



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

30040220613

THIS IS THE END OF MUR # 1259

Date Filmed 10/14/10 Camera No. --- 2

Cameraman SPC

80010220614

PS Form 3811, Jan. 1979  
RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered.....
  - Show to whom, date and address of delivery.....
  - RESTRICTED DELIVERY  
Show to whom and date delivered.....
  - RESTRICTED DELIVERY.  
Show to whom, date, and address of delivery.....

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: *Manu Rau*  
*P.O. Box 2065*  
*Trujillo, Puerto Rico 6660*

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>812960</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.  
SIGNATURE  Addressee  Authorized agent

4. DATE OF DELIVERY: *9-15-80* POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

*12571* *A. Duran* GPO : 1979-388-848

9/24/80

MEMO

TO: DOCKET

FROM: JAMOUR

RE: RETURN LETTER - MOR 1259

There is no need to ~~return~~<sup>re-send</sup> the letter returned to our office as the address is no longer current & the phone # found in the complaint is not-working.

FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20548

POSTAGE AND FEES PAID



Moved. Lett no address

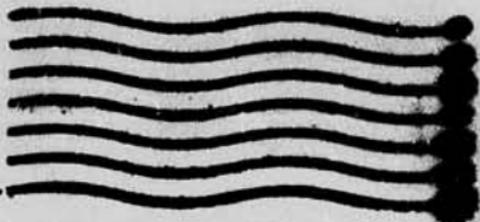
Moved Lett no address  
405 78  
9-17-80

~~James Maher  
7116 W. 70th Street  
Overland Park, Kansas~~

CERTIFIED

946319

Received 9-24-80





SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- Show to whom and date delivered..... \$
  - Show to whom, date and address of delivery..... \$
  - RESTRICTED DELIVERY  
Show to whom and date delivered..... \$
  - RESTRICTED DELIVERY  
Show to whom, date, and address of delivery \$
- (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: **James Mayer**  
**7116 W. 79th Street**  
**Overland Park, Kansas**

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	946319	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE  Addressee  Authorized agent

4. DATE OF DELIVERY

POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

1259 Duane Brown

★ GPO : 1978-239-948

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 11, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Marvin Rau  
P.O. Box 2065  
Topeka, Kansas 66601

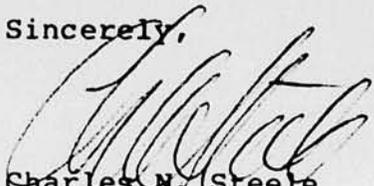
Re: MUR 1259

Dear Mr. Rau:

On July 29, 1980, the Commission notified you of a complaint alleging that your committee may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act").

The Commission, on September 9, 1980, determined on the basis of the information in the complaint that there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission has closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

  
Charles N. Steele  
General Counsel

80010220618

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Marvin Rau  
P.O. Box 2065  
Topeka, Kansas 66601

Re: MUR 1259

Dear Mr. Rau:

On July 29, 1980, the Commission notified you of a complaint alleging that your committee may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act").

The Commission, on September 9, 1980, determined on the basis of the information in the complaint that there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission has closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele  
General Counsel

*CS*  
9/11/80

9004020619



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 11, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

James Maher  
7116 W. 79th Street  
Overland Park, Kansas

Re: MUR 1259

Dear Mr. Maher:

The Federal Election Commission has reviewed the allegations of your complaint dated July 9, 1980 and determined that on the basis of the information provided in your complaint there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended (the "Act") has been committed.

Accordingly, the Commission has decided to close the file in this matter.

Should additional information come to your attention which you believe establishes a violation of the Act, please contact Duane A. Brown, the attorney assigned this matter at (202)523-4057.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles N. Steele".

Charles N. Steele  
General Counsel

80040220620



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
                          )  
John Simpson            )

MUR 1259

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on September 9, 1980, the Commission decided by a vote of 6-0 to take the following actions regarding MUR 1259:

1. Find NO REASON TO BELIEVE that John Simpson violated 2 U.S.C. § 441b(a).
2. Send the proposed letters as attached to the First General Counsel's Report dated September 4, 1980.
3. CLOSE THE FILE.

Voting for this determination were Commissioners Aikens, Friedersdorf, Harris, McGarry, Reiche, and Tiernan.

