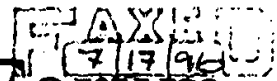
FWV 000029

2021-363-40-00



# National Policy Forum

229 1/2 Pennsylvania Avenue, S.E., Washington, D.C. 20003



*A Republican Center for the Exchange of Ideas*

Haley Barbour  
Chairman

John R. Bolton  
President

July 12, 1996

Mr. Richard Richards  
Attorney at Law  
Law Offices of Richard Richards  
1025 Thomas Jefferson Street, N.W.  
Suite 410 East  
Washington, D.C. 20007

Dear Dick:

As you may know, Haley recently received a letter from Ambrous about the Signet loan question. I'd appreciate the opportunity to speak with you about this, at your earliest convenience.

Sincerely,

John R. Bolton

Fax 202 544-0296

Phone 202 544-2900

*Contributions to the National Policy Forum are not deductible as charitable contributions for federal income tax purposes*

FWV 000030

00.04.395.1723



Republican  
National  
Committee

David A. Norcross  
General Counsel

July 29, 1996

Benton L. Becker, Esq.  
The Kendar Building  
1550 Madruga Avenue  
Suite 329  
Coral Gables, FL 33146

Re: National Policy Forum

Dear Benton

Thank you for your letter of July 15, 1996. It is our intention to suggest to John Bolton, Executive Director of NPF, that he submit the matter to the Budget Committee at the San Diego meeting for consideration of the authorization suggested in your letter.

Yours very truly,

David A. Norcross

LAW OFFICES OF

**BENTON L. BECKER**

**CORAL GABLES, FLORIDA**

OF COUNSEL  
RICHARD M. HAGER  
TALLAHASSEE, FLORIDA

THE KENDALL BUILDING  
410 MADISON AVENUE  
SUITE 300  
CORAL GABLES, FLORIDA 33134  
TEL: 862 4099

BAR MEMBER OF  
AMERICAN BAR ASSOCIATION  
FLORIDA BAR ASSOCIATION  
JULY 1962

WASHINGTON, D.C.  
RICHARD RICHARDS  
405 THOMAS JEFFERSON ST. N.W.  
SUITE 102  
WASHINGTON, D.C. 20007  
(202) 342 8810

MEMO TO: **Andrews P. Young**  
FROM: **Benton L. Becker**  
RE: **Signet Bank National Policy Forum Loan Guarantee**  
DATE: **August 1, 1996**

The enclosed responsive correspondence from David Horrocks, RNC General Counsel, was received today advising that National Policy Forum (NPF) Executive Director John Bolton will be directed to submit the matter of YBD (USA)'s outstanding loan guarantee of the NPF Signet Bank's loan to the Budget Committee of the Republican National Committee in San Diego. In my letter of July 15, 1996 to Mr. Horrocks (referenced in attached), I urged the RNC (and in particular HB) to do what had been promised in an HB correspondence to me one year ago; to wit, that should the NPF default in its payments to Signet, the RNC would obtain Budget Committee authorization to guarantee the NPF loan, and thereby release YBD (USA) from its loan guarantee obligation.

It is my understanding that Dick will attend the San Diego convention. He is, of course, quite familiar with this controversy. I have asked him to monitor the San Diego Budget Committee proceeding as it pertains to this matter.

cc: **Richard Richards**  
**Steve Richards**

FWV 000032



**CONFIDENTIAL**  
**ATTORNEY/CLIENT PRIVILEGED INFORMATION**

**FILED**  
**8-5-96**

DRAFT

Haley Barbour  
Chairman  
Republican National Committee

RE: YOUNG BROTHERS DEVELOPMENT CO. (USA) & NPF

Dear Haley:

I am writing you because I have not been able to satisfactorily resolve the serious issue of Young Brother Development Co. (USA), Inc. collateral securing a Signet Bank loan to the National Policy Forum. This issue is critical to our mutual interests and must be resolved as soon as possible. The lack of any response or action by yourself, John Bolton or any other official of the RNC or NPF leads me to believe that the only resolution for my client is to seek judicial review.

Mr. Ambrous Young sent you a letter dated June 28, 1996 that clearly indicated the position of YBD in this matter, that is that the loan is expected to be paid on time. I received a letter dated July 12, 1996 from John Bolton that indicated that you had ask John to contact me to discuss this issue. I have attempted to contact John for more than three weeks and have yet to receive an response.

