FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 1383

Date Filmed 9-23-81 Camera No. --- 2

Cameraman DPC

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Mulk 1883 - Edwards

PS Form 3811, Jan. 1979

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:
Bernard Segerman

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438560	

(Always obtain signature of addressee or agent)

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

4. Michele Morrett

DATE OF DELIVERY	POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: | CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

☆GPO : 1979-300-409

Mulk 1883 - Edwards

PS Form 3811, Jan. 1979

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:
Mark London, Esq.

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438564	

(Always obtain signature of addressee or agent)

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

4. Michele Morrett

DATE OF DELIVERY	POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: | CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

☆GPO : 1979-300-409

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 17, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Bernard Segerman, Treasurer
A LOT OF PEOPLE WHO WANT JOE
TYDINGS BACK IN THE U.S. SENATE
8401 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: MUR 1383

8 1 0 4 0 2 9 4 7 0 3

Dear Mr. Segerman:

On July 14 , 1981, the Commission found reason to believe that your Committee had violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your Committee's acceptance of a contribution in excess of the $1,000.00 per election contribution limitation nevertheless appears to be a violation of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for you information.

If you have any questions, please direct them to Conley Edwards, Jr. at 523-4060.

Sincerely,

John Warren McGarry

JOHN WARREN McGARRY
Chairman

Enclosure

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE July 17, 1981

MUR NO. 1383
STAFF MEMBER

Conley Edwards, Jr.

RESPONDENT A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE

8 1 0 4 0 2 9 4 7 0 4

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

On April 14, 1981, this matter was internally generated as a result of the Commission's determination to reject a debt settlement request submitted by A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE (hereinafter "the Committee") and the law firm of Danzansky, Dickey, Tydings, Quint and Gordon (hereinafter "the law firm") because the debt settlement entered into failed to meet the standards set forth in 11 C.F.R. § 114.10(c).

The Office of General Counsel has been directed to initiate a compliance action and make recommendations concerning possible violations of 2 U.S.C. §§ 441a(a)(1)(A) and 441a(f) during the Committee's 1976 senatorial campaign.

FACTUAL AND LEGAL ANALYSIS

A review of the reports of receipts and expenditure submitted by A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE, the principal campaign committee of Joseph D. Tydings, revealed

that from October 1, 1975 until May 18, 1976, the law firm contributed a loan in-kind service valued at approximately $20,242.91 to the Committee 1975-1976 senatorial campaign.

As a result of the Committee's unsuccessful campaign it was not successful in raising adequate funds to pay its campaign debts. According to the Committee's records and additional information provided by the Committee, the candidate made a personal loan of $158,400.00 to the Committee to pay campaign debts. However, this loan did not and was not intended to include the payment of the $20,242.91 loan from the law firm. To date, both loans, the former candidate's and the law firm's, are still being reported as outstanding.

Because the Committee's campaign failed to generate sufficient funds to pay its bills and had to rely on the former candidate to pay its debts, the respondents initiated a debt settlement request concerning the outstanding loan from the law firm. The respondents were requesting that the Commission approve the terms of their debt settlement agreement as commercially reasonable. The terms of the agreement permitted the law firm to write off the Committee's entire obligation.

However, the Commission on April 14, 1981, rejected the respondents debt settlement request based on the following:

1. There were no advancement schedule(s) for the services rendered to the Committee by the law firm; nor does this appear to have been an extension of credit within the firm's ordinary business practices. As the former candidate is a partner of the law firm, the arrangements for administrative support services to the Committee's campaign appear to have been an informal one. Moreover, the services rendered by the law firm do not fall within the law firm's ordinary business practices;

2. The Committee has made no efforts to satisfy the outstanding debt although the letter from the law firm points out that the candidate had used $158,000 of his personal funds to pay campaign debts and that the fundraisers held by the Committee had not raised sufficient funds even to pay for the fundraisers;

3. The law firm does not appear to have pursued its customary remedies in order to collect the debt. While the law firm was aware of the Committee's futile efforts to raise funds and the candidate's significant efforts, these factors alone might not ordinarily cause the law firm to abandon efforts

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to obtain payment. The ultimate remedy is, of course, a court action. The only reason a creditor could raise for not pursuing such a remedy would be if the debtor was judgment proof. Such was not the case here; and

4. Finally, that the outstanding debt (loan) is, in fact, an in-kind contribution from the law firm.

Therefore, this is not a commercially reasonable debt settlement and the General Counsel recommends that the Commission find reason to believe that in 1975 and 1976 A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE violated 2 U.S.C. § 441a(f) by accepting contributions in excess of the $1,000.00 per election contribution limitation as set forth in 2 U.S.C. § 441a(a)(1)(A) from the law firm of Danzansky, Dickey, Tydings, Quint and Gordon; but no further action should be taken and the file closed.

RECOMMENDATIONS

1. Find reason to believe that A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE violated 2 U.S.C. § 441a(f).

2. Take no further action and close the file.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 17, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mark London, Esquire
Danzansky, Dickey, Tydings
Quint and Gordon
1120 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: MUR 1383

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Dear Mr. London:

On July 14, 1981, the Commission found reason to believe that your law firm had violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your law firm's contribution in excess of the $1,000.00 per election contribution limitation nevertheless appears to be a violation of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for your information.

If you have any questions, please direct them to Conley Edwards, Jr. at 523-4060.

Sincerely,

JOHN WARREN McGARRY
Chairman

Enclosure

FEDERAL ELECTION COMMISSOIN

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE July 17, 1981

MUR NO. 1383

STAFF MEMBER

Conley Edwards, Jr.

RESPONDENT: Danzansky, Dickey, Tydngs, Quint and Gordon

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

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SUMMARY OF ALLEGATIONS

On April 14, 1981, this matter was internally generated as a result of the Commission's determination to reject a debt settlement request submitted by A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE (hereinafter "the Committee") and the law firm of Danzansky, Dickey, Tydings, Quint and Gordon (hereinafter "the law firm") because the debt settlement entered into failed to meet the standards set forth in 11 C.F.R. § 114.10(c).

The Office of General Counsel has been directed to initiate a compliance action and make recommendations concerning possible violations of 2 U.S.C. §§ 441a(a)(1)(A) and 441a(f) during the Committee's 1976 senatorial campaign.

FACTUAL AND LEGAL ANALYSIS

A review of the reports of receipts and expenditure submitted by A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE, the principal campaign committee of Joseph D. Tydings, revealed

that from October 1, 1975 until May 18, 1976, the law firm contributed a loan in-kind service valued at approximately $20,242.91 to the Committee 1975-1976 senatorial campaign.

As a result of the Committee's unsuccessful campaign it was not successful in raising adequate funds to pay its campaign debts. According to the Committee's records and additional information provided by the Committee, the candidate made a personal loan of $158,400.00 to the Committee to pay campaign debts. However, this loan did not and was not intended to include the payment of the $20,242.91 loan from the law firm. To date, both loans, the former candidate's and the law firm's, are still being reported as outstanding.

Because the Committee's campaign failed to generate sufficient funds to pay its bills and had to rely on the former candidate to pay its debts, the respondents initiated a debt settlement request concerning the outstanding loan from the law firm. The respondents were requesting that the Commission approve the terms of their debt settlement agreement as commercially reasonable. The terms of the agreement permitted the law firm to write off the Committee's entire obligation.

However, the Commission on April 14, 1981, rejected the respondents debt settlement request based on the following:

1. There were no advancement schedule(s) for the services rendered to the Committee by the law firm; nor does this appear to have been an extension of credit within the firm's ordinary business practices. As the former candidate is a partner of the law firm, the arrangements for administrative support services to the Committee's campaign appear to have been an informal one. Moreover, the services rendered by the law firm do not fall within the law firm's ordinary business practices;

2. The Committee has made no efforts to satisfy the outstanding debt although the letter from the law firm points out that the candidate had used $158,000 of his personal funds to pay campaign debts and that the fundraisers held by the Committee had not raised sufficient funds even to pay for the fundraisers;

3. The law firm does not appear to have pursued its customary remedies in order to collect the debt. While the law firm was aware of the Committee's futile efforts to raise funds and the candidate's significant efforts, these factors alone might not ordinarily cause the law firm to abandon efforts

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to obtain payment. The ultimate remedy is, of course, a court action. The only reason a creditor could raise for not pursuing such a remedy would be if the debtor was judgment proof. Such was not the case here; and

4. Finally, that the outstanding debt (loan) is, in fact, an in-kind contribution from the law firm.

Therefore, this is not a commercially reasonable debt settlement and the General Counsel recommends that the Commission find reason to believe that in 1975 and 1976 the law firm of Danzansky, Dickey, Tydings, Quint and Gordon violated 2 U.S.C. § 441a(a)(1)(A) by contributing in excess of the $1,000.00 per election contribution limitation to A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE; but no further action should be taken and the file closed.