Attest:

9/9/80  
Date

Marjorie W. Emmons  
Marjorie W. Emmons  
Secretary to the Commission

Received in Office of the Commission Secretary: 9-4-80, 3:40  
Circulated on 48 hour vote basis: 9-5-80, 2:00

90010220622

September 4, 1980

MEMORANDUM TO: Marjorie W. Emmons  
FROM: Elissa T. Garr  
SUBJECT: MUR 1259

Please have the attached First GC Report distributed  
to the Commission on a 48 hour tally basis. Thank you.

30040220623

FEDERAL ELECTION COMMISSION  
1325 K Street, N.W.  
Washington, D.C. 20463

RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT

80 SEP 4 P 3: 40

DATE AND TIME OF TRANSMITTAL  
BY OGC TO THE COMMISSION 9-4-80

MUR # 1259 (80)  
STAFF MEMBER(S) Duane A. Brown

COMPLAINANT'S NAME: James Maher  
RESPONDENT'S NAME: John Simpson  
RELEVANT STATUTE: 2 U.S.C. § 441b(a)  
INTERNAL REPORTS CHECKED: Simpson for Senate  
Maher for Senate  
FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

On July 16, 1980, the Commission received a complaint from James Maher, Senatoral candidate from Kansas, which alleged that John Simpson, also a Senatoral candidate from Kansas, accepted a loan from a local bank in the amount of \$100,000 in violation of the Federal Election Campaign Act of 1971, as amended (Attachment I).

FACTUAL AND LEGAL ANALYSIS

Information ascertained as a result of reviewing Simpson for Senate Committee reports and information supplied by Michael Lewis, Treasurer of the Simpson Committee (Attachment II), indicates that John Simpson obtained a loan of \$100,000 from a state bank in Kansas. The loan is secured by a financial statement provided by Simpson and granted specifically to the John M. Simpson Trust II, a revocable trust with Simpson as sole beneficiary. Three trustees, Simpson, his son, and a law partner signed on behalf of the trust. The loan provides that the candidate may obtain advances upon request up to the maximum of \$100,000. The duration of the loan is 18 months with a rate of interest at 11.5 percent. The loan was obtained as an alternative to the liquidation of trust assets. The candidate is solely responsible for the loan and provides funds to the committee as a contribution rather than as a loan.

CONCLUSION

The \$100,000 loan to John Simpson, the term of the loan and the rate of interest would satisfy the requirements of 2 U.S.C. § 441b(b)(2) in that it appears to have been made in accordance with the applicable banking laws and regulations and in the ordinary course of business.

9771020624

Accordingly, the Office of General Counsel recommends that the Commission find no reason to believe that John Simpson violated 2 U.S.C. § 441b(a), send the proposed letters, and close the file.

RECOMMENDATION

It is recommended that the Commission:

1. find no reason to believe that John Simpson violated 2 U.S.C. § 441b(a);
2. send the proposed letters; and,
3. close the file.

Attachments

Complaint  
Proposed letters

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1953

MUR 1259

RECEIVED

July 9, 1980  
JUL 16 PM 1:37

ATTACHMENT I

909114

General Counsel  
Federal Election Commission  
1325-K Street Northwest  
Washington D.C. 20463

Dear Sir,

We are filing a complaint with the  
Federal Election Commission  
RE: U.S. Senate Nomination, State of Kansas

A "contribution" violation concerning a loan  
from a bank in the amount of \$100,000.00 to the  
John Simpson campaign appears in this 1980  
primary.

The Simpson campaign's acceptance of the  
\$100,000.00 loan seems against the regulations  
of the Federal Election Campaign Act of 1971.

30010220626

30 JUL 16 PM 3:10

RECEIVED  
GENERAL COUNSEL  
FEDERAL ELECTION COMMISSION

The documentation on the Simpson Campaign  
Finance reports is on file with the Public Records  
Division,  
Federal Election Commission, Washington, D.C.

Sincerely,

James M. Baker to U.S. Senate Headquarters  
7116 - W. 79<sup>th</sup> St.  
Overland Park, Kansas  
(913) 381-9133

James M. Baker  
Candidate U.S. Senate  
State of Kansas

EDWARD F. CLARK  
NOTARY PUBLIC  
JOHNSON COUNTY, KANSAS

Edward F. Clark  
My Commission Expires  
3-29-81.