I would like to discuss this issue with you directly by phone or in person (San Diego) so that we can amicably resolve the contention that now exists. I have spoken to Mr. Young in the last couple of days wherein he indicates that his family will not attend the convention because they are embarrassed over this unresolved issue, nevertheless he expressly stated that his commitment to the Party is firm and his willingness to assist in any way possible is unquestioned, as long as this issue of the collateral can be resolved first.

I look forward to hearing from you. I can be reached at 801-399-9910 or fax at 801-399-9954. You can also contact my Washington office at 202-342-9610 or fax 202-342-0650.

Best regards,

Richard Richards

FWV 000033

LAW OFFICES OF

**BENTON L. BECKER**

**CORAL GABLES, FLORIDA**

OF COUNSEL  
RICHARD M. HABER  
TAMPA, FLORIDA

THE KENDAM BUILDING  
1550 MADRUGA AVENUE  
SUITE 320  
CORAL GABLES, FLORIDA 33146  
(305) 662-4029

—  
BAR MEMBER OF  
WASHINGTON, D.C., MARYLAND AND FLORIDA

TELEFAX: (305) 662-9276

WASHINGTON, D.C.  
RICHARD RICHARDS  
1023 THOMAS JEFFERSON ST. N.W.  
SUITE 105  
WASHINGTON, D.C. 20007  
(202) 342-8610

**PERSONAL AND CONFIDENTIAL**

MEMO TO: Ambrous T. Young  
FROM: Benton L. Becker  
RE: Status Report: Diamond case and NPF Loan Guarantee  
DATE: September 4, 1996

**Status of the NPF Loan Guarantee Matter**

As you know, Dick is in Australia for the next ten days. I have a scheduled telephone conference with RNC General Counsel David Norcross in the late afternoon of this date, presumably responding to me letter of last week. I shall telephone you in Hong Kong tonight to discuss today's developments.

I am in receipt of your accurate statement of the outstanding loan amount on the NPF/Signet Bank loan. You may be assured that, when and if, the parties negotiate in good faith and in earnest, the precise sum then owing will be addressed.

I am in receipt of your fax of September 3, 1996 to HB containing a clever idea for use in this season's election. Should HB contact you regarding this correspondence, I urge you to raise the NPF issue.

cc: Richard Richards  
Steve Richards

FWV 000034

SEP 04 '96 13:45

202 342 0650

PAGE.07

202 342 0650

COMMERCE CONSULTANTS INTERNATIONAL, LTD.  
1025 Thomas Jefferson St., N.W.  
Suite 105  
Washington, D.C. 20007  
Telephone: (202) 342-9610  
FAX (202) 342-0650

October 4, 1996

FACSIMILE TRANSMISSION

TO THE ATTENTION OF: Fred Volcansek  
RECIPIENT'S FAX #: (713) 546-2594  
FROM: Steve Richards  
PAGES TO FOLLOW: 9  
MESSAGE: Was unable to find Dick's original letter to Haley, although  
the attached draft is true to what was sent.

PLEASE REPORT ANY DIFFICULTY WITH THIS TRANSMISSION TO 202-342-9610.

FWV 000035

CONFIDENTIAL

305-662-9276

COPY

\* use

Mr. Young's thought

September 16, 1996

\* put on

letter head

The Honorable Mailey Barbour  
Chairman  
Republican National Committee  
310 First Street, S.E.  
Washington, DC 20003

Dear Mr. Chairman:

Congratulations on a successful convention. I was there but did not make it a point to see you because I know you are under a great deal of pressure during the convention time. I have attempted to contact John Bolton on several occasions but we were never able to communicate.

I have recently heard from Mr. Young in Hong Kong and needless to say, he is somewhat distressed about the non-payment by the Forum. He has advised us that you have stated you were led by me to believe that payment was not necessary. The bank has subsequently given us notice that they are now going to claim the entire debt in default and utilize our security to pay it in full.

The following is my understanding of exactly what has transpired in this whole transaction:

Just prior to the elections of 1994, I was asked by Fred Volcansek to help facilitate a loan in excess of \$2 million to assist you in replacing hard money at the Forum with soft money so that the hard dollars could be used to help pick up 60 targeted House seats.

As a result of Fred's request, I contacted ~~Mr.~~ Ambrous Young and asked him if he was interested in that kind of assistance for the Party. You and I then had several discussions concerning a loan guarantee by Mr. Young.

Funds were transferred from Hong Kong to Young Brothers USA, a Florida corporation of which I am the President. Shortly after the loan was made, you journeyed to Hong Kong and approached ~~Mr. Young~~ <sup>Ambrose</sup> for the first time about the question of forgiveness of the loan. Ambrose called me and told me of the discussion and

FWV 000036

202 342 0650

PAGE.02

6271 "56E" 40 00

informed me that he wanted to be as helpful to you as he could and he would take the request of forgiveness under advisement.