RECOMMENDATIONS

1. Find reason to believe that Danzansky, Dickey, Tydings, Quint and Gordon violated 2 U.S.C. § 441a(a)(1)(A).

2. Take no further action and close the file.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
A Lot of People Who Want Joe Tydings Back in the U. S. Senate	)	MUR 1383
	)	
Danzansky, Dickey, Tydings, Quint and Gordon	)	

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission's Executive Session on July 14, 1981, do hereby certify that the Commission decided by a vote of 4-2 to take the following actions in MUR 1383:

1. Find reason to believe that A Lot of People Who Want Joe Tydings Back in the U. S. Senate violated 2 U.S.C. §441a(f).

2. Find reason to believe that Danzansky, Dickey, Tydings, Quint, and Gordon violated 2 U.S.C. §441a(a)(1)(A).

3. Take no further action and close the file.

4. Send the letter and General Counsel's Factual and Legal Analysis as submitted with the First General Counsel's Report dated June 29, 1981.

Commissioners Harris, McGarry, Thomson, and Tiernan voted affirmatively for the decision; Commissioners Aikens and Reiche dissented.

Attest:

7-15-81
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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MMISSION

CHARLES STEELE

MARJORIE W. EMMONS/JODY CUSTER JC

DATE: JUNE 30, 1981

SUBJECT: OBJECTION - MUR 1383 First General Counsel's Report, dated 6-29-81; Received in OCS, 6-29-81, 3:20

The above-named document was circulated on a 48 hour vote basis at 11:00, June 30, 1981.

Commissioner Reiche submitted an objection at 3:32, June 30, 1981.

This matter will be placed on the Executive Session Agenda for Tuesday, July 14, 1981. A copy of Commissioner Reiche's vote sheet with comments is attached.

Attachment:
Vote Sheet

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/JODY CUSTER jc

DATE: JUNE 30, 1981

SUBJECT: OBJECTION - MUR 1383 First General Counsel's Report, dated 6-29-81; Received in OCS, 6-29-81, 3:20

The above-named document was circulated on a 48 hour vote basis at 11:00, June 30, 1981.

Commissioner Reiche submitted an objection at 3:32, June 30, 1981.

This matter will be placed on the Executive Session Agenda for Tuesday, July 14, 1981. A copy of Commissioner Reiche's vote sheet with comments is attached.

Attachment:
Vote Sheet

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48 HOUR TALLY SHEET

SENSITIVE

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

81 JUN 30 P3: 32

Date and Time Transmitted: Tuesday, June 29, 1981

Commissioner McGARRY, AIKENS, TIERNAN, THOMSON, REICHE, HARRIS

RETURN TO OFFICE OF COMMISSION SECRETARY BY: Thursday, July 2, 1981
11:00

MUR No. 1383 - First General Counsel's Report - Dated 6-29-81

( ) I approve the recommendation

(✓) I object to the recommendation

COMMENTS: I question the closing of the file.

Date: 6/30/81 Signature: Frank P. Reiche

A DEFINITE VOTE IS REQUIRED AND ALL SHEETS SIGNED AND DATED. PLEASE RETURN ONLY THE VOTE SHEETS TO THE OFFICE OF THE COMMISSION SECRETARY NO LATER THAN THE DATE AND TIME SHOWN ABOVE.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/JODY CUSTER JC
OFFICE OF THE SECRETARY TO THE COMMISSION

DATE: JULY 1, 1981

SUBJECT: ADDITIONAL OBJECTION - MUR 1383 First General Counsel's Report, dated 6-29-81; Received in OCS, 6-29-81, 3:20

You were notified previously of an objection by Commissioner Reiche.

Commissioner Harris submitted an additional objection at 12:32, July 1, 1981.

This matter will be discussed in executive session on Tuesday, July 14, 1981.

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[illegible]

Sponsoring Org: Margaret M. [illegible]

Title: Phyllis A. [illegible]

Subject: [illegible] 1983

Please have the attached First [illegible] Council's report distributed to the Commission as [illegible] basically hold. Thank you.

Attachment

cc: Edwards

84104020477T6

SENSITIVE

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

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

81 JUN 29 P3:20

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION 6-29-81

MUR # 1383
STAFF MEMBER

Conley Edwards, Jr.

SOURCE OF MUR: INTERNALLY GENERATED

RESPONDENTS' NAMES: A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE
Danzansky, Dickey, Tydings, Quint and Gordon

RELEVANT STATUTES: 11 C.F.R. § 114.10
2 U.S.C. § 441a(a)(1)(A)
2 U.S.C. § 441a(f)

INTERNAL REPORTS CHECKED: Committee's Reports of Receipts and Expenditures

FEDERAL AGENCIES CHECKED: NONE

8104029717

GENERATION OF MATTER

On April 14, 1981, this matter was internally generated as a result of the Commission's determination to reject a debt settlement request submitted by A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE (hereinafter "the Committee") and the law firm of Danzansky, Dickey, Tydings, Quint and Gordon (hereinafter "the law firm") because the debt settlement entered into failed to meet the standards set forth in 11 C.F.R. § 114.10(c). See Attachment I.

SUMMARY OF ALLEGATIONS

The Office of General Counsel has been directed to initiate a compliance action and make recommendations concerning possible violations of 2 U.S.C. §§ 441a(a)(1)(A) and 441a(f) during the Committee's 1976 senatorial campaign.

FACTUAL AND LEGAL ANALYSIS

A review of the reports of receipts and expenditure submitted by A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE, the principal campaign committee of Joseph D. Tydings, revealed

that from October 1, 1975 until May 18, 1976, the law firm contributed a loan in-kind service valued at approximately $20,242.91 to the Committee 1975-1976 senatorial campaign.

As a result of the Committee's unsuccessful campaign it was not successful in raising adequate funds to pay its campaign debts. According to the Committee's records and additional information provided by the Committee, the candidate made a personal loan of $158,400.00 to the Committee to pay campaign debts. However, this loan did not and was not intended to include the payment of the $20,242.91 loan from the law firm. To date, both loans, the former candidate's and the law firm's, are still being reported as outstanding.

Because the Committee's campaign failed to generate sufficient funds to pay its bills and had to rely on the former candidate to pay its debts, the respondents initiated a debt settlement request concerning the outstanding loan from the law firm. The respondents were requesting that the Commission approve the terms of their debt settlement agreement as commercially reasonable. The terms of the agreement permitted the law firm to write off the Committee's entire obligation.

However, the Commission on April 14, 1981, rejected the respondents debt settlement request based on the following:

1. There were no advancement schedule(s) for the services rendered to the Committee by the law firm; nor does this appear to have been an extension of credit within the firm's ordinary business practices. As the former candidate is a partner of the law firm, the arrangements for administrative support services to the Committee's campaign appear to have been an informal one. Moreover, the services rendered by the law firm do not fall within the law firm's ordinary business practices;

2. The Committee has made no efforts to satisfy the outstanding debt although the letter from the law firm points out that the candidate had used $158,000 of his personal funds to pay campaign debts and that the fundraisers held by the Committee had not raised sufficient funds even to pay for the fundraisers;

3. The law firm does not appear to have pursued its customary remedies in order to collect the debt. While the law firm was aware of the Committee's futile efforts to raise funds and the candidate's significant efforts, these factors alone might not ordinarily cause the law firm to abandon efforts to obtain payment; and

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4. Finally, that the outstanding debt (loan) is, in fact, an in-kind contribution from the law firm.

Based on the forgoing, this is not a commercially reasonable debt settlement and the Office of General Counsel recommends that the Commission find reason to believe that the law firm violated 2 U.S.C. § 441a(a)(1)(A) by contributing in excess of the $1,000.00 per election contribution limitation to the Committee; and that the Committee violated 2 U.S.C. § 441a(f) by accepting excessive contributions from the law firm. However, the Office of General Counsel is of the opinion, that because these violations occurred in late 1975 and early 1976 when the Federal Election Campaign Act was still developing and the Committee, as of this date, has no assets and a continuing outstanding indebtedness of $158,400 to the candidate in addition to the obligation to the law firm, no further action should be taken and the file should be closed.

RECOMMENDATIONS

1. Find reason to believe that A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE violated 2 U.S.C. § 441a(f).

2. Find reason to believe that Danzansky, Dickey, Tydings, Quint and Gordon violated 2 U.S.C. § 441a(a)(1)(A).

3. Take no further action and close the file.

4. Send attached letter and General Counsel's Factual and Legal Analyses.

Attachments

Commission Certification
Letter to London
Letter to Segerman
General Counsel's Factual and Legal Analyses (2)

8104029479

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Lot of People Who Want Joe Tydings Back) DSR-596
in the U. S. Senate, et al.)

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission's Executive Session on April 14, 1981, do hereby certify that the Commission took the following actions in DSR-596:

1. Failed on a vote of 3-2 to pass a motion to -

   a) Allow the Tydings Committee to extinguish the debt to the law firm of Danzansky, Dickey, Tydings, Quint, and Gordon.

   b) Approve and send the letter attached to the General Counsel's April 7, 1981 report in this matter.

