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THE NEW YORK STATE DEMOCRATIC COMMITTEE  
THE NEW YORK STATE DEMOCRATIC COMMITTEE

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COMMISSION  
MAIL ROOM  
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JOHN T. HARRIS  
State Chair

JOHN T. SULLIVAN, JR.  
Executive Chair

July 15, 1996

Donald L. Averett  
Senior Reports Analyst  
Reports Analysis Division  
Federal Election Commission  
Washington, D.C. 20463

Re: Debt Settlement Plan Pursuant to CFR §116.9

Dear Mr. Averett:

Pursuant to CFR §116.9, the New York Democratic Committee (the "Committee") hereby submits the following Debt Settlement Plan requesting Federal Election Commission approval for the liquidation and settlement of the following debts of the Committee:

1. Conotabs Network - last known address: 720 North Post Oak road, Houston, TX. 77024; amount - \$53,678.42. This debt was incurred in the 1994 New York Gubernatorial campaign. Upon information and belief, this vendor is no longer in business.
2. Mead Data Central - last known address: 9443 Springboro Pike, Dayton, OH. 45401; amount \$80,607.26. This billing was incurred in the 1994 New York Gubernatorial campaign. During 1995 and early 1996, good-faith efforts were made to settle this matter with the vendor for the sum of \$18,950.08. Much of the billing occurred during the primary period, where state law prohibits such an expenditure, and further irregularities in the billing reflect excessive and unconscionable charges. Annexed is a February 2, 1996 letter on behalf of the Committee, which clarifies our position. The Committee has received no response to



Donald L. Averett  
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the aforesaid letter.

Sincerely,



William S. Greenawalt  
Acting Treasurer

Enclosure

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Extension 236

February 2, 1996

By TelefaxA. M. Barille  
Diversified Credit Service, Inc.  
Box 21726  
Cleveland, Ohio 44121Re: Lexis/Nexis (Mead Corp.) with New York State  
Democratic Committee  
Acct. No. 394-55030

Dear Mr. Barille:

In furtherance of our conversations regarding the above-referenced matter, we have enclosed a schedule setting forth the payments for which our client, the New York State Democratic Committee, is willing to take responsibility. The basis for this proposal follows:

As discussed in our prior letter to you, dated December 29, 1995, New York State law prohibits a statewide political party or committee from directly or indirectly supporting an individual candidate until that candidate becomes the candidate of the entire party. In 1994, the State Primary was September 9, 1994. Prior to that date, the State Committee has taken the position that it cannot make payments for funds expended and that your agency should look to the individual candidates' campaign funds for payment.

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With respect to charges after September 9, 1994, the enclosed chart sets forth payments that the Committee is willing to make to your client. These payments are based upon the State Committee's view that Lexis/Nexis supplied the Committee with access to this service without proper training and instruction, thus allowing untrained users to accumulate lengthy time searches. In fact, some of the time charges are so excessive in length that they indicate a clear lack of knowledge of the high cost of this service. Based upon this lack of care in providing this service, the State Committee has reduced the excessively long searches (greater than five (5) minutes), to a 5 minute charge, allowed all searches less than 5 minutes and recalculated all of the statements to reflect these changes.

Moreover, given that your client offers its services for \$500 per month for unlimited usage, it is indeed difficult to understand how your client can expect this organization, which was not given training, to pay the types of fees that it has assessed.

Again, our client is willing to make payment as set forth in the proposed schedule as explained above and to provide any assistance that it can to seek collection of the pre-September 9, 1994 charges. Please let us know if this is acceptable.

Very truly yours,



P. Edward Reals

PER:JML/ds