300400220627

D. Brown  
ATTACHMENT II

401757 RECEIVED 2373

# Simpson For Senator

80 AU



AUG 19 12: 55

P.O. BOX 2065 • TOPEKA, KANSAS 66601 • (913) 354-8465

August 12, 1980

The Federal Election Commission  
Washington, D.C. 20463

RE: MUR 1259(80)

Gentlemen:

This response is written to the complaint filed by James Maher, candidate for the United States Senate, a copy of said complaint having been received in the Committee's office July 29, 1980. The Committee's response is hereby filed with the Commission within 15 days of the date of said receipt. The Committee respectfully requests the Commission to find there is no basis for Mr. Maher's complaint.

The loan which is the subject of Candidate Maher's complaint is an open end advance note made to the John M. Simpson Trust II from the Bank of Tescott, Tescott, Kansas, in the amount of \$100,000.00 at a rate of 11.50% interest. This loan was issued by the Bank of Tescott in the ordinary course of business. No preferential interest rate was given this loan, in fact, the prime interest rate offered by the Bank of Tescott at the time of the subject loan was 11.00%. Reference was made to and the specific details of said loan were enumerated in the Committee's report of receipts and expenditures made to the Commission in October, 1979, covering the reporting period of June 14, 1979, through September 30, 1979.

In support of the above paragraph and to assist you in analyzing Candidate Maher's complaint, the following items are enclosed for your reference and review:

1. An affidavit signed by Hal J. Berkley, President of the Bank of Tescott, Tescott, Kansas, relative to the subject loan;
2. A photocopy of the subject note dated September 5, 1979; and

80040220628

The Federal Election Commission  
Washington, D.C. 20463  
Page Two  
August 12, 1980

3. A photocopy of the specific report on this loan made to the Commission in the Committee's report of receipts and expenditures.

As stated in ¶110.10 Expenditures by Candidates, Page 57 of the Federal Election Commission Regulations, candidates for Federal offices may make unlimited expenditures from personal funds. A reading of the definition therein of "personal funds" leads to the obvious conclusion that the above-mentioned open end advance note is personal funds within the meaning of this section.

Sincerely,

SIMPSON FOR SENATE COMMITTEE

*Michael L. Lewis*

Michael L. Lewis  
Treasurer

MLL/bt  
cc: file

30040220629

# The Bank of Tescott

TELEPHONE 913 283-4217 TESCOTT, KANSAS 67484

RECEIVED

80 AUG 19 AM: 33

OFFICERS: HAL J. BERKLEY, PRESIDENT; MARK A. BERKLEY, SENIOR VICE PRES.; GARY L. BITLER, VICE PRES. & CASHIER; ROBERT F. MINNEMAN, ASST. VICE PRES.; LADONNA HILL, ASST. VICE PRES.; ADELIN CHRISTENSEN, ASST. CASHIER; CAROLYN HORTING, OPERATIONS OFFICER.

## AFFIDAVIT

State Of Kansas  
County Of Ottawa ss;

I, Hal J. Berkley, President of the Bank of Tescott, Tescott, Kansas, being of lawful age, and being first duly sworn, deposes and says: That an open end advance note was made to John M. Simpson Trust II, on September 5, 1979, and that said open end advance note was made at the rate of 11½% interest. The 11½% rate of interest charged on said loan dated September 5, 1979, was ½% higher than the going rate being charged at that time.

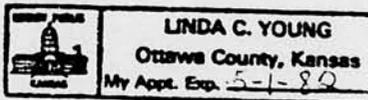
*Hal J. Berkley*

Hal J. Berkley,  
President  
The Bank of Tescott

Subscribed and sworn to before me this 7th day of August, 1980. My appointment expires May 1, 1982.

*Linda C. Young*  
Linda C. Young  
Notary Public

(seal)