~~Mr. Young~~ <sup>Ambrose</sup> began discussions with you about a trip to China. One was scheduled, then cancelled, and a second trip scheduled in which you, ~~Mr. Young~~ and I were all to go to China for the purpose of seeing if we could facilitate some business in China that Mr. Young had in mind. It was during those discussions that the question of forgiveness became seriously considered and Mr. Young said to both you and me, and you and I discussed also the possibility of forgiveness if Mr. Young could get some business opportunities that would justify forgiveness of such a large indebtedness. Forgiveness was always contingent upon Ambrose getting something in return that would justify this kind of a generous gift.

As the payments became due, you then requested forgiveness of individual payments, the first of which Mr. Young refused, but agreed to skip the payment, pay the interest, and put the payment on the back side of the loan, which he did.

As further discussions ensued, you and I spoke again at least a couple of times in which I advised you that Mr. Young still wanted to work something out with you that could result in forgiveness, but he had to have some economically sound reason for doing so; therefore, the quarterly payments should be made. That did not negate the forgiveness of the loan if things could still be worked out.

During our last personal discussion, I advised you that Mr. Young could not forgive the loan for two reasons. First, he did not want to give up a couple million dollars, and second, he was afraid of adverse publicity for himself, his American company and the Forum. During those discussions you made the statement to me in words to the effect, "I will not spend hard dollars to pay off this loan." I responded with words to the effect, "We cannot forgive it, therefore, if you are not going to pay it, you'll simply have to default. We would be better off with you defaulting than us forgiving." I did not say, because I did not have authority to say, "Go ahead and default and we will do nothing." In essence that would be our way of forgiving the loan. I think I did say I doubted Mr. Young would sue you in the event of default, but Mr. Young did not say that and did not give me authorization to say we wouldn't sue and therefore, go ahead and default and we'll simply walk away.

There cannot be any dispute that this was a loan. Mr. Young made it in good faith to assist you in capturing some targeted Congressional seats. You promised in writing to repay the Note and that if necessary, you would go before the Budget Committee and ask for authorization to borrow money to do so.

There is no question that it was the intent of Mr. Young to forgive all or part of the Note if he could make economic sense

of having done so, but he would have to be the judge of that. I could not; neither could you. In our last discussions, Mr. Young was still trying to make some economic sense out of your trip so that he could be generous with you. Mr. Young has been generous with the Republican Party for several years and would like to continue to do so. He does not want to have unpleasantness between himself and you, as Chairman, and/or the Republican National Committee, but he simply cannot justify writing off a couple million dollars at this stage.

As a result, he has referred this matter back to Mr. Denton Becker, who has acted as his Counsel throughout in the preparation of the agreement, the Promissory Note, etc. I believe it would be most unfortunate if this matter results in bitterness between Mr. Young and you or the Party, and particularly if there is litigation involved which would obviously be embarrassing to everyone concerned.

I would suggest that something be done by the Forum immediately to avoid taking all of Mr. Young's security at this stage.

I don't know what more can be said. I think I have honestly and accurately stated the situation, but in the final analysis, although there were numerous discussions and it was the intent of Mr. Young to be forgiving of all or part of the obligation. The conditions upon which his forgiveness were based have not come to pass and therefore, he cannot justify this kind of generosity, particularly, when the monies are not his, but corporate monies and he will personally be responsible to replace them.

~~If you have any questions or comments, certainly I would be happy to discuss them with you.~~

Best regards,

Please Call me, I believe we  
can still resolve this matter without  
animosity — it can be a win  
for both sides

BK

1

LAW OFFICES OF

**BENTON L. BECKER**

**CORAL GABLES, FLORIDA**

OF COUNSEL  
RICHARD M. HABER  
TAMPA, FLORIDA

THE KENDAR BUILDING  
1550 MADRUGA AVENUE  
SUITE 329  
CORAL GABLES, FLORIDA 33146  
13001 862-4099

BAR MEMBER OF  
WASHINGTON D.C., MARYLAND AND FLORIDA  
TELEFAX 12031 862-2270

WASHINGTON, D.C.  
RICHARD RICHARDS  
1028 THOMAS JEFFERSON ST. N.W.  
SUITE 105  
WASHINGTON, D.C. 20007  
12021 342-0810

