COMMONWEALTH of VIRGINIA
Department of Agriculture and Consumer Affairs
Office of Consumer Affairs
P.O. Box 1163
Richmond, Virginia 23209
Attention: Mrs. A. Johnson-Crawley

Dear Mrs. Johnson-Crawley:

Enclosed, please find the notarized Form 102.

In response to your questions, specifically:

a) The plan for increasing the amount of money available for the successful completion of our endeavor, rests primarily with the veterans organizations that so far have endorsed our effort and actively participate through their representatives in our Board of Directors. We already have a pledge for $25,000 from the AMVETS based on a resolution unanimously approved in last year's AMVETS National Convention at Knoxville Tenn., and ratified this January by the AMVETS Financial Committee. A similar resolution, we expect to be forthcoming on the part of the DAV for a larger sum of money. It has been determined by our Board of Directors to invite representatives from all major veterans organizations to join our Board and take over eventually the whole project. Such invitations have already been extended to the American Legion, the VFW and the NCO Association of America.

Once the enabling legislation has been passed by Congress and signed by the President into law, we plan to approach all major corporations and foundations that have a record of contributing to patriotic causes and solicit for their support.

b) Our fundraising costs are so high because our only source of income so far, has been our direct mail fundraising campaign, conducted under contract by the professional fund raising firm of Bruce Eberle & Associates of Vienna, Virginia. As you probably know, direct mail is the most expensive form of fund raising, but unfortunately unavoidable. We started this campaign in May of 1983 with Eberle & Associates advancing all the needed cash for our initial prospect mailings. The sum advanced was in the order of $70,000 interest free. Within a year we mailed over 2 million letters and established a "House List" of almost twenty thousand names of contributors to our cause.
During the second year of our campaign we reduced the number of prospect mailings and concentrated on our House List. The reduction in cost has been quite dramatic but such could have never been the case had we not had established a House List. Prospect mailings are extremely expensive because the response is 2% or less, usually less. Mailings to the House List produce a response of 5% or over. However, one cannot establish a House List of supporters to his project without undergoing the expensive course of prospect mailings. Between May of 1984 and the present we mailed half a million letters, most of them to our House List and realized net dollars. Our House List now has some 22,000 names and constitutes a very important asset.

c) At the present time, our President, Mr. Edward Borcherdt, Jr., is working on generating support in Congress for the reintroduction of the enabling legislation in both Houses and establishing contacts with the leaders of various organizations whose support is essential for the success of our endeavor.

With the exception of the direct mail campaign, all other administrative expenses are cut down to the bone. The only paid member of the staff is the undersigned who receives a very modest consultant’s fee of $700.- (seven hundred) or less per month and our CPA Mrs Donna Heidinger of Manna sa who charges $30 per hour. Her average monthly bill is less than two hundred dollars. Everybody else involved in the project offers his or her services on a volunteer basis.

Thanking you for your cooperation and in the hope that I have answered your questions adequately, I remain,

sincerely yours,

Michael Panayotopoulos
Consultant KWM inc.

Enclosures.