   Commissioners Aikens, McGarry, and Thomson voted affirmatively for the motion; Commissioners Harris and Reiche dissented. Commissioner Tiernan was not present at the time of the vote.

2. Decided by a vote of 4-1 to direct the FEC Office of General Counsel to open a Matter Under Review with respect to DSR-596.

   Commissioners Harris, McGarry, Reiche, and Thomson voted affirmatively for the decision; Commissioner Aikens dissented. Commissioner Tiernan was not present at the time of the vote.

Attest:

4/14/81
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

ATTACHMENT I

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mark London, Esquire
Danzansky, Dickey, Tydings
Quint and Gordon
1120 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: MUR 1383

Dear Mr. London:

On , 1981, the Commission found reason to believe that your law firm had violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your law firm's contribution in excess of the $1,000.00 per election contribution limitation nevertheless appears to be a violation of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for your information.

If you have any questions, please direct them to Conley Edwards, Jr. at 523-4060.

Sincerely,

Enclosure

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Bernard Segerman, Treasurer
A LOT OF PEOPLE WHO WANT JOE
TYDINGS BACK IN THE U.S. SENATE
9401 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: MUR 1383

8 1 0 4 0 2 9 4 7 2 2

Dear Mr. Segerman:

On , 1981, the Commission found reason to believe that your Committee had violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within 30 days. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The Commission reminds you that your Committee's acceptance of a contribution in excess of the $1,000.00 per election contribution limitation nevertheless appears to be a violation of the Act and you should take immediate steps to insure that this activity does not occur in the future.

A report on the Commission's finding is attached for you information.

If you have any questions, please direct them to Conley Edwards, Jr. at 523-4060.

Sincerely,

Enclosure

FEDERAL ELECTION COMMISSOIN

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR NO. 1383

STAFF MEMBER

Conley Edwards, Jr.

RESPONDENT: Danzansky, Dickey, Tydngs, Quint and Gordon

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

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SUMMARY OF ALLEGATIONS

On April 14, 1981, this matter was internally generated as a result of the Commission's determination to reject a debt settlement request submitted by A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE (hereinafter "the Committee") and the law firm of Danzansky, Dickey, Tydings, Quint and Gordon (hereinafter "the law firm") because the debt settlement entered into failed to meet the standards set forth in 11 C.F.R. § 114.10(c).

The Office of General Counsel has been directed to initiate a compliance action and make recommendations concerning possible violations of 2 U.S.C. §§ 441a(a)(1)(A) and 441a(f) during the Committee's 1976 senatorial campaign.

FACTUAL AND LEGAL ANALYSIS

A review of the reports of receipts and expenditure submitted by A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE, the principal campaign committee of Joseph D. Tydings, revealed

that from October 1, 1975 until May 18, 1976, the law firm contributed a loan in-kind service valued at approximately $20,242.91 to the Committee 1975-1976 senatorial campaign.

As a result of the Committee's unsuccessful campaign it was not successful in raising adequate funds to pay its campaign debts. According to the Committee's records and additional information provided by the Committee, the candidate made a personal loan of $158,400.00 to the Committee to pay campaign debts. However, this loan did not and was not intended to include the payment of the $20,242.91 loan from the law firm. To date, both loans, the former candidate's and the law firm's, are still being reported as outstanding.

Because the Committee's campaign failed to generate sufficient funds to pay its bills and had to rely on the former candidate to pay its debts, the respondents initiated a debt settlement request concerning the outstanding loan from the law firm. The respondents were requesting that the Commission approve the terms of their debt settlement agreement as commercially reasonable. The terms of the agreement permitted the law firm to write off the Committee's entire obligation.

However, the Commission on April 14, 1981, rejected the respondents debt settlement request based on the following:

1. There were no advancement schedule(s) for the services rendered to the Committee by the law firm; nor does this appear to have been an extension of credit within the firm's ordinary business practices. As the former candidate is a partner of the law firm, the arrangements for administrative support services to the Committee's campaign appear to have been an informal one. Moreover, the services rendered by the law firm do not fall within the law firm's ordinary business practices;

2. The Committee has made no efforts to satisfy the outstanding debt although the letter from the law firm points out that the candidate had used $158,000 of his personal funds to pay campaign debts and that the fundraisers held by the Committee had not raised sufficient funds even to pay for the fundraisers;

3. The law firm does not appear to have pursued its customary remedies in order to collect the debt. While the law firm was aware of the Committee's futile efforts to raise funds and the candidate's significant efforts, these factors alone might not ordinarily cause the law firm to abandon efforts to obtain payment; and

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4. Finally, that the outstanding debt (loan) is, in fact, an in-kind contribution from the law firm.

Therefore, this is not a commercially reasonable debt settlement and the General Counsel recommends that the Commission find reason to believe that in 1975 and 1976 the law firm of Danzansky, Dickey, Tydings, Quint and Gordon violated 2 U.S.C. § 441a(a)(1)(A) by contributing in excess of the $1,000.00 per election contribution limitation to A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE; but no further action should be taken and the file closed.

RECOMMENDATIONS

1. Find reason to believe that Danzansky, Dickey, Tydings, Quint and Gordon violated 2 U.S.C. § 441a(a)(1)(A).

2. Take no further action and close the file.

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR NO. 1383
STAFF MEMBER

Conley Edwards, Jr.

RESPONDENT A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE

SOURCE OF MUR: INTERNALLY GENERATED

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SUMMARY OF ALLEGATIONS

On April 14, 1981, this matter was internally generated as a result of the Commission's determination to reject a debt settlement request submitted by A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE (hereinafter "the Committee") and the law firm of Danzansky, Dickey, Tydings, Quint and Gordon (hereinafter "the law firm") because the debt settlement entered into failed to meet the standards set forth in 11 C.F.R. § 114.10(c).

The Office of General Counsel has been directed to initiate a compliance action and make recommendations concerning possible violations of 2 U.S.C. §§ 441a(a)(1)(A) and 441a(f) during the Committee's 1976 senatorial campaign.

FACTUAL AND LEGAL ANALYSIS

A review of the reports of receipts and expenditure submitted by A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE, the principal campaign committee of Joseph D. Tydings, revealed

that from October 1, 1975 until May 18, 1976, the law firm contributed a loan in-kind service valued at approximately $20,242.91 to the Committee 1975-1976 senatorial campaign.

As a result of the Committee's unsuccessful campaign it was not successful in raising adequate funds to pay its campaign debts. According to the Committee's records and additional information provided by the Committee, the candidate made a personal loan of $158,400.00 to the Committee to pay campaign debts. However, this loan did not and was not intended to include the payment of the $20,242.91 loan from the law firm. To date, both loans, the former candidate's and the law firm's, are still being reported as outstanding.

Because the Committee's campaign failed to generate sufficient funds to pay its bills and had to rely on the former candidate to pay its debts, the respondents initiated a debt settlement request concerning the outstanding loan from the law firm. The respondents were requesting that the Commission approve the terms of their debt settlement agreement as commercially reasonable. The terms of the agreement permitted the law firm to write off the Committee's entire obligation.

However, the Commission on April 14, 1981, rejected the respondents debt settlement request based on the following:

1. There were no advancement schedule(s) for the services rendered to the Committee by the law firm; nor does this appear to have been an extension of credit within the firm's ordinary business practices. As the former candidate is a partner of the law firm, the arrangements for administrative support services to the Committee's campaign appear to have been an informal one. Moreover, the services rendered by the law firm do not fall within the law firm's ordinary business practices;

2. The Committee has made no efforts to satisfy the outstanding debt although the letter from the law firm points out that the candidate had used $158,000 of his personal funds to pay campaign debts and that the fundraisers held by the Committee had not raised sufficient funds even to pay for the fundraisers;

3. The law firm does not appear to have pursued its customary remedies in order to collect the debt. While the law firm was aware of the Committee's futile efforts to raise funds and the candidate's significant efforts, these factors alone might not ordinarily cause the law firm to abandon efforts to obtain payment; and

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4. Finally, that the outstanding debt (loan) is, in fact, an in-kind contribution from the law firm.

Therefore, this is not a commercially reasonable debt settlement and the General Counsel recommends that the Commission find reason to believe that in 1975 and 1976 A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE violated 2 U.S.C. § 441a(f) by accepting contributions in excess of the $1,000.00 per election contribution limitation as set forth in 2 U.S.C. § 441a(a)(1)(A) from the law firm of Danzansky, Dickey, Tydings, Quint and Gordon; but no further action should be taken and the file closed.

RECOMMENDATIONS

1. Find reason to believe that A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE violated 2 U.S.C. § 441a(f).

2. Take no further action and close the file.

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RAD [illegible]
8/2-23

REPORTS ANALYSIS REFERRAL UPDATE

*ORIGIN:

DATE June 25, 1981

ANALYST Tom Scully

TO:

ATTENTION:

TEAM CHIEF Peter Kell, Jr.