August 29, 1996

David Norcross  
1156 15th Street, N.W.  
Suite 550  
Washington, D.C. 20005

Re: National Policy Forum's  
outstanding obligation to Signet Bank

Dear David:

Ambrous Young, Dick Richards and I have been advised that at the behest of RNC Chairman Haley Barbour, John Bolton, Chairman of the National Policy Forum (NPF), appeared before a meeting of the Budget Committee of the RNC and requested Budget Committee's authorization to have the RNC replace Young Brothers Development (USA) (hereafter YBD) as the guarantor of a series of outstanding Signet Bank loans to the National Policy Forum, which loans currently maintain an outstanding principal balance of approximately \$1,250,000.00. If Chairman Barbour's request had been authorized by the Budget Committee, and thereafter approved by the Signet Bank, YBD would have been released from its guarantor position on the outstanding NPF/Signet Bank loans and concurrently, would have been able to retrieve its (YBD's) gratuitous loan collateral held by the Signet Bank.

To our collective surprise, and disappointment, Misters Young, Richards and I were informed that the RNC Budget Committee "tabled Mr. Bolton's request until after the November 1996 election." (Dick Richards, as you know a former RNC Chairman himself, commented to Mr. Young and me that he could not recall any past instance of a Budget Committee's refusal of a request from an RNC Chairman.)

Since the close of the Republican National Convention, Dick Richards has attempted to make telephone contact with Mr. Bolton on ten separate occasions. Ten times! Each time, he has been told that Mr. Bolton is either not available or "in a meeting". Given such unwarranted rudeness to a former Chairman, this matter has been turned over to me with instructions to take those steps necessary to protect YBD's interest.

FWV 000039

Mr. David Norcross  
August 29, 1996  
Page -2-

Initially, I request confirmation in writing of the RNC's prospective intention to honor, or to decline to honor, its obligation to YBD. Further, I am constrained to request an in-person meeting with Chairman Barbour and you to discuss this matter before September 20, 1996. Should we fail to reach a satisfactory accord by that date, other individuals will be engaged to proceed thereafter.

Sincerely,



Benton L. Becker

BLB:jef

cc: Mr. Ambrous Young  
Mr. Richard Richards  
Mr. Haley Barbour

FWV 000040

SEP 04 '96 13:44

202 342 0650

PAGE.04



# YOUNG BROTHERS DEVELOPMENT CO., LTD.

7th Floor, Hutchins House  
39 Gloucester Road  
Hong Kong

Telephone 852-2598-6632 (General)  
Facsimile 852-2598-0575 (Chairman & CEO)  
852-2598-3109 (Aviation & Bus.Dev.)  
852-2528-3012 (Finance & Adm.)

OUR REF: FAX/638/96

September 17, 1996

Mr. Richard Richards  
Richard Richards Law Office  
2605 Washington Blvd., Ste 300  
Ogden, UT84401  
U.S.A.  
FAX: 1 801 399 9954

Dear Dick:

## LOAN TO THE NATIONAL POLICY FORUM

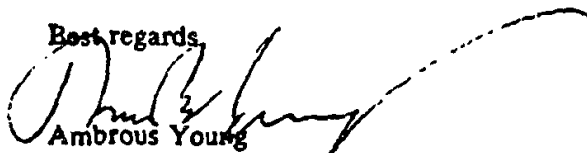
I confirm the receipt of your letter to the Honourable Chairman Haley Barber of which you have stated accurately the history of events and in turn made crystal clear of each individual's position during the period of events. Therefore, I feel that whoever is involved in the decision process of the loan repayment shall no doubt respect the reality with honour.

As you know, I have been a loyal supporter of the Republican Party over the years, and I sincerely hope that my privilege for the continuation of doing so will be allowed without discouragement.

For the above reasons, I request you sincerely as well as Mr. Benton Becker to coordinate or act on our behalf for whatever is necessary and adequate to untangle the existing problem.

As emphasized above, our loyalty to the party as well as to the Honourable Chairman Haley Barbour will remain unchanged.

