

Local company not intimidated by U.S. government threats

By PETER WALLSTEN
Staff Writer

Officials for a locally based distributor of sexually-oriented products say they are optimistic about their chances of overcoming the U.S. government's attempts to end the company's sales of

so-called obscene materials.

Philip Harvey, president of Adam & Eve and PHE, Inc., the parent group of the Carrboro-based mail-order enterprise, filed a civil suit last March claiming the U.S. Department of Justice is using illegal methods to try to shut the

company down.

The government has threatened the company with indictments in at least three different jurisdictions nationwide, Harvey said. Such threats could be devastating to private companies because of the expenses involved in fighting separate cases in different areas. Indictments have been threatened against Adam & Eve in Utah, Kentucky and eastern North Carolina.

"We have been continuously subpoenaed and harassed and told we were about to be indicted," Harvey said. "We were brought to places like Salt Lake City and told the only way to get out of

this was to stop selling sexually explicit materials or movies unless they have R ratings."

Officials at the Justice Department refused to comment on the case.

U.S. Circuit Court Judge Joyce Green announced an injunction July 23 saying the federal government temporarily could not indict companies in multiple jurisdictions, and Adam & Eve's case would be heard only in circuit court. Green will hear the case this fall and make a permanent decision then.

The issue of indictments in multiple jurisdictions is the main concern of Adam & Eve in the pending trial, Harvey

said, because at least four other companies in similar situations have been forced to close because of the costs involved in handling more than one court case at a time.

The Justice Department is trying "to suppress circulation of books and magazines as much as they can, regardless of whether they're obscene or not," Harvey said.

Officials with Adam & Eve, though, said they were confident their company would not suffer the same fate as the failed businesses.

"We feel very positive because the facts that we set forth in the civil suit are

all valid," said Peggy Horton, Adam & Eve company spokeswoman.

The business filed a civil suit against the Department of Justice last March claiming the federal government is trying to put the company out of business without proving the products it sells are obscene.

Although Adam & Eve is still grossing about \$20 million annually, it is struggling to survive under the strain of paying for a federal court case, Horton said.

"That's an advantage the federal government has over any private company or industry. They have the time, money and unlimited resources to put into the case," she said. "It's enough to run us out of business without ever proving in a courtroom and in front of a jury that what we're selling is obscene."

The government has been fighting Adam & Eve since May 1986 when officials raided and searched the company's offices, Horton said. The government claimed the sex products were obscene and should be taken off the market, but a state court in Alamance County heard the case and acquitted the 110-employee company.

"Over 30 armed police officers, the SBI and the FBI rounded up the employees and separated them from the supervisors," Horton said. "Then they proceeded to illegally search the place."

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Town does not sleep in summer

By DOUG FERGUSON
Staff Writer

When early May rolls in and UNC students scatter to points around the globe, life doesn't screech to a halt in Chapel Hill.

Although there are no bonfire parties with hundreds of screaming students blocking Franklin Street in June or July, weekends still bring an interesting mix of people to the clubs, restaurants and movie theaters that line the street.

"This is a year-round town," Norman Underwood, manager of Pepper's Pizza said. "Business slows down considerably when they (the students) leave, but we still get a lot of people in here. We see more locals and families during the summer, especially on Sundays."

Underwood said he liked the summer months because they brought a necessary break from the hectic school year. However, he said fall and spring were more exciting.

"When the students come back, there's more to do, more parties to go to, more girls," Underwood said.

Ken Horton, a local real estate agent, said he looked forward to the relaxed summer days in Chapel Hill. Although many businesses in the area depend on students for their well-being, Horton said local residents enjoyed reclaiming the town for themselves.

"When the students leave, you can do just about anything you want to with ease," Horton said. "You can even find a parking place on Franklin Street. It's just wonderful when the students aren't here."

Horton said students should realize there are people who permanently live in Chapel Hill. Families with children appear on the town's streets in the summer, and residents feel more comfortable visiting places that are popular student hangouts during the school year.

"Students don't rule the town," Horton said. "We appreciate their business, we love going to the basketball games, but life goes on in Chapel Hill even when the students leave."

Render Tahiya, manager of Kinko's Copies, said many people were surprised that her store remains open 24 hours, even during the summer months. Business remains brisk in the summer because of a sizable year-round population and a good number of local companies, she said.

"Students only account for 60 percent of our business," Tahiya said. "Businesses and residents come from all over the area, including Pittsboro and Hillsborough, to do business with us."

Jamie McPhail, manager of the Hardback Cafe and Bookstore, said businesses must learn to cater to both students and locals to remain profitable year-round. Even though most businesses count on students for the majority of their profits, summer brings an entirely different crowd into the downtown area.

"I'm amazed at how many people come to Chapel Hill in the summer like it's vacation land or something," McPhail said. "Everybody comes to town in the summer. Old people, babies, high school kids. They're scared away in the school year because of crowds and lack of parking."

Like many business leaders in the area, McPhail said she enjoyed the summer months. Business drops off during the summer, but the live music continues and life goes on with few changes, she said.

McPhail added that by August, she begins looking forward to the school year.

"Summertime is nice for a change," McPhail said, "but after a while, you're ready for the students to come back."

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