COMPLIANCE REVIEW Peggy Sims

THROUGH: STAFF DIRECTOR

FROM: ASSISTANT STAFF DIRECTOR FOR REPORTS ANALYSIS

MUR No. 1383

DATE OF ORIGINAL REFERRAL Jan. 14, 1980

**PURPOSE:

The attached computer printout (FEC "G" Index) */ is being provided for your information to assist in the review and analysis of the debt settlement statement submitted by the principal campaign committee of Joe Tydings, A Lot of People Want Joe Tydings Back in the U.S. Senate.

*/ The "G" Index contains contributions made by individuals and political committees for the purpose of influencing Federal elections.

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*Commission unit which initiated original Referral (e.g. AUDIT/RAD/OGC).
**INFORMATION, or RESULTS OF RAD ACTION, as appropriate.

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CONTRIBUTOR/LENDER/TRANSFEREE FILER	STREET ADDRESS	CITY	STATE ZIP	DATE	ELECTION	AMOUNT
TYDINGS, JOSEPH CULVER CITIZENS COMMITTEE 80SEN/002/3190 #272330 CONTRIBUTION	1120 CONNECTICUT AVE NW	WASH LAWYER	DC 20036	11DEC79	PRIMARY YEAR-END	200
TYDINGS, JOSEPH COMMITTEE FOR FAUNTROY 80HSE/175/2003 #302328 CONTRIBUTION				13FEB80	PRIMARY APRIL QUARTERLY	500
TYDINGS, JOSEPH BIRCH BAYH FOR SENATOR COMMITTEE 80SEN/017/0033 #523112 CONTRIBUTION		WASHINGTON DANGANSLSEY & DICKEY	DC	21APR80	PRIMARY JULY QUARTERLY	1,000
TYDINGS, JOSEPH D IDAHO FOR CHURCH COMMITTEE 79SEN/006/2400 #109471 CONTRIBUTION	5320 27TH ST NW	WASHINGTON ATTORNEY	DC 20015	16JUL79	PRIMARY OCTOBER QUARTERLY	250
TYDINGS, JOSEPH D FRIENDS FOR FLORIO COMMITTEE 79HSE/168/3273 #113716 CONTRIBUTION	1120 CONNECTICUT AVE NW	WASHINGTON ATTORNEY	DC 20036	12SEP79	GENERAL OCTOBER QUARTERLY	250
TYDINGS, JOSEPH D SCHEUER FOR CONGRESS-1980 79HSE/168/3886 #127548 CONTRIBUTION	1120 CONN AVE NW	WASHINGTON LAWYER	DC 20036	14SEP79	PRIMARY OCTOBER QUARTERLY	200
TYDINGS, JOSEPH D COMMITTEE TO RE-ELECT CLARENCE D. LONG 79HSE/169/0504 #133726 CONTRIBUTION	1120 CONNECTICUT AVE NW	WASHINGTON ATTORNEY	DC 20036	3AUG79	PRIMARY OCTOBER QUARTERLY	250
TYDINGS, JOSEPH D PAUL SIMON FOR CONGRESS COMMITTEE 79HSE/169/3535 #155004 CONTRIBUTION	5320 27TH ST N W	WASHINGTON ATTORNEY	DC	30JUL79	PRIMARY OCTOBER QUARTERLY	250 AMENDMENT
TYDINGS, JOSEPH D DEMOCRATIC HOUSE & SENATE COUNCIL 80FEC/146/0780 #203858 CONTRIBUTION	5320 27TH ST	WASHINGTON DANZANSKY, DICKEY, TYDINGS ...	DC 20015	23OCT79	PRIMARY YEAR-END	125
TYDINGS, JOSEPH D MCGOVERN CAMPAIGN COMMITTEE 80SEN/001/1119 #230903 CONTRIBUTION	1120 CONNECTICUT AVE NW	WASHINGTON ATTORNEY	DC 20036	17OCT79	PRIMARY YEAR-END	200
TYDINGS, JOSEPH D MIKULSKI FOR CONGRESS 80HSE/173/0036 #257199 CONTRIBUTION	5320 27TH STREET NW	WASHINGTON ATTORNEY	DC 20015	6DEC79	PRIMARY YEAR-END	125
TYDINGS, JOSEPH D EAGLETON CAMPAIGN COMMITTEE 80SEN/002/1913 #259048 CONTRIBUTION	5320 27TH ST NW	WASHINGTON DANZANSKY & DICKEY	DC 20015	17DEC79	PRIMARY YEAR-END	1,000

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CONTRIBUTOR/LENDER/TRANSFEROR FILER	STREET ADDRESS	CITY	STATE ZIP	DATE	ELECTION	AMOUNT
TYDINGS, JOSEPH D MIKE HARNES FOR CONGRESS COMMITTEE 80HSE/171/2996 #263932 CONTRIBUTION	TREGARRON	WASHINGTON DANZANSKY DICKEY TYDINGS	DC	1NOV79 YEAR-END	PRIMARY	200
TYDINGS, JOSEPH D UDALL FOR CONGRESS COMMITTEE-1980 80HSE/172/0808 #266131 CONTRIBUTION	1120 CONNECTICUT AVE NW	WASHINGTON ATTORNEY	DC 20036	10DEC79 YEAR-END	PRIMARY	200
TYDINGS, JOSEPH D FRIENDS FOR FLORIO COMMITTEE 80HSE/175/0729 #286877 CONTRIBUTION	1120 CONNECTICUT AVE, NW	WASHINGTON ATTORNEY	DC 20030	17MAR80 APRIL QUARTERLY	PRIMARY	250
TYDINGS, JOSEPH D IDAHO FOR CHURCH COMMITTEE 80SEN/004/3171 #295926 CONTRIBUTION	5320 27TH ST NW	WASHINGTON ATTORNEY	DC 20015	22FEB80 APRIL QUARTERLY	PRIMARY	250
TYDINGS, JOSEPH D HART FOR SENATE CAMPAIGN COMMITTEE INC 80SEN/004/3362 #317622 CONTRIBUTION	530 27TH ST DANZANSKY, DICKEY ET AL	WASHINGTON	DC 20036	27MAR80 APRIL QUARTERLY	PRIMARY	400
TYDINGS, JOSEPH D CRANSTON FOR SENATE COMMITTEE 80SEN/004/3488 #318958 CONTRIBUTION	5320 27TH ST N W DANZANSKY, KICKEY, TYDINGS	WASHINGTON	DC 20015	2JAN80 APRIL QUARTERLY	PRIMARY	500
TYDINGS, JOSEPH D DEMOCRATIC CONGRESSIONAL DINNER COMMITTEE 80FEC/159/4293 #368334 CONTRIBUTION	5320 27TH STREET NW DANZANSKY DICKEY TYDINGS QUINT	WASHINGTON	DC 20015	30APR80 JULY QUARTERLY	PRIMARY	1,000
TYDINGS, JOSEPH D CITIZENS FOR MNADEMAS COMMITTEE 80HSE/180/1900 #457737 CONTRIBUTION	1120 CONNECTICUT AVE NW DANZANSKY DICKEY TYDINGS QUINT ...	WASHINGTON	DC 20036	27JUN80 JULY QUARTERLY	GENERAL	250
TYDINGS, JOSEPH D CARTER/KENNEDY UNITY DINER COMMITTEE 80FEC/179/1641 #511032 CONTRIBUTION	DANZANSKY DICKEY TYDINGS QUINT,...	WASHINGTON	DC 20015	23OCT80 POST-GENERAL	PRIMARY	1,000
TYDINGS, JOSEPH D MR CARTER/MONDALE PRESIDENTIAL COMMITTEE INC 79FEC/100/2439 #051471 CONTRIBUTION	5320-27TH ST NW DANZANSKY DICKEY TYDINGS QUINT	WASHINGTON	DC 20015	25JUN79 JULY QUARTERLY	PRIMARY	1,000
TYDINGS, JOSEPH D(IK) CRANSTON FOR SENATE COMMITTEE 80SEN/002/4070 #256137 CONTRIBUTION (IK)	5320-27TH STREET, N W ATTORNEY	WASHINGTON	DC 20015	10DEC79 YEAR-END	PRIMARY	473
TYDINGS, TERRY H MRS CARTER/MONDALE PRESIDENTIAL COMMITTEE INC 79FEC/100/2440 #051479 CONTRIBUTION	5320 27TH ST NW	WASHINGTON	DC 20015	26JUN79 JULY QUARTERLY	PRIMARY	1,000

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Lot of People Who Want Joe Tydings Back in the U. S. Senate, et al.	)	DSR-596

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission's Executive Session on April 14, 1981, do hereby certify that the Commission took the following actions in DSR-596:

1. Failed on a vote of 3-2 to pass a motion to -

   a) Allow the Tydings Committee to extinguish the debt to the law firm of Danzansky, Dickey, Tydings, Quint, and Gordon.

   b) Approve and send the letter attached to the General Counsel's April 7, 1981 report in this matter.