Best regards,



Ambrous Young  
ATY/aw

c.c. Mr. Benton Becker, FAX: 1 305 662 9276

b.c.c. Mr. Steve Richards, FAX: 1 202 342 0650

TAIWAN

SINGAPORE

HONG KONG

AUSTRALIA

UNITED STATES

OPERATIONS THROUGHOUT THE ASIA PACIFIC REGION

FWV 000041

LAW OFFICES OF

**BENTON L. BECKER****CORAL GABLES, FLORIDA**

OF COUNSEL  
RICHARD M. HABER  
TAMPA, FLORIDA

THE KENDAR BUILDING  
1550 MADRUGA AVENUE  
SUITE 329  
CORAL GABLES, FLORIDA 33146  
(305) 662-4099

BAR MEMBER OF  
WASHINGTON D.C., MARYLAND AND FLORIDA  
TELEFAX (305) 662-0276

WASHINGTON, D.C.  
RICHARD RICHARDS  
1025 THOMAS JEFFERSON ST., N.W.  
SUITE 108  
WASHINGTON, D.C. 20007  
(202) 342-0810

September 19, 1996

David Norcross  
1156 15th Street, N.W.  
Suite 550  
Washington, D.C. 20005

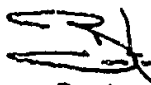
Re: National Policy Forum's  
outstanding obligation to Signet Bank

Dear David:

I trust you have been informed and received a copy of the attached September 11, 1996 correspondence to John R. Bolton from the counsel for the Signet Bank advising of Signet Bank's intent to demand immediate payment of all indebtedness on the National Policy Forum's loan. This action, although fully authorized by the terms of the NPF loan with Signet, will have the inevitable effect of irrevocably depleting the Young Brothers Development collateral held by the bank.

I know Dick Richards has recently written Haley, suggesting an in-person meeting. I hope one will occur...soon. We ought not be powerless to amicably resolve this dispute.

Sincerely,



Benton L. Becker

BLB:jef  
Enclosure

cc: Mr. Ambrous Young  
Mr. Richard Richards

FWV 000042

OCT 07 '96 13:36

202 342 0650

PAGE.02

DRAFT

Mr. Ambrous T. Young  
Young Brothers Development Co., Ltd.  
Hong Kong

Re: A Grateful Chairman Recognizes  
Ambrous T. Young, a Loyal Republican

Dear Ambrous:

It has been some time since we sat down to discuss your importance to the Grand Old Party in the 1994 elections. Your most courteous acceptance of the call to duty, which was not answered by many others, was a key element in securing the historical results of that election. You may subscribe a note of personal pride in the work and monumental accomplishments of the Republican controlled 90<sup>th</sup> Congress. A Congress fiscally and morally responsive to the people of this nation. A Congress that might not have been but for your assistance.

It is now two years later and the party is facing new challenges in this presidential election year. The resources for this election cycle are three times those required two years ago. Not only are we fighting for the White House, but we face the challenge of retaining control of both houses of Congress. Once again, you have answered the call to duty in a manner few would be willing to accept. On behalf of the Republican National Committee and for myself, I express our deepest thanks and gratitude for your

FWV 000043

OCT 31 '96 13:00

202 342 0650

PAGE.03

unfailing patience, dedication and devotion to the Republican Party. Your understanding and willingness to assist the Republican Party under both adverse and favorable circumstances will not be forgotten.

(Dick Richards and I have had our differences, and getting to the point of agreement has been challenging and caused a certain amount of long suffering on both parties. He and I both know and understand how important your support is to our party, and I appreciate Dick's experience as a former Chairman of the party and as president of YBD (USA), Inc. in making this possible.) (suggest delete)

In recognition for what is a significant demonstration of commitment and devotion to the party, I would like to ask Steve Young, representing you and your family, to accept a position of Advisor to the Chairman for International Commerce, within the RNC. If our schedules allow, I would like to meet with you and Steve at a time convenient for all to discuss Steve's important role now and in the future with the RNC in this position.

Warmest personal regards,

HB

FWV 000044

FAXED

FACSIMILE TRANSMISSION

TO THE ATTENTION OF: Fred Volcansek  
RECIPIENTS FAX #: 713/546-2594  
FROM: Steve Richards  
DATE: October 30, 1996  
PAGES TO FOLLOW: 4  
MESSAGE:

Fred:

Based on my conversation with AY, I believe there should be a couple of additional thoughts (one sentence on each thought would do) to make the letter the most it can be in the eyes of AY.

- 1 One of AY's complaints is "Where does the money go?" An example sentence would be "I want you to know that your generosity is critical to the operation of the RNC and goes to supporting our goal of building the GOP at the grassroots." There are obviously several issues where we need to tread lightly (e.g. hard verses soft dollars and the idea of support of Dole verses grassroots).
- 2 I think there needs to be some kind of gift (symbolic or otherwise) that addresses AY's eternal complaint that he got nothing out of it. In my opinion, the best item would be a picture of AY with a top dog. AY still has the photos from his last visit all over his office.

Give me your thoughts.

FWV 000045