FEDIC

Capital, Surplus, Reserves & Profits Over One and a Half Million Dollars

90040220630



## ADDITIONAL PROVISIONS

**FURTHER WARRANTIES AND COVENANTS OF THE DEBTOR:** The Debtor hereby warrants and covenants that:

1. Except for the security interest granted hereby, the Debtor is the owner of the Collateral free from any prior lien, security interest or encumbrance; and the Debtor will defend the Collateral against all claims and demand of all persons at any time claiming the same or any interest therein.
2. The Debtor will not sell or offer to sell or otherwise transfer or encumber the Collateral or any interest therein without the prior written consent of the Secured Party.
3. No financing statement covering any of the Collateral or any proceeds thereof is on file in any public office. The Debtor will immediately notify the Secured Party in writing of any change in address from that shown in this agreement and will also upon demand furnish to the Secured Party such further information and will execute and deliver to the Secured Party such financing statements mortgages and other papers and will do all such acts and things as the Secured Party may at any time or from time to time reasonably request and, or as may be necessary to appropriate to establish and maintain a valid security interest in the Collateral as security for the Obligations subject to no prior liens or encumbrances.
4. The Debtor will keep the Collateral at all times insured against risks or loss or damage by fire (including so-called extended coverage), theft and such other casualties as the Secured Party may reasonably require, including collision in the case of any motor vehicle, all in such amounts, under such forms of policies, upon such terms, for such periods and written by such companies or underwriters as the Secured Party may approve, losses in all cases to be payable to the Secured Party and the Debtor as their interest may appear. All policies of insurance shall provide for at least ten days prior written notice of cancellation to the Secured Party; and the Debtor shall furnish the Secured Party with certificates of such insurance or other evidence satisfactory to the Secured Party as to compliance with the provisions of this paragraph. The Secured Party may act as attorney for the Debtor in making, adjusting and settling claims under such policies, in cancelling such insurance and endorsing the Debtor's name or any drafts drawn by insurers of the Collateral.
5. The Debtor will keep the Collateral free from any adverse lien, security interest or encumbrance and in good order and repair, will not waste or destroy the Collateral or any part thereof and will not use the Collateral in violation of any applicable statute, ordinance or policy of insurance thereon. The Secured Party may examine and inspect the Collateral at any reasonable time or times wherever located.
6. The Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this agreement or any note(s) evidencing any of the Obligations.

**ADDITIONAL RIGHTS OF PARTIES.** At its option, but without obligation to the Debtor to do so, the Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may place and pay for insurance thereon, may order and pay for the repair, maintenance and preservation thereof and pay any necessary filing or recording fees. The Debtor agrees to reimburse the Secured Party on demand for any payment made or any expense incurred by the Secured Party pursuant to the foregoing authorization. Any insurance premiums paid for by Secured Party shall be extended to Secured Party in the event the policies are cancelled. Until default the Debtor may have possession of the collateral and use the same in any lawful manner not inconsistent with this agreement.

If after giving prior notification and giving the Debtor reasonable opportunity to perform his warranties and covenants as to insuring and preserving the Collateral the Secured Party pays for performance of the duties on behalf of the Debtor, Secured Party may add the amounts paid to the debt. Within a reasonable time after advancing any sums, Secured Party shall state to Debtor in writing the amount of the sums advanced, any charges with respect to this amount, and any revised payment schedule and, if the duties of the Debtor performed by the Secured Party pertain to insurance, a brief description of the insurance paid for by the Secured Party including the type and amount of coverages. Secured Party may make a finance charge for sums so advanced at a rate not exceeding the ANNUAL PERCENTAGE RATE stated in the obligation secured hereby.

**EVENTS OF DEFAULT—REMEDIES.** Upon the happening of any of the following events or conditions namely: (i) default in the payment or performance of any of the Obligations or of any covenants or liability contained or referred to herein or in any note evidencing any of the Obligations; (ii) any warranty, representation or statement made or furnished to the Secured Party by or on behalf of the Debtor in connection with this agreement or to induce the Secured Party to make a loan to the Debtor proving to have been false in any material respect when made or furnished; (iii) loss, theft, substantial damage, destruction, sale or encumbrance to or any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon; (iv) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefits of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor or surety for the Debtor, thereupon, or at any time thereafter (such default not having previously been cured) or for any other reason the Secured Party may deem the prospect of payment, performance, or realization of Collateral is significantly impaired, the Secured Party at its option may declare all of the Obligations to be immediately due and payable and shall then have the remedies of a secured party under the Uniform Commercial Code of Kansas, or other applicable law, including, without limitation thereto, the right to take possession of the Collateral. The Secured Party may require the Debtor to make the Collateral available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market the Secured Party will give the Debtor at least ten days' prior written notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. Expenses of retaking, holding, preparing for sale, selling or the like shall be paid from the proceeds of the Collateral.

**GENERAL.** This agreement and the security interest in the Collateral created hereby shall terminate when Obligations have been paid in full. No waiver by the Secured Party of any default shall be effective unless in writing nor operate as a waiver of any other default or of the same default on a future occasion. All rights of the Secured Party hereunder shall inure to the benefits of its successors and assigns; and all obligations of the Debtor shall bind the heirs, legal representatives, successors and assigns of the Debtor. If there be more than one Debtor, their obligations hereunder shall be joint and several. This agreement shall take effect when signed by the parties hereto.