   Commissioners Aikens, McGarry, and Thomson voted affirmatively for the motion; Commissioners Harris and Reiche dissented. Commissioner Tiernan was not present at the time of the vote.

2. Decided by a vote of 4-1 to direct the FEC Office of General Counsel to open a Matter Under Review with respect to DSR-596.

   Commissioners Harris, McGarry, Reiche, and Thomson voted affirmatively for the decision; Commissioner Aikens dissented. Commissioner Tiernan was not present at the time of the vote.

Attest:

4/14/81
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS / JODY CUSTER jc
OFFICE OF THE SECRETARY TO THE COMMISSION

DATE: APRIL 8, 1981

SUBJECT: ADDITIONAL OBJECTION TO DSR 596, Memorandum to the Commission, dated 4-7-81; Received in OCS, 4-7-81, 11:23

You were notified previously of an objection by Commissioner Reiche.

Commissioner Harris submitted an additional objection at 11:22, April 8, 1981.

This matter will be discussed in executive session on Tuesday, April 14, 1981.

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48 HOUR TALLY SHEET

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

CONFIDENTIAL

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

Date and Time Transmitted: TUESDAY, 4-7-81,
4:00

Commissioner McGARRY, AIKENS, TIERNAN, THOMSON, REICHE, HARRIS

RETURN TO OFFICE OF COMMISSION SECRETARY BY: THURSDAY, APRIL 9, 1981,
4:00

DSR No. 596 Memorandum to the Commission, dated April 7, 1981

( ) I approve the recommendation

(✓) I object to the recommendation

COMMENTS: _____

Date: 4-8-81 Signature: Thomas E. Harris

A DEFINITE VOTE IS REQUIRED AND ALL SHEETS SIGNED AND DATED. PLEASE RETURN ONLY THE VOTE SHEETS TO THE OFFICE OF THE COMMISSION SECRETARY NO LATER THAN THE DATE AND TIME SHOWN ABOVE.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/JODY CUSTER

DATE: APRIL 8, 1981

SUBJECT: OBJECTION - DSR 596, Memorandum to the Commission, dated 4-7-81; Received in OCS, 4-7-81, 11:23

The above-named document was circulated on a 48 hour vote basis at 4:00, April 7, 1981.

Commissioner Reiche submitted an objection at 9:13, April 8, 1981.

This matter will be placed on the Executive Session Agenda for Tuesday, April 14, 1981. A copy of Commissioner Reiche's vote sheet with comments is attached.

Attachment:
Vote Sheet

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48 HOUR TALLY SHEET

RECEIVED OFFICE OF THE SECRETARY COMMISSION

CONFIDENTIAL

FEDERAL ELECTION COMMISSION

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

Date and Time Transmitted: TUESDAY, 4-7-81, 4:00

Commissioner McGARRY, AIKENS, TIERNAN, THOMSON, REICHE, HARRIS

RETURN TO OFFICE OF COMMISSION SECRETARY BY: THURSDAY, APRIL 9, 1981, 4:00

DSR No. 596 Memorandum to the Commission, dated April 7, 1981

( ) I approve the recommendation

(✓) I object to the recommendation

COMMENTS: I believe this matter should be discussed by the entire Commission.

Date: 4/7/81 Signature: Frank P. Reiche

A DEFINITE VOTE IS REQUIRED AND ALL SHEETS SIGNED AND DATED. PLEASE RETURN ONLY THE VOTE SHEETS TO THE OFFICE OF THE COMMISSION SECRETARY NO LATER THAN THE DATE AND TIME SHOWN ABOVE.

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MEMORANDUM TO: [illegible]

FROM: [illegible]

SUBJECT: [illegible]

Please have the attached [illegible] computation on a 48 hour [illegible]

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RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

81 APR 7 A11: 23

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 7, 1981

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel

SUBJECT: DSR-596 - Debt Settlement Request of a LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE and Danzansky, Dickey, Tydings, Quint and Gordon

I. Introduction

This memorandum concerns the settlement of an outstanding non-corporate debt between A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE SENATE ("Committee") and the law firm of Danzansky, Dickey, Tydings, Quint and Gordon ("Creditor"). See Attachment I.

II. Facts

The request is written by Michael E. Kris, counsel to the Committee, and outlines the circumstances from which the debt arose. According to this letter "[I]n order to comply with the spirit of the law and its letter, as we interpreted it, the law firm treated Mr. Tydings' office in the firm as a satellite. His secretary's time was billed to the campaign; photocopying services and supplies were billed to the campaign. The entire loan from the law firm consisted of in-kind services and supplies and it did not include any contribution whatsoever of monies in any form." 1/

1/ See Attachment II, p.2.

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The Committee has reported the debt in this matter as $20,242.91 for campaign services rendered during the 1976 Senatorial campaign. However, the Creditor has only been able to locate billings totaling $16,929.00 owed them by the Committee. This $3,313.19 discrepancy between the parties is explained by the parties as resulting from several different persons handling the accounts of both the Committee and Creditor over a period of time.

III. Legal Analysis

A corporation is permitted to extend credit to a candidate, political committee, or other person in connection with a Federal election provided that the extension of credit is in the ordinary course of the corporation's business practices and that the terms of credit are substantially similar to extensions of credit to non-political entities. 11 C.F.R. § 114.10.

If a corporate debt is settled in a commercially reasonable manner, the settlement will not be considered an illegal corporate contribution. However, the corporation and/or the debtor must file a statement of settlement with the Commission prior to the termination of its reporting status, and the settlement is subject to Commission review.

Accordingly, the settlement of this corporate debt of the Committee has been examined in order to determine, pursuant to 11 C.F.R. § 114.10(c), whether:

1. The initial extension of credit was in the ordinary course of the corporation's business practices;

2. the debtor has undertaken all commercially reasonable efforts to satisfy the outstanding debt; and

3. the corporate creditor has pursued its customary remedies in order to collect the debt.

In addition, on May 4, 1978, the Commission determined that settlement or forgiveness of debts owed non-corporate creditors would be permitted provided that the debt was incurred in connection with goods and/or services rendered to the campaign by a vendor who provides such services in the ordinary course of a business or professional enterprise. Such settlement with a non-corporate entity is also subject to Commission review if the difference between the original charge and the amount paid exceeds the contribution limitation

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of the creditor, or if the creditor notifies the Commission that he or she wishes the entire amount of the difference to be treated as a debt settlement. Submission of a statement of settlement is required.

The debt elimination at issue here involves a law partnership providing secretarial services, rental space, photocopying services and supplies to the Committee. As a partnership, the Creditor comes within the policy accepted by the Commission on May 4, 1978, which treats non-corporate creditors in the same manner as corporate creditors regarding the settlement of debts in situations where the amount of the original charge which was unsatisfied would exceed the non-corporate entity's contribution limitation or where the non-corporate entity expresses the desire that all of the amount of the reduction be deemed a debt settlement and not a contribution. In the present situation, the Creditor's letter to the Committee concerning the settlement of the Committee's debt makes no reference to a desire to make a contribution, but states that all of the amount of the debt reduction is to be considered a debt settlement. Therefore, Commission review is necessary in order to determine compliance by the parties with 11 C.F.R. § 114.10.

The Creditor has agreed to forgive one hundred percent (100%) of the debt owed according to its records. 2/ Moreover, the parties have deemed it a commercially reasonable debt settlement agreement.

This debt settlement request presents some difficulties because of the value of the services involved and the fact that a law firm is not in the regular business of rendering in-kind administrative services. However, the debtor indicates that the campaign committee was billed even more stringently than a routine "non-billable" client, who is charged for expenses. Furthermore, the candidate has used $158,000 of this personal funds to pay campaign debts and the fundraisers held by the committee had not raised sufficient funds even to pay for the fundraiser.

2/ The Committee's reports of receipts and expenditures disclose a $20,242.91 debt owed the Creditor, as opposed to the Creditor's records which reveal an outstanding debt of only $16,929.00.

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The debtor further contends that the creditor law firm has "pursued remedies in a manner similar in intensity to that employed in pursuit of a non-political debtor." The Committee reports vertify the debtor's financial condition and his alleged inability to liquidate this debt. The reports reveal that the Committee has no assets and as stated, a continuing outstanding indebtedness of $158,400 to the candidate in addition to the obligation to the law firm.

Thus, we recommend that the Commission allow the Committee to extinguish this debt which relates back to the 1976 Senatorial effort by Mr. Tydings.

Recommendation

1. Allow the Tydings Committee to extinguish the debt to the law firm of Danzansky, Dickey, Tydings, Quint and Gordon .

2. Approve and send attached letters.

Attachments

I. Debt Referral Letters (2) - II. Letter from Michael E. Kris dated 3/20/79

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DS/80-1
D-596

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 10, 1980

Update August 29, 1980

MEMORANDUM FOR: THE OFFICE OF GENERAL COUNSEL

THROUGH : ORLANDO B. POTTER

FROM : TOM HASELHORST

SUBJECT : REFERRAL OF DEBT SETTLEMENT STATEMENT

Attached, for your consideration, is a copy of a debt settlement filed by Danzansky, Dickey, Tydings, Quint & Gordon. This statement consists of a letter from the creditor to FEC, in which, they agree to absolve the debt owed them by A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE.

The following is additional data which may be of assistance to you in making your recommendation to the Commission:

AMOUNT OF ORIGINAL DEBT:	$20,242.91
PERCENTAGE OF DEBT FORGIVEN:	100%
TOTAL AMOUNT OF DEBTS OUTSTANDING:	$158,400.00
TOTAL NUMBER OF OTHER CREDITORS:	1
YEAR-TO-DATE RECEIPTS:	0
YEAR-TO-DATE EXPENDITURES:	0
CASH ON HAND 3/31/79:	0
LENGTH OF TIME DEBT(S) HAVE BEEN CARRIED:	since 5/76
DATE REPORTS REVIEWED:	11/1/79

The Reports Analysis Division has notified Danzansky, Dickey, Tydings, Quint & Gordon that the Commission is reviewing the debt settlement statement and advised the committee to continue reporting that debt until the Commission approves the debts settlement statement. If you should have any questions, please contact Theresa Harley at X34172.

ATTACHMENT -I

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LAW OFFICES
DANZANSKY, DICKEY, TYDINGS, QUINT & GORDON
TENTH FLOOR
1200 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036
(202) 857-4000

RAYMOND H. DICKEY
BERNARD GORDON
HILTON QUINT
JOSEPH D. TYDINGS
ROBERT F. DRUMMOND
MITCHELL S. CUTLER
LOUIS H. DIAMOND
STEPHEN L. DANZANSKY
ROBERT G. WASHINGTON, JR.
EDWARD G. LEVIN
IAN E. POATNOY
ROBERT F. CONDON
ROBERT A. KLEIN
DAVID W. RUTSTEIN
LIONEL E. PASHKOFF
STEPHEN A. BOSSIN
H. KENNETH RUDDE
STANLEY A. LEMME
AARON L. HANDLEMAN
MICHAEL E. KING
JEFFREY J. HILTON
PHILLIP H. HARRIS
JAMES BREWER
ROBERT BUNN
RONALD S. SHAPIRO
CURTIS A. RITTER
FRANK D. GORDON
CORY H. AMRON

JOSEPH D. DANZANSKY
COUNSEL TO THE FIRM
ROBERT H. FINCH
SPECIAL COUNSEL TO THE FIRM
THOMAS J. WALSH
MARVIN WILLIS
OF COUNSEL
FRANK DUDLEY (1946)
STANLEY H. FISCHER (1952)
CABLE: DANKEY
TELECOPIER (202) 857-4010
TELEX: 440420 DANZ

March 20, 1979

WRITER'S DIRECT DIAL
857-4082

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8 1 0 4 0 2 9 4 7 4 3

General Counsel
Federal Elections Commission
1325 K Street, N.W.
Washington, D.C.

Dear Sir:

The enclosed reports for filing with the Federal Elections Commission indicate that The Tydings Committee has been absolved of an obligation of $16,929.00 to the law firm of Danzansky, Dickey, Tydings, Quint & Gordon. As counsel to that campaign, I am especially concerned that you understand the background of this transaction since many of the facts are not immediately evident.

Since the primary election in May, 1976, during which this obligation was incurred, The Tydings Committee has reported a debt of $20,242.91 to the law firm. However, recent efforts to resolve this matter have uncovered an obligation in the amount of $16,929.00. We have conducted a thorough search of law firm and campaign records in order to resolve this discrepancy, but it has been to no avail. Since 1976, the law firm has had three bookkeepers, and the campaign has had three different persons charged with filing the reports. I feel it is fair to assume that some error or misunderstanding developed during the campaign, and successors in responsibility routinely assumed that all records regarding this matter were in order. Of course, the Federal Elections Commission is invited to review the campaign records as well as the law firm records pertaining to this matter.

In any event, the law firm has written off a loan of $16,929.00, and the campaign will write off its entire obligation to the law firm.

ATTACHMENT II

Further background on the nature of the campaign and the law firm loan might explain why this transaction has taken place.

When Joe Tydings decided to seek the Democratic nomination for the U.S. Senate from Maryland, the new election laws were coming into effect. In order to comply with the spirit of the law and its letter, as we interpreted it, the law firm treated Mr. Tydings' office in the firm as a satellite. His secretary's time was billed to the campaign; a pro-rata share of rent and overhead was billed to the campaign; xeroxing services and supplies were billed to the campaign. The entire loan from the law firm consisted of in-kind services and supplies, and it did not include any contribution whatsoever of monies in any form.

Mr. Tydings entered the campaign at a point when much of the money he had counted on in past campaigns was already committed to his primary opponent, Paul Sarbanes. He knew then that he would have to contribute some of his own money, although the applicable law at the time (pre-Buckley v. Valeo) would have placed a $25.00 limit on his contributions.

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However, the Committee met failure after failure in its fund-raising efforts: mailings brought back money which barely paid for their cost; private parties were sparcely attended, and large gatherings for contributors seemed fruitless, because there were not enough of them.

The result of this was the Committee's increasing reliance on Mr. Tydings' personal funds, to the point where he contributed, in the form of a loan, about $158,000.00, which was more than 50 percent of all funds expended by the Tydings Committee.

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1) The initial extention of credit to the candidate or committee was made in a manner similar to that of non-political debtors.

I have been advised that the Committee was billed even more stringently than a routine "non-billable" client, who is charged only for expenses. These clients are not billed for a proportionate share of overhead expenses, nor for that amount of secretarial time actually spent on that work.

2) A candidate or political committee has undertaken an exhaustive effort to satisfy the outstanding debt.

I think that this letter gives an adequate picture of the Committee's good faith, yet futile, efforts to raise money.

3) The corporate(sic) creditor has pursued remedies in a manner similar in intensity to that employed in pursuit of a non-political debtor.

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I apologize for the length of the letter, but this is a sensitive area, and I believe that disclosure of all these facts will be helpful to the Federal Elections Commission.

Sincerely,

MICHAEL E. KRIS
Counsel to The Tydings Committee

kq

Enclosures

8 1 0 4 0 2 9 4 7 4 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Bernard Segerman, Treasurer
A LOT OF PEOPLE WHO WANT JOE
TYDINGS BACK IN THE U.S. SENATE
8401 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: Debt Settlement
Request

Dear Mr. Segerman:

The Commission has reviewed the debt settlement request submitted by A Lot Of People Who Want Joe Tydings Back In The U.S. Senate and the law firm of Danzansky, Dickey, Tyding, Quint and Gordon.

The Commission has approved the forgiveness of the debt which is the subject of this matter in that it is the only outstanding indebtedness to an entity other than the candidate himself and the obligation dates back to the 1976 Senatorial election.

Thus, under the circumstances of this particular matter, the Commission has allowed that the debt in question be extinguished.

Very truly yours,

Charles N. Steele
General Counsel

8 1 0 4 0 2 9 4 7 4 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Michael Kris, Esquire
Danzansky, Dickey, Tydings
Quint and Gordon
1120 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: Debt Settlement
Request

Dear Mr. Kris:

The Commission has reviewed the debt settlement request submitted by A Lot Of People Who Want Joe Tydings Back In The U.S. Senate and the law firm of Danzansky, Dickey, Tyding, Quint and Gordon.

The Commission has approved the forgiveness of the debt which is the subject of this matter in that it is the only outstanding indebtedness to an entity other than the candidate himself and the obligation dates back to the 1976 Senatorial election.

Thus, under the circumstances of this particular matter, the Commission has allowed that the debt in question be extinguished.

Very truly yours,

Charles N. Steele
General Counsel

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DSR 596 D596

DANZANSKY, DICKEY, TYDINGS, QUINT & GORDON

ATTORNEYS AT LAW

1120 CONNECTICUT AVENUE, N. W.
WASHINGTON, D. C. 20036

TELEPHONE (202) 857-4000

CABLE: DANKEY
TELECOPIER (202) 857-4410
TELEX: 89-2418

WRITER'S DIRECT DIAL

(202) 857-4441

RECEIVED
1980 SEP 8 AM 10:19

September 2, 1980

Conley Edwards, Esq.
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20006

Re: Tydings Committee #C00038893

Dear Mr. Edwards:

This is in response to your inquiry on August 29, 1980, by telephone regarding the nomenclature used in the year-end (1979) report of the above referenced committee. Specifically, you have asked why the figure of $20,242.91, a loan from the law firm of Danzansky, Dickey, Tydings, Quint & Gordon to the Tydings Committee, was treated as a receipt rather than a debt or obligation. This accounting method was used because on March 20, 1979, Danzansky, Dickey, Tydings, Quint & Gordon "wrote off" this debt. While the Tydings Committee was fully aware that this transaction was subject to the approval of the Federal Election Commission, it felt that in order to be consistent with its earlier representations it should treat the debt as one which had been absolved. The notation was not intended to alter the substance of this transaction which was fully reported to the Federal Election Commission in a letter from Danzansky, Dickey, Tydings, Quint & Gordon dated March 20, 1979.

Please call me if you have any further questions in this matter.

Sincerely,

MARK LONDON
For the Firm

smf

8104029749

LAW OFFICES
BANZANSKY, DICKEY, TYDINGS, QUINT & GORDON
TENTH FLOOR
1120 CONNECTICUT AVENUE, N. W.
WASHINGTON, D. C. 20036

RECEIVED
WASHINGTON D.C.
80 SEP 8 A9:31

Conley Edwards, Esq.
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20006

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D-596

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 29, 1980

MEMORANDUM

To: Charles Steele
Office of the General Counsel

Through: Bill Loughrey B.L.
Office of the Staff Director

From: Peggy Sims PS
Reports Analysis Division

Subject: Debt Settlement/ A Lot of People Who Want Joe Tydings Back In The U. S. Senate

---

Attached is a copy of the above-mentioned "debt settlement" referral listed by the Office of the Staff Director as D-596, referred on January 14, 1980. Jane Colgrove has informed me that the Docket has no record of receiving this referral. Although RAD analyst, Theresa Harley informed me that Conley Edwards said that he had the referral, RAD is referring another copy for your records.

Please expedite this matter. It has been more than one year since the "debt settlement" was requested. Representatives of the creditor have been calling the Commission requesting results.

81040294751

COPY
D-546
DS/80-1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 10, 1980

MEMORANDUM FOR: THE OFFICE OF GENERAL COUNSEL

THROUGH : ORLANDO B. POTTER

FROM : TOM HASELHORST

SUBJECT : REFERRAL OF DEBT SETTLEMENT STATEMENT

Attached, for your consideration, is a copy of a debt settlement filed by Danzansky, Dickey, Tydings, Quint & Gordon. This statement consists of a letter from the creditor to FEC, in which, they agree to absolve the debt owed them by A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE.

The following is additional data which may be of assistance to you in making your recommendation to the Commission:

AMOUNT OF ORIGINAL DEBT:	$20,242.91
PERCENTAGE OF DEBT FORGIVEN:	100%
TOTAL AMOUNT OF DEBTS OUTSTANDING:	$158,400.00
TOTAL NUMBER OF OTHER CREDITORS:	1
YEAR-TO-DATE RECEIPTS:	0
YEAR-TO-DATE EXPENDITURES:	0
CASH ON HAND 3/31/79:	0
LENGTH OF TIME DEBT(S) HAVE BEEN CARRIED:	since 5/76
DATE REPORTS REVIEWED:	11/1/79

The Reports Analysis Division has notified Danzansky, Dickey, Tydings, Quint & Gordon that the Commission is reviewing the debt settlement statement and advised the committee to continue reporting that debt until the Commission approves the debts settlement statement. If you should have any questions, please contact Theresa Harley at X34172.

8104029475 2

Law Offices
DANZANSKY, DICKEY, TYDINGS, QUINT & GORDON
Tenth Floor
[illegible] Connecticut Avenue, N.W.
Washington, D.C. 20036
(202) 857-4000

March 20, 1979

857-4082

7902022835
8104029475 3

General Counsel
Federal Elections Commission
1325 K Street, N.W.
Washington, D.C.

Dear Sir:

The enclosed reports for filing with the Federal Elections Commission indicate that The Tydings Committee has been absolved of an obligation of $16,929.00 to the law firm of Danzansky, Dickey, Tydings, Quint & Gordon. As counsel to that campaign, I am especially concerned that you understand the background of this transaction since many of the facts are not immediately evident.

Since the primary election in May, 1976, during which this obligation was incurred, The Tydings Committee has reported a debt of $20,242.91 to the law firm. However, recent efforts to resolve this matter have uncovered an obligation in the amount of $16,929.00. We have conducted a thorough search of law firm and campaign records in order to resolve this discrepancy, but it has been to no avail. Since 1976, the law firm has had three bookkeepers, and the campaign has had three different persons charged with filing the reports. I feel it is fair to assume that some error or misunderstanding developed during the campaign, and successors in responsibility routinely assumed that all records regarding this matter were in order. Of course, the Federal Elections Commission is invited to review the campaign records as well as the law firm records pertaining to this matter.

In any event, the law firm has written off a loan of $16,929.00, and the campaign will write off its entire obligation to the law firm.

Further background on the nature of the campaign and the law firm loan might explain why this transaction has taken place.

When Joe Tydings decided to seek the Democratic nomination for the U.S. Senate from Maryland, the new election laws were coming into effect. In order to comply with the spirit of the law and its letter, as we interpreted it, the law firm treated Mr. Tydings' office in the firm as a satellite. His secretary's time was billed to the campaign; a pro-rata share of rent and overhead was billed to the campaign; xeroxing services and supplies were billed to the campaign. The entire loan from the law firm consisted of in-kind services and supplies, and it did not include any contribution whatsoever of monies in any form.

Mr. Tydings entered the campaign at a point when much of the money he had counted on in past campaigns was already committed to his primary opponent, Paul Sarbanes. He knew then that he would have to contribute some of his own money, although the applicable law at the time (pre-Buckley v. Valeo) would have placed a $25.00 limit on his contributions.

The campaign's initial fund-raising endeavors confirmed the fear that money would be hard to find, and, frankly, the campaign was saved only when the Supreme Court lifted the restrictions on candidate contributions. Nonetheless, the campaign committee did not expect Mr. Tydings to finance the entire campaign, since he did not have such resources, and since doing so would have been anathema to the type of grass-roots political participation that Mr. Tydings had always encouraged.

However, the Committee met failure after failure in its fund-raising efforts: mailings brought back money which barely paid for their cost; private parties were sparcely attended, and large gatherings for contributors seemed fruitless, because there were not enough of them.

The result of this was the Committee's increasing reliance on Mr. Tydings' personal funds, to the point where he contributed, in the form of a loan, about $158,000.00, which was more than 50 percent of all funds expended by the Tydings Committee.

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Again, Mr. Tydings helped the Committee pay off its debts, and it finally reached the point where only the loans by the firm and to Mr. Tydings remained on the books. Raising funds to pay off these loans is now out of the question.

I understand that the "bottom line" of this transaction is a contribution from the law firm, a partnership, in excess of the legal limit of $5,000.00. However, the Federal Elections Commission has promulgated standards (see AO-1975-50; 40 FR 4068 (1975)) whereby settlement or forgiveness of a corporate (the distinction is not crucial for our purposes) debt will not be considered a contribution. They are as follows:

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I have been advised that the Committee was billed even more stringently than a routine "non-billable" client, who is charged only for expenses. These clients are not billed for a proportionate share of overhead expenses, nor for that amount of secretarial time actually spent on that work.

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The law firm was well aware that Mr. Tydings himself paid off all the campaign's debts. The partners talked to him about this matter, and they probably applied as much pressure as possible to a man who had just spent $158,000.00 in a losing effort. The decision to wait this long to write off the debt was made primarily in the hope of receiving funds to satisfy this obligation.

I apologize for the length of the letter, but this is a sensitive area, and I believe that disclosure of all these facts will be helpful to the Federal Elections Commission.

Sincerely,

MICHAEL E. KRIS
Counsel to The Tydings Committee

kq

Enclosures

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8 1 0 4 0 2 9 4 7 5 6

CCO#
9934

LAW OFFICES
DANZANSKY, DICKEY, TYDINGS, QUINT & GORDON
TENTH FLOOR
1120 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036
(202) 857-4000

RECEIVED
FEDERAL ELECTION
COMMISSION

'79 APR 23 PM

RAYMOND S. DICKEY
BERNARD GORDON
JOSEPH D. TYDINGS
FRANK M. HUND
ROBERT F. ROLINCK
MITCHELL S. CUTLER
LOUIS H. DIAMOND
STEPHEN I. DANZANSKY
ROBERT S. WASHINGTON, JR.
EDMUND R. LEVIN
MAX R. PORTNOY
ROBERT P. CONDON
ROBERT A. KLEIN
LIONEL E. PASHKOFF
STEPHEN A. SODZIN
H. KENNETH KUDON
AARON L. HANDLEMAN
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PHILLIP H. HARRIS
JAMES BREWER
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RONALD S. SHAPIRO
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CURTIS A. RITTER
CORY M. AMRON
PETER LIPRESTI
STEVEN H. SCHRAM
SAMUEL P. KASTNER

JOSEPH S. DANZANSKY
COUNSEL TO THE FIRM

TO THE FIRM

THOMAS J. WALSH
MARVIN SILLIS
OF COUNSEL

FRANK DICKEY (1944)
STANLEY H. FISHER (1953)

CABLE: DANKEY
TELECOPIER (202) 857-4410
TELEX: 440489 DANZ

WRITER'S DIRECT DIAL

857-4082

April 18, 1979

902125

Mr. Conley Edwards
FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C.

RE: The Tydings Committee

Dear Mr. Edwards:

I have been apprised of your conversation with my associate, Mark London, this afternoon. We await receipt of the rules and regulations of the Federal Election Commission in order that we may re-evaluate the position which was set forth in our letter to the Commission of April 2, 1979. I have asked Mr. London to forward to your attention as quickly as possible the citation to the Advisory Opinion dealing with the subject of when a long-standing debt can be considered a contribution under the Rules and Regulations of the Federal Election Commission.

We thank you for your guidance and advice and hopefully will be in correspondence with you within the next two weeks.

Very truly yours,

MICHAEL E. KRIS
For the Firm

kq

CC: Mark London

81040294757

LAW OFFICES
DANZANSKY, DICKEY, TYDINGS, QUINT & GORDON
TENTH FLOOR
1120 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036

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Mr. Conley Edwards
FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C.

Michael E. Kris
1120 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Mr. Oldaker,

Should you have any questions concerning the attached, I will be glad to meet with you at your convenience to conclude this matter pursuant to the law and your rules and regulations.

Michael E. Kris

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LAW OFFICES
DANZANSKY, DICKEY, TYDINGS, QUINT & GORDON
TENTH FLOOR
1200 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036
(202) 857-4000

RECEIVED
FEDERAL ELECTION
COMMISSION

'79 APR 9

RAYMOND B. DICKEY
EDWARD GORDON
WILTON QUINT
JOSEPH D. TYDINGS
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TYSONS J. WILSON
MARVIN MILLIG
OF COUNSEL

FRANK DICKEY (1941)
STANLEY H. FISCHER (1953)

CABLE: DANDY
TELECOPIER (202) 857-4410
TELEX: 64-0420 DANZ

WRITER'S DIRECT DIAL
857-4082

March 20, 1979

General Counsel
Federal Elections Commission
1325 K Street, N.W.
Washington, D.C.

Dear Sir:

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Sincerely,

MICHAEL E. KRIS
Counsel to The Tydings Committee

kq

Enclosures

8 1 0 4 0 2 9 4 7 6 3

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JOSEPH S. DANZANSKY
COUNSEL TO THE FIRM

ROBERT H. FINCH
SPECIAL COUNSEL TO THE FIRM

THOMAS J. WALSH
MARVIN WILLIG
OF COUNSEL

FRANK DICKEY (1944)
STANLEY H. FISCHER (1953)

CABLE: DANKEY
TELECOPIER (202) 857-4410
TELEX: 440429 DANZ

WRITER'S DIRECT DIAL

(202) 857-4082

April 2, 1979

The Honorable J. Stanley Kimmitt
Secretary of the Senate
Capital Building S-221
United States Senate
Washington, D.C. 20510

RE: Joseph D. Tydings; The Tydings Committee

Dear Mr. Kimmitt:

Enclosed please find copies of the first calendar quarter 1979 Reports of Contributions and Expenditures to be filed on behalf of Joseph D. Tydings and the above-referenced Committee. Would you please accept same for filing.

Very truly yours,

MICHAEL E. KRIS
For the Firm

Enclosures
mg

cc: Mr. Bernard Segerman
Joseph D. Tydings, Esq.
Mark L. London
Dorothy Whipple

8 1 0 4 0 2 9 4 7 6 4

FEC Form 3
July 1976
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Report of Receipts and Expenditures for a Candidate or Committee Supporting any Candidate(s) for Nomination or Election to Federal Office

Note: *Committees authorized by a candidate to receive contributions and make expenditures in connection with more than one election must maintain separate records with respect to each election.*

1(a) Name of Candidate or Committee (in full) ☐ Check if name or address is changed
The Tydings Committee -- A lot of people who want Joe Tydings back in the U.S. Senate

(b) Address (number and street)
8401 Connecticut Avenue

(c) City, State and ZIP code
Washington, D.C. 20015

2 Identification Number
C00038893

3(a) Is this a report of receipts and expenditures for only one election? ☒ Yes ☐ No

(b) If "Yes," for which election? primary (general, primary, runoff) on 5/18/76 (date)

4 Type of Report (Check appropriate box and complete, if applicable)

(a) ☐ Amendment For _____ (Which report)
(b) ☒ April 10 Quarterly Report
(c) ☐ July 10 Quarterly Report
(d) ☐ October 10 Quarterly Report
(e) ☐ January 31 Year End Report
(f) ☐ Monthly Report _____ (Month)
(g) ☐ Termination Report
(h) ☐ Tenth day report preceding _____ (primary, general or convention) election on _____ (date) in the State of _____
(i) ☐ Thirtieth day report following _____ (primary, general or convention) election on _____ (date) in the State of _____

Candidate or Committee Summary of Receipts and Expenditures

5 Covering Period: From 1/1/79 Through 3/31/79

Section A - Cash Balance Summary	Column A This Period	Column B Calendar Year-To-Date
6 Cash on hand January 1, 19		$ 0
7 Cash on hand at beginning of reporting period	$ 0	
8 Total receipts (from line 19)	$ 0	$ 0
(a) Subtotal (Add lines 7 and 8)	$ 0	$ 0
9 Total expenditures (From line 25)	$ 0	$ 0
10 Cash on hand at close of reporting period (Subtract line 9 from line 8)	$ 0	$ 0
11 Contributed items on hand to be liquidated (attach itemized list) $ _____		
Section B - Presidential Campaign Expenditures Subject to Limitation - Summary (To Be Used Only By Presidential Candidates Receiving Federal Funds)		
12 Operating expenditures (from line 20)	$ NA	$ NA
13 Refunds and Rebates (from line 17)	$ NA	$ NA
14 (a) Expenditures subject to limitation (Subtract line 13 from line 12)	$ NA	$ NA
(b) Expenditures from prior years subject to limitation		$ NA
(c) Total expenditures subject to limitation (Add lines 14a and 14b)		$ NA

I certify that I have examined this Report, and to the best of my knowledge and belief it is true, correct and complete.

Bernard Segerman (Typed Name of Treasurer or Candidate)
Bernard Segerman (Mek) (Signature of Treasurer or Candidate)
March 31, 1979 (Date)

Note: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g or §441j (See reverse side of form)

For further information Contact: Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463

Any information reported herein may not be copied for sale or use by any person for purposes of soliciting contributions or for any commercial purpose.

FEC Form 3
July 1978
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Detailed Summary Schedule of Receipts and Expenditures
(Page 2)

Name of Candidate or Committee: The Tydings Committee — A lot of people who want Joe Tydings back in the US Senate

REPORT COVERING THE PERIOD FROM: 1/1/79 TO: 3/31/79

	Column A This Period	Column B Calendar year-to-date
PART I - RECEIPTS		
15 Contributions and other Income:		
(a) Itemized (use Schedule A)	$ None	
(b) Unitemized	$ None	
(c) Sales and Collections Included Above: List by event on memo Schedule D ($_____)		
(d) Subtotal of contributions and other income	$	$
16 Loans and Loan Repayments Received: and forgiven		
(a) Itemized (use Schedule A)	$ 20,242.91	
(b) Unitemized	$	
(c) Subtotal of loans and loan repayments received loans forgiven	$ 20,242.91	$
17 Refunds, Rebates, Returns Received:		
(a) Itemized (use Schedule A)	$ None	
(b) Unitemized	$ None	
(c) Subtotal of refunds, rebates, returns	$ None	$
18 Transfers In:		
(a) From Affiliated Committee (Itemize on Schedule A Regardless of Amount)	$ None	
(b) From other Committees (Itemize on Schedule A Regardless of Amount)	$ None	
(c) Subtotal of transfers in	$ None	$
19 Total Receipts	$ None	$
PART II - EXPENDITURES		
20 Operating Expenditures (Committees *Not* Receiving Federal Funds Include Fundraising, Legal and Accounting Expenditures):		
(a) Itemized (use Schedule B)	$ None	
(b) Unitemized	$ None	
(c) Subtotal of operating expenditures	$ None	$
21 Independent Expenditures (use Schedule E)	$ None	$
22 Loans, Loan Repayments, and Contribution Refunds Made:		
(a) Itemized (use Schedule B)	$ None	
(b) Unitemized	$ None	
(c) Subtotal of loans and loan repayments made and contribution refunds	$ None	$
23 For Use Only By Presidential Campaigns Receiving Federal Funds: Exempt Fundraising, Legal and Accounting Expenditures:		
(a) Itemized (use Schedule B)	$ None	
(b) Unitemized	$ None	
(c) Subtotal of fundraising expenditures	$ None	$
24 Transfers Out:		
(a) To Affiliated Committee (Itemize on Schedule B Regardless of