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DANIEL H. BOOKIN
GEORGE A. RILEY
FARELLA, BRAUN & MARTEL
235 Montgomery Street, 30th Floor
San Francisco, California 94104
Telephone: (415) 954-4400

Attorneys for Plaintiff
MARGARET M. P. BEYNEN

ORIGINAL
FILED
OCT 10 1986
WILLIAM L. WHITTAKER
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
086 5820

DLJ

MARGARET M. P. BEYNEN,)
) Case No. _____
)
) Plaintiff,) CIVIL ACTION
)
) vs.) DECLARATION OF MARGARET
) M. P. BEYNEN
)
) LYNDON H. LaROUCHE, JR., CAUCUS)
) DISTRIBUTORS, INC., PREVENT AIDS)
) NOW INITIATIVE COMMITTEE, FUSION)
) ENERGY FOUNDATION, CAMPAIGNER)
) PUBLICATIONS, INC. d/b/a EXECUTIVE)
) INTELLIGENCE REVIEW, J. PHILIP)
) RUBINSTEIN, MICHAEL BILLINGTON,)
) KHUSHRO GHANDHI, and THEODORE J.)
) ANDROMIDAS,)
)
) Defendants.)

I, Margaret M. P. Beyen, declare:

1. I am an 83-year-old widow residing in Berkeley, California.
2. On or about December 6, 1985, I was contacted by telephone by Renee Sigerson, an employee and/or agent of defendant Caucus Distributors Inc. ("CAUCUS"). Sigerson described CAUCUS

DECLARATION OF MARGARET M. P. BEYNEN

1 as a patriotic organization combatting the international
2 marketing of illegal drugs. At that time I was unfamiliar with
3 the activities of defendant Lyndon H. LaRouche Jr. ("LaROUCHE")
4 and his affiliated organizations. I agreed to make a
5 contribution of \$250.00 to defendant Campaigner Publications,
6 Inc. d/b/a Executive Intelligence Review ("EIR"). On December 7,
7 1985, a Federal Express courier dispatched by EIR accepted for
8 delivery to EIR my check for \$250.

9 3. Following my December 7, 1985 contribution, I received
10 several telephone calls from defendant Michael Billington
11 ("BILLINGTON") who identified himself as a representative of
12 CAUCUS calling from Washington, D.C. BILLINGTON requested
13 additional but larger contributions. When I declined to make
14 such contributions, BILLINGTON urged me to make a loan to
15 CAUCUS. BILLINGTON told me that my loans would be used to
16 promote the efforts of LaROUCHE and CAUCUS through the production
17 and distribution of publications by CAUCUS. BILLINGTON
18 represented that the proceeds from those activities would be used
19 to repay my loan. BILLINGTON or another agent or employee of
20 CAUCUS supplied me with a description of CAUCUS's business
21 activities. A true and correct copy of this description is
22 attached hereto as Exhibit A.

23 4. After several telephone calls from BILLINGTON, on
24 December 19, 1985, I agreed to make an eight month loan to CAUCUS
25 in the amount of \$10,000 with quarterly payments of interest.
26 BILLINGTON initially suggested that CAUCUS would pay eight

1 percent interest but eventually agreed to pay ten percent
2 interest. On December 20, 1985 a Federal Express courier
3 dispatched by CAUCUS received my check for \$10,000 for delivery
4 to CAUCUS.

5 5. My loan of December 20, 1985 was acknowledged by George
6 Canning, secretary of CAUCUS, in two letters mailed to me dated
7 January 3, 1986. True and correct copies of these letters are
8 attached hereto as Exhibits B and C. The maturity date of the
9 loan was August 20, 1986. Canning mistakenly stated the interest
10 rate as eight percent; this mistake was later corrected and the
11 interest rate changed to ten percent by BILLINGTON in his hand-
12 written letter of July 23, 1986. A true and correct copy of
13 BILLINGTON's letter is attached hereto as Exhibit D.

14 6. Following the loan of December 20, I continued to
15 receive telephone solicitations from Washington, D.C., from
16 BILLINGTON and other unidentified persons associated with
17 LaROUCHE. By a check dated January 4, 1986, I made a second loan
18 of \$25,000 to CAUCUS. A Federal Express courier dispatched by
19 CAUCUS took the check personally from me on January 4. By a
20 letter mailed to me from Canning dated January 7, CAUCUS
21 acknowledged the \$25,000 loan with interest at ten percent
22 payable quarterly with the principal due on September 4, 1986. A
23 true and correct copy of Canning's letter of January 7 is
24 attached hereto as Exhibit E.

25 7. In response to further telephone calls from BILLINGTON
26 and other representatives of CAUCUS, on January 31, 1986, I made

1 a third loan to CAUCUS in the amount of \$15,000. This loan
2 matured on September 30, 1986 and accrues interest at ten percent
3 payable quarterly. A letter mailed to me from Canning dated
4 February 10, 1986, acknowledges the receipt and terms of this
5 third loan. A true and correct copy of Canning's letter of
6 February 10 is attached hereto as Exhibit F.

7 8. In the week following the third loan, I continued to
8 receive telephone calls from BILLINGTON. By a loan dated
9 February 6, 1986, I loaned \$10,000 to EIR. This loan accrues
10 interest at ten percent payable quarterly and matured on October
11 6, 1986. The loan of February 6, 1986 was acknowledged by a
12 letter mailed to me from EIR dated February 10, 1986. A true and
13 correct copy of this letter is attached hereto as Exhibit G.

14 9. Following my fourth loan, BILLINGTON tried to convince
15 me to convert one or more loans into gifts to defendant
16 organizations. By a letter dated February 20, 1986, Martha
17 Quinde, secretary of EIR, wrote to me implying that I had agreed
18 to forgive the February 6 loan to EIR by making a gift of the
19 loan to FUSION. A true and correct copy of Quinde's letter is
20 attached hereto as Exhibit H. By letter dated April 9, 1986, I
21 refused to convert the loan into a gift. A true and correct copy
22 of my letter is attached hereto as Exhibit I.

23 10. In a letter dated May 20, 1986, addressed "Dear
24 Supporter," J. PHILIP RUBINSTEIN ("RUBINSTEIN"), president of
25
26

1 CAUCUS, requested that I extend or forgive the loans. A true and
2 correct copy of this letter is attached hereto as Exhibit J.

3 11. I was alarmed by RUBINSTEIN's letter of May 20, 1986
4 and newspaper accounts of civil actions against organizations
5 associated with LaROUCHE. I wrote to George Canning, secretary
6 of CAUCUS, on June 21, 1986, demanding payment of the delinquent
7 interest on the four loans. A true and correct copy of my letter
8 of June 21, 1986 is attached hereto as Exhibit K. Canning did
9 not respond to this letter. By a handwritten letter dated July
10 23, 1986, (Exhibit D) BILLINGTON acknowledged the failure of
11 CAUCUS to pay interest as it came due on the four loans to
12 CAUCUS. In this letter, BILLINGTON offered me no assurances that
13 the delinquent interest would be paid or that the principal would
14 be repaid on the maturity dates. He closes his letter with the
15 words, "We are winning the war -- stay with us."

16 12. I have received no payments of interest or principal
17 other than \$450 in partial payment of the first quarter
18 installment interest on the first and fourth loans. All of the
19 loans are now past due. By a letter from my counsel dated August
20 18, 1985 to RUBINSTEIN, I rescinded the transactions and demanded
21 immediate repayment of the principal and interest for all four
22 loans. To date, I have received no reply to this demand. I have
23 been contacted, however, by an unidentified representative of
24 CAUCUS who urged me not to refer this matter to counsel.

25 13. BILLINGTON and other unidentified agents and
26 representatives of EIR, CAUCUS and FUSION employed relentless

1 pressure against me to secure the four loans. Through long and
2 frequent telephone calls, often when I was anxious to return to
3 meals, BILLINGTON probed deeply into my personal life and
4 financial affairs. BILLINGTON and others repeatedly assured me
5 of the success of their organizations, and sought larger gifts or
6 loans. When I ultimately refused to make these contributions or
7 loans, I was rudely abused by BILLINGTON and others who suggested
8 that I was selfish by not investing more money in their
9 organizations. BILLINGTON told me that the U.S. banking system
10 was about to fail and that my money would be safer if invested in
11 LaROUCHE's organizations.

12 14. BILLINGTON and the other agents and representatives of
13 EIR, CAUCUS and FUSION always represented that the loans would be
14 repaid by these organizations and never revealed their intention
15 to default on the loans. BILLINGTON and the other agents and
16 representatives never revealed that their organizations were
17 under investigation by federal or state officials and never told
18 me that money I invested in these organizations would be diverted
19 for other uses.

20 15. As of October 9, 1986, there is due and payable to me
21 the sum of \$63,958 in interest and principal on all four loans.
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I declare under penalty of perjury that the foregoing facts are true and correct and that I could competently testify to them if called upon to do so.

Executed October 9, 1986 at Berkeley, California.

Margaret M. P. Beynen
Margaret M. P. Beynen

CDI

Caucus Distributors, Inc. / P.O. Box 20550/276 W. 60th St./New York, N.Y. 10023

Caucus Distributors, Inc.

Caucus Distributors, Inc., a not-for-profit corporation, was incorporated in 1982 in New York state for the express purpose of making available to the public, literature rooted in the ideas of the world's most controversial political figure, Lyndon Hermyle LaRouche, Jr. We are now a nationwide organization with offices across the country, including New York, New Jersey, and Chicago. CDI is the main distributor of the well-known political newsweekly, the Executive Intelligence Review, also known by its acronym EIR. At present EIR is being received by every Congressional office in Washington.

CDI is a very selective publication distributor. We have focused on making available to the public, publications which emphasize cultural optimism, and which are not afraid to report facts which might be embarrassing to the well-known media establishment. The publications for which we are currently the primary distributors include:

--Executive Intelligence Review: a 72 page political newsweekly which was named on national television in 1984 by Norman Bailey, then Special Assistant to the President for International Economic Affairs, as "one of the best private intelligence services in the world."

Press Run: 15,000

Annual Subscription Price: \$396.

--New Solidarity: an 8 or 12 page semi-weekly newspaper whose motto is: "It was by the press that the morals of this country have been ruined, and it is by the press that they shall be restored." This quotation, taken from one of our founding fathers, Alexander Hamilton, is New Solidarity's motto; it characterizes the news and in-depth historical articles written for this newspaper from news bureaus and correspondants on five continents.

Press Run: 58,000

Annual Subscription Price: \$25.

--FUSION: a 64 page pro-nuclear science magazine written for the layman which has been published since 1977. This publication has also been publishing in-depth articles on the possibility of a laser beam defense system since 1979. This is four years before President Reagan gave his SDI speech on March 23, 1983. It remains one of the last bastions of pro-development, pro-technology science news available.

Press Run: 45,000

Annual Subscription Price: \$20.

EXHIBIT A

--The International Journal of Fusion Energy: a technical journal published quarterly by the Fusion Energy Foundation, whose editorial policy is to promote fundamental advances in science, particularly in certain key controversial areas such as coherent electro-magnetic energy beams. This gives scientists a chance to publish papers in fields which would otherwise be censored by the review process of most journals. The editor-in-chief is Dr. Robert J. Moon, professor emeritus of nuclear physics at the University of Chicago.

Press Run: 5,000 Annual Subscription Price: \$80.

--Campaigner: a 64 page journal of poetry, science, and statecraft. This journal gives its readers a chance to explore the power of ideas throughout history into today's world.

Press Run: 10,000 Annual Subscription Price: \$15.

--We offer the books published by The New Benjamin Franklin House Publishing Company, Inc., a publisher specializing in books of the latest research in history, science, and political analysis. The most famous of its books is Dope, Inc., the explosive expose of the international narco-terrorist circles. A second revised edition of this best-seller (first published in 1978) will be released this year. A Spanish-language version, Narcotrafico, SA, published in 1985, has been a great help to South American drug-fighting governments.

--We also make available more specialized reports published by the EIR staff and the Fusion Energy Foundation. This includes the regular economic forecasts of the EIR, the only forecast available which accurately predicted the downturn of the American economy under the reign of Paul Volcker at the Federal Reserve.

Q'ly Rpt Press Run: 5,000 Annual Subscription Price: \$1000.

A section of technology-proud patriots has responded with generous support to the ideas of these publications. From the survey above, you can see that we emphasize making available facts, ideas, and analyses which are otherwise unavailable to the American people from the news and print media. Over the last four years we have been doubling our income annually. This year alone our gross revenues have totaled \$8.5 million. CDI intends to use these resources to continue and expand this growth rate in the coming fiscal year.

CDI

Caucus Distributors, Inc. P.O. Box 1234, Leesburg, VA 22075

1/3/86

Margaret M. P. Beynen
1522 Martin Luther King Jr. Way
Berkeley CA 94709

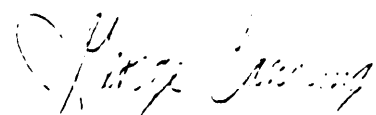
Re: Letter of Indebtedness

Dear Ms. Beynen:

Enclosed is an original letter of indebtedness reflecting your loan of 12/20/85. We did previously draft an identical letter which was mailed on 12/26/85, but Michael Billington informed us today that you did not receive it. If it is the case that this first letter was simply slowed down by the holiday mail, and you finally do receive it, you may ignore the attached. Otherwise, keep the attached as your documentation of the transaction and our obligation to you.

Thank you.

Very truly yours,



George Canning
Secretary, CDI

cc: Michael Billington

EXHIBIT B

CDI

Caucus Distributors, Inc. / P.O. Box 1234, Leesburg, VA 22075

1/3/86

Margaret M. P. Beynen
1522 Martin Luther King Jr. Way
Berkeley CA 94709

Re: Loan

Dear Ms. Beynen:

We hereby acknowledge your recent loan to us as follows:

Date of loan	12/20/85
Principal amount of loan	\$10,000.00
Due date of principal	8/20/86
Annual rate of interest	8% <i>per annum</i>
Interest is payable	Quarterly

Thank you.

Very truly yours,

George Canning
George Canning
Secretary, CDI

cc: M. Billington

EXHIBIT C

EIR

Executive Intelligence Review

1612 K Street, NW, Washington, D.C. 20006 (202) 955-5930

7/23/86

Margaret Baynes

(Received July 25 or 26 '86)

$$\begin{array}{r}
 10550 \\
 \times 88 \\
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 84800 \\
 84400 \\
 \hline
 929600
 \end{array}$$

\$200. 1st quarter payment, loan of 12/20/85, \$10,000, 8%
1999999 should have been \$200 (10%)

\$200. 1st quarter payment, loan of 2/2/86 \$10,000, 10%
249.9999

200
250) rec'd

We're still late on interest payments for loans
of 1/4/86 (\$25,000) and 1/31/86 (\$15,000).

We're winning the war — stay with us.

Michael Bellingto

19 Aug. sent note of acknowledgment M4

1/7/86

Margaret M.P. Beynen
1522 Martin Luther King Jr. Way
Berkeley CA 94709

Re: Loan

Dear Ms. Beynen:

We hereby acknowledge your recent loan to us as follows:

Date of loan	1/4/86
Principal amount of loan	\$25,000.00
Due date of principal	9/4/86
Annual rate of interest	10%
Interest is payable	Quarterly

Thank you.

Very truly yours,

George Canning
 George Canning
 Secretary, CDI

00243100
 MARGARET BEYNE
 1522 MARTIN LUTHER KING JR WAY
 BERKELEY CA 94709

EXHIBIT E

2/10/86

Margaret M.P. Beynen
1522 Martin Luther King Jr. Way
Berkeley CA 94709

Re: Loan

Dear Ms. Beynen:

This letter is to replace the one you received dated 2/05/86 acknowledging your loan of 1/31/86 to us. Michael Billington informed us that there was an error in the interest rate. Please return the letter of 2/05/86 to us in the envelope provided. Thank you. : *(returned)*

Date of loan	1/31/86
Principal amount of loan	\$15,000.00
Due date of principal	9/30/86
Annual rate of interest	10%
Interest is payable	Quarterly

Very truly yours,

George Canning
George Canning
Secretary, CDI

cc: Michael Billington

EXHIBIT F

EIR

Executive Intelligence Review

1612 K Street, NW
Washington, D.C. 20006

2/10/86

Margaret M. P. Beynen
1522 Martin Luther King Jr. Way
Berkeley CA 94709

Re: Loan

Dear Mrs. Beynen:

We hereby acknowledge your recent loan to us as follows:

Date of loan	2/6/86
Principal amount of loan	\$10,000.00
Due date of principal	10/6/86
Annual rate of interest	10%
Interest is payable	Quarterly

Thank you.

Very truly yours,

Martha Quindel
Martha Quindel
Secretary, EIR

cc: Michael Billington

P.O. Box 17390 Washington, D.C. 20041-0390

EXHIBIT G

EIR

Executive Intelligence Review

2/20/86

Margaret M. P. Beynen
1522 Martin Luther King Jr. Way
Berkeley CA 94709

Re: Conversion of loan

Dear Mrs. Beynen:

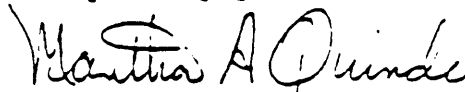
Mike Billington informed us that you would like us to transfer funds in the amount of \$10,000.00 to the Fusion Energy Foundation on your behalf. This transfer would pay in full your loan to us dated 2/6/86.

We have enclosed a confirmation of this transaction for your signature. Please sign the original and return it to us in the enclosed self addressed envelope, and keep the copy for your records.

I understand from the Fusion Energy Foundation that once we receive the signed confirmation, and the funds are transferred, they will be sending you an acknowledgement of their receipt of your gift. They will also send their tax identification number, presuming that you wish to take advantage of the tax deductible status of your contribution.

Thank you.

Very truly yours,



Martha Quinde
Secretary, EIR

cc: Michael Billington

P.O. Box 17390 Washington, D.C. 20041-0390

EXHIBIT H

2/20/96

Margaret M. P. Beynen
1522 Martin Luther King Jr. Way
Berkeley CA 94709

Re: Loan payment

Dear Executive Intelligence Review:

This is confirmation that I wish you to transfer the sum of \$10,000.00 to the Fusion Energy Foundation on my behalf, since it is my intention to make a gift of this amount to the Foundation.

Your transfer of this amount on my behalf would constitute payment in full of my loan to you dated 2/6/86, for which I have received a letter of indebtedness under the same date, signed by your Secretary.

Date: ___/___/___

x

Margaret M. P. Beynen

1522 M.L. King, Jr. Way
Berkeley, CA 94709
April 9, 1986

Executive Intelligence Review,
P.O. Box 17390
Washington, D.C. 20041-0390

Dear Ms. Quinde,

Herewith I thank you for your letter of 2/6/86 re conversion of loans to a gift. I have, beginning with December 20, 1985, made 4 loans with your company, totaling \$60,000. My connection with your company is tenuous consisting of phone conversations with your Mr. Billington, otherwise unknown to me!

My accountant advises me to delay conversion of the last loan dated 2/6/86, until the first three loans have been satisfactorily concluded. This makes sense to me. (After all, I pay for this advice.) The delay will not be long as the three earlier loans fall due this year.

Thank you again for the letter of conversion,
I am,

Yours sincerely,

Margaret M. B. Boyner

CDI

Caucus Distributors, Inc. / P.O. Box 748, Attn: CCAC Radio City Station New York, New York 10101

May 20, 1986

Dear Supporter:

Our records show that you have lent funds to Caucus Distributors, Inc. (CDI).

If you have not been repaid according to schedule, you may be angry. You have a right to be angry. But you should not be angry at CDI. You should be angry at the people who have made it impossible for us to repay your loan as scheduled.

CDI and other organizations associated with Lyndon H. LaRouche have been targeted for intensive financial warfare since the end of the 1984 election campaign. Those of us associated with Mr. LaRouche have seen financial warfare thrown at us since 1977-78. But starting at the end of October 1984, First Fidelity Bank of New Jersey, now shown to be a mob-linked bank, seized \$200,000 of LaRouche campaign funds, in conjunction with the U.S. Attorney in Boston and the Boston FBI office. That U.S. Attorney in Boston, William Weld, has become notorious for his coverup of the \$2 billion drug-money-laundering scandal involving the Bank of Boston and Swiss banks in which Weld has a direct family financial interest.

The LaRouche campaign committees have already won a couple of major court victories in their suit against First Fidelity, including a ruling by the court that First Fidelity illegally seized funds belonging to Independent Democrats for LaRouche.

Meanwhile, Weld opened up a grand jury investigation of CDI and other organizations. It is now over 18 months since that grand jury investigation began, and it is clear that its purpose was to try to drain CDI and other organizations financially through heavy legal fees and fines. There of course have not been any indictments.

However, the Eastern Establishment news media, headed by NBC, the New York Times, the Washington Post, and AP, have been leaking alleged "findings" of the grand jury, in order to try to frighten contributors and supporters. They have been joined by the terrorist-linked, gangster-protection racket known as the Anti-Defamation League (ADL), and by drug pushers such as

(over)

EXHIBIT ↵

Dennis King -- the writer for the pro-drug High Times magazine. In conjunction with these forces, AP has deployed its reporter William Welch in an extortion racket against supporters of LaRouche who have made contributions to CDI and other organizations.

The direct threats made to contributors, interference with contributions by banks, and the thousands of lying news articles that have appeared around the country, have had a significant impact on our fundraising. We are fighting back by organizing a nationwide-boycott of NBC, by going after the ADL's tax-exempt status, and by gathering the evidence to put these criminals and extortionists in jail.

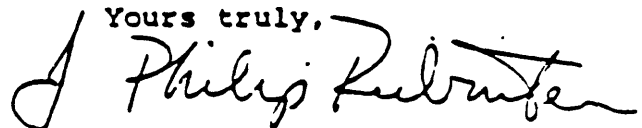
If you have been contacted by anyone telling you that "LaRouche is about to be indicted," or, "LaRouche preys on old people," or similar such lies, please let us know about it.

If you have a loan outstanding, we ask that you forgive the loan, or, at a minimum, extend the terms of the loan so that we can continue the important and essential work we are doing.

In the past few weeks since the Illinois elections, we have transformed U.S. politics, and LaRouche has become a household word. Your previous financial support, enabling us to publish and distribute our publications, helped to lay the basis for the Illinois victory and more which are to come.

We are grateful for your past support, and we ask for your continued support and cooperation.

Yours truly,



J. Philip Rubinstein
President