ATTACHMENT TO SCHEDULE A, FEC FORM 3  
Dated October 5, 1979  
(John Simpson for Senate Committee)

On September 5, 1979, the candidate, John M. Simpson, obtained a loan of \$100,000 from the Bank of Tescott, Tescott, Kansas, 67487, a state bank chartered under the laws of Kansas. The loan is secured by a financial statement provided by the candidate and granted specifically to the John M. Simpson Trust II, a revocable trust with the candidate as sole beneficiary. Three trustees, John M. Simpson, the candidate, John Worthington Simpson, a son, and Thomas J. Kennedy, law partner, signed on behalf of the trust.

The loan provided that the candidate may obtain advances upon request up to the maximum of \$100,000. The duration of the loan is 18 months and the rate of interest is 11.5 percent. The \$10,000 contribution identified on the attached Schedule A as a contribution of John M. Simpson is the first advancement on the loan so the outstanding balance is \$10,000 at the date of this report.

We are unable to determine exactly the correct method of reporting such contributions inasmuch as it involves a loan to the candidate for which he is solely responsible and which he provides funds to the committee as a contribution rather than a loan. The committee believes that although a loan is involved the contribution must be seen as coming from "personal funds" since the committee is obligated in no way in respect to the loan. At this point in the campaign the candidate has elected to provide personal funds to underwrite a substantial share of the costs of the campaign. The loan was obtained as an alternative to the liquidation of referenced trust assets.

This contribution is reported in this manner as a result of consultation with Federal Election Committee staff members. In the event that it is determined that it should have been reported otherwise, the committee stands ready to comply with any directions that it may receive.

30040220633



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Marvin Rau  
P.O. Box 2065  
Topeka, Kansas 66601

Re: MUR 1259

Dear Mr. Rau:

On July 29, 1980, the Commission notified you of a complaint alleging that your committee may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act").

The Commission, on \_\_\_\_\_, 1980, determined on the basis of the information in the complaint that there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission has closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele  
General Counsel

30040220634



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

James Maher  
7116 W. 79th Street  
Overland Park, Kansas

Re: MUR 1259

Dear Mr. Maher:

The Federal Election Commission has reviewed the allegations of your complaint dated July 9, 1980 and determined that on the basis of the information provided in your complaint there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended (the "Act") has been committed.

Accordingly, the Commission has decided to close the file in this matter.

Should additional information come to your attention which you believe establishes a violation of the Act, please contact Duane A. Brown, the attorney assigned this matter at (202)523-4057.

Sincerely,

Charles N. Steele  
General Counsel

30040220635

409257 RECEIVED GLO# 2373

80 AU

# Simpson For Senator



P.O. BOX 2065 • TOPEKA, KANSAS 66601 • (913) 354-8465

August 12, 1980

The Federal Election Commission  
Washington, D.C. 20463

RE: MUR 1259(80)

Gentlemen:

This response is written to the complaint filed by James Maher, candidate for the United States Senate, a copy of said complaint having been received in the Committee's office July 29, 1980. The Committee's response is hereby filed with the Commission within 15 days of the date of said receipt. The Committee respectfully requests the Commission to find there is no basis for Mr. Maher's complaint.

The loan which is the subject of Candidate Maher's complaint is an open end advance note made to the John M. Simpson Trust II from the Bank of Tescott, Tescott, Kansas, in the amount of \$100,000.00 at a rate of 11.50% interest. This loan was issued by the Bank of Tescott in the ordinary course of business. No preferential interest rate was given this loan, in fact, the prime interest rate offered by the Bank of Tescott at the time of the subject loan was 11.00%. Reference was made to and the specific details of said loan were enumerated in the Committee's report of receipts and expenditures made to the Commission in October, 1979, covering the reporting period of June 14, 1979, through September 30, 1979.

In support of the above paragraph and to assist you in analyzing Candidate Maher's complaint, the following items are enclosed for your reference and review:

1. An affidavit signed by Hal J. Berkley, President of the Bank of Tescott, Tescott, Kansas, relative to the subject loan;
2. A photocopy of the subject note dated September 5, 1979; and

AUG 19 12: 55

COMMUNICATIONS SECTION

RECEIVED

# The Bank of Tescott

TELEPHONE 913 283-4217 TESCOTT, KANSAS 67484

80 AUG 19 AM 11:33

OFFICERS: HAL J. BERKLEY, PRESIDENT; MARK A. BERKLEY, SENIOR VICE PRES.; GARY L. BITLER, VICE PRES. & CASHIER; ROBERT F. MINNEMAN, ASST. VICE PRES.; LADONNA HILL, ASST. VICE PRES.; ADELINE CHRISTENSEN, ASST. CASHIER; CAROLYN HORTING, OPERATIONS OFFICER.

## AFFIDAVIT

State Of Kansas  
County Of Ottawa ss;

I, Hal J. Berkley, President of the Bank of Tescott, Tescott, Kansas, being of lawful age, and being first duly sworn, deposes and says: That an open end advance note was made to John M. Simpson Trust II, on September 5, 1979, and that said open end advance note was made at the rate of 11½% interest. The 11½% rate of interest charged on said loan dated September 5, 1979, was ½% higher than the going rate being charged at that time.

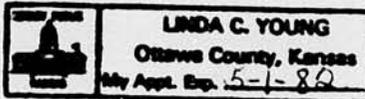
*Hal J. Berkley*

Hal J. Berkley,  
President  
The Bank of Tescott

Subscribed and sworn to before me this 7th day of August, 1980. My appointment expires May 1, 1982.

*Linda C. Young*  
Linda C. Young  
Notary Public

(seal)



**FDIC**

Capital, Surplus, Reserves & Profits Over One and a Half Million Dollars

80040220637



## ADDITIONAL PROVISIONS

**FURTHER WARRANTIES AND COVENANTS OF THE DEBTOR:** The Debtor hereby warrants and covenants that:

1. Except for the security interest granted hereby, the Debtor is the owner of the Collateral free from any prior lien, security interest or encumbrance; and the Debtor will defend the Collateral against all claims and demand of all persons at any time claiming the same or any interest therein.
2. The Debtor will not sell or offer to sell or otherwise transfer or encumber the Collateral or any interest therein without the prior written consent of the Secured Party.
3. No financing statement covering any of the Collateral or any proceeds thereof is on file in any public office. The Debtor will immediately notify the Secured Party in writing of any change in address from that shown in this agreement, and will also upon demand furnish to the Secured Party such further information and will execute and deliver to the Secured Party such financing statements mortgages and other papers and will do all such acts and things as the Secured Party may at any time or from time to time reasonably request and/or as may be necessary to appropriate to establish and maintain a valid security interest in the Collateral as security for the Obligations subject to no prior liens or encumbrances.
4. The Debtor will keep the Collateral at all times insured against risks or loss or damage by fire (including so-called extended coverage), theft and such other casualties as the Secured Party may reasonably require, including collision in the case of any motor vehicle, all in such amounts, under such forms of policies, upon such terms, for such periods and written by such companies or underwriters as the Secured Party may approve, losses in all cases to be payable to the Secured Party and the Debtor as their interest may appear. All policies of insurance shall provide for at least ten days prior written notice of cancellation to the Secured Party; and the Debtor shall furnish the Secured Party with certificates of such insurance or other evidence satisfactory to the Secured Party as to compliance with the provisions of this paragraph. The Secured Party may act as attorney for the Debtor in making, adjusting and settling claims under such policies, in cancelling such insurance and endorsing the Debtor's name or any drafts drawn by insurers of the Collateral.
5. The Debtor will keep the Collateral free from any adverse lien, security interest or encumbrance and in good order and repair, will not waste or destroy the Collateral or any part thereof and will not use the Collateral in violation of any applicable statute, ordinance or policy of insurance thereon. The Secured Party may examine and inspect the Collateral at any reasonable time or times wherever located.
6. The Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this agreement or any note(s) evidencing any of the Obligations.

**ADDITIONAL RIGHTS OF PARTIES.** At its option, but without obligation to the Debtor to do so, the Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may place and pay for insurance thereon, may order and pay for the repair, maintenance and preservation thereof and pay any necessary filing or recording fees. The Debtor agrees to reimburse the Secured Party on demand for any payment made or any expense incurred by the Secured Party pursuant to the foregoing authorization. Any insurance premiums paid for by Secured Party shall be extended to Secured Party in the event the policies are cancelled. Until default the Debtor may have possession of the collateral and use the same in any lawful manner not inconsistent with this agreement.

If after giving prior notification and giving the Debtor reasonable opportunity to perform his warranties and covenants as to insuring and preserving the Collateral the Secured Party pays for performance of the duties on behalf of the Debtor, Secured Party may add the amounts paid to the debt. Within a reasonable time after advancing any sums, Secured Party shall state to Debtor in writing the amount of the sums advanced, any charges with respect to this amount, and any revised payment schedule and, if the duties of the Debtor performed by the Secured Party pertain to insurance, a brief description of the insurance paid for by the Secured Party including the type and amount of coverages. Secured Party may make a finance charge for sums so advanced at a rate not exceeding the ANNUAL PERCENTAGE RATE stated in the obligation secured hereby.

**EVENTS OF DEFAULT—REMEDIES.** Upon the happening of any of the following events or conditions namely: (i) default in the payment or performance of any of the Obligations or of any covenants or liability contained or referred to herein or in any note evidencing any of the Obligations; (ii) any warranty, representation or statement made or furnished to the Secured Party by or on behalf of the Debtor in connection with this agreement or to induce the Secured Party to make a loan to the Debtor proving to have been false in any material respect when made or furnished; (iii) loss, theft, substantial damage, destruction, sale or encumbrance to or any of the Collateral, of the making of any levy, seizure or attachment thereof or thereon; (iv) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefits of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor or surety for the Debtor, thereupon, or at any time thereafter (such default not having previously been cured) or for any other reason the Secured Party may deem the prospect of payment, performance, or realization of Collateral is significantly impaired, the Secured Party at its option may declare all of the Obligations to be immediately due and payable and shall then have the remedies of a secured party under the Uniform Commercial Code of Kansas, or other applicable law, including, without limitation thereto, the right to take possession of the Collateral. The Secured Party may require the Debtor to make the Collateral available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market the Secured Party will give the Debtor at least ten days' prior written notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. Expenses of retaking, holding, preparing for sale, selling or the like shall be paid from the proceeds of the Collateral.

**GENERAL.** This agreement and the security interest in the Collateral created hereby shall terminate when Obligations have been paid in full. No waiver by the Secured Party of any default shall be effective unless in writing nor operate as a waiver of any other default or of the same default on a future occasion. All rights of the Secured Party hereunder shall inure to the benefits of its successors and assigns; and all obligations of the Debtor shall bind the heirs, legal representatives, successors and assigns of the Debtor. If there be more than one Debtor, their obligations hereunder shall be joint and several. This agreement shall take effect when signed by the parties hereto.

ATTACHMENT TO SCHEDULE A, FEC FORM 3  
Dated October 5, 1979  
(John Simpson for Senate Committee)

On September 5, 1979, the candidate, John M. Simpson, obtained a loan of \$100,000 from the Bank of Tescott, Tescott, Kansas, 67487, a state bank chartered under the laws of Kansas. The loan is secured by a financial statement provided by the candidate and granted specifically to the John M. Simpson Trust II, a revocable trust with the candidate as sole beneficiary. Three trustees, John M. Simpson, the candidate, John Worthington Simpson, a son, and Thomas J. Kennedy, law partner, signed on behalf of the trust.

The loan provided that the candidate may obtain advances upon request up to the maximum of \$100,000. The duration of the loan is 18 months and the rate of interest is 11.5 percent. The \$10,000 contribution identified on the attached Schedule A as a contribution of John M. Simpson is the first advancement on the loan so the outstanding balance is \$10,000 at the date of this report.

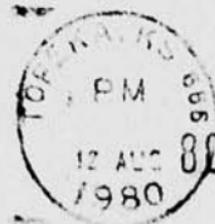
We are unable to determine exactly the correct method of reporting such contributions inasmuch as it involves a loan to the candidate for which he is solely responsible and which he provides funds to the committee as a contribution rather than a loan. The committee believes that although a loan is involved the contribution must be seen as coming from "personal funds" since the committee is obligated in no way in respect to the loan. At this point in the campaign the candidate has elected to provide personal funds to underwrite a substantial share of the costs of the campaign. The loan was obtained as an alternative to the liquidation of referenced trust assets.

This contribution is reported in this manner as a result of consultation with Federal Election Committee staff members. In the event that it is determined that it should have been reported otherwise, the committee stands ready to comply with any directions that it may receive.

80040220640

80749220641

# Simpson For Senator



P.O. BOX 2065 • TOPEKA, KANSAS 66601

**CERTIFIED**  
No. 556970  
**MAIL**

The Federal Election Commission  
Washington, D.C. 20463

RETURN RECEIPT REQUESTED



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 21, 1980

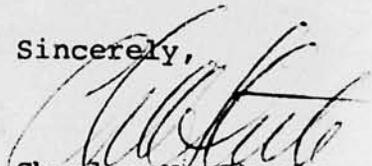
CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

James Maher  
Maher for U.S. Senate  
7116-W 79th Street  
Overland Park, Kansas

Dear Mr. Maher:

This letter is to acknowledge receipt of your complaint of July 9, 1980, against the John Simpson Campaign which alleges violations of the Federal Election Campaign laws. A staff member has been assigned to analyze your allegations. The respondent will be notified of this complaint within 5 days and a recommendation to the Federal Election Commission as to how this matter should be initially handled will be made 5 days after the respondent's notification. You will be notified as soon as the Commission takes final action on your complaint. Should you have or receive any additional information in this matter, please forward it to this office. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

  
Charles N. Steele  
General Counsel

Enclosure

30710220643

08

PS Form 3811, Apr. 1977

● **SENDER:** Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).  
 Show to whom and date delivered.  
 Show to whom, date, and address of delivery.  
 **RESTRICTED DELIVERY**  
 Show to whom and date delivered.  
 **RESTRICTED DELIVERY.**  
 Show to whom, date, and address of delivery.  
 (CONSULT POSTMASTER FOR FEES)

2. **ARTICLE ADDRESSED TO:**  
 James Maher

3. **ARTICLE DESCRIPTION:**  
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.  
 | 945580 |

(Always obtain signature of addressee or agent)

I have received the article described above.  
 SIGNATURE  Addressee  Authorized agent

4. DATE OF DELIVERY: 7-30-80  
 POSTMARK

5. **ADDRESS** (Complete only if requested)

6. **UNABLE TO DELIVER BECAUSE:** D. Brown 1259

CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 21, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Robert L. Kennedy  
Campaign Manager  
701 Jackson  
Room 302  
Topeka, Kansas 66603

Re: MUR 1259(80)

Dear Mr. Kennedy:

This letter is to notify you that on July 16, 1980 the Federal Election Commission received a complaint which alleges that you may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act") or Chapters 95 and 96 of Title 26, U.S. Code. A copy of this complaint is enclosed. We have numbered this matter MUR 1259. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate, in writing, that no action should be taken against you in connection with this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you intend to be represented by counsel in this matter, please advise the Commission by sending a letter of representation stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

30040120644

If you have any questions, please contact Duane Brown, the attorney assigned to this matter at 202 523-4057. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

*Charles N. Steele*  
Charles N. Steele  
General Counsel

Enclosure  
Complaint  
Procedures

8771000543

1. THE FOLLOWING SERVING IS RESTRICTED (check one) <input type="checkbox"/> Show to whom and date delivered <input type="checkbox"/> Show to whom, date and address of delivery <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom, date and address of delivery (CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: <i>Robert Kennedy</i>	
3. ARTICLE DESCRIPTION: REGISTERED NO. <i>205583</i> INSURED NO.	
4. I HAVE RECEIVED THE ARTICLE DESCRIBED ABOVE: SIGNATURE <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized Agent <i>[Signature]</i> DATE OF DELIVERY <i>JUL 23 1977</i> POSTMARK	
5. ADDRESS (Completely if restricted)	
6. UNABLE TO DELIVER BECAUSE:	
1251 D. SWAN	

72 Form 3811, Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



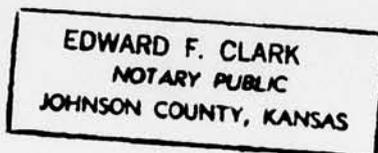
- 2 -

The documentation on the Simpson Campaign  
Finance reports is on file with the Public Records  
Division,  
Federal Election Commission, Washington, D.C.

Sincerely,

James M. Baker to U.S. Senate Headquarters  
7116 - W. 79<sup>th</sup> St.  
Overland Park, Kansas  
(913) 381-9133

James M. Baker  
Candidate U.S. Senate  
State of KANSAS



Edward F. Clark  
My Commission Expires  
3-29-81.

30010320647

Mater to U.S. Senate  
2116 - W. 79<sup>th</sup> St.  
Overland Park, Kansas



80040220

General Counsel  
Federal Election Commission  
1325 - K Street Northwest  
Washington, D.C. 20463

80 JUL 16 PM 1:37

RECEIVED



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 1259

Date Filmed 10/14/80 Camera No. --- 2

Cameraman APC

30040220649

Board of Supervisors, Santa Clara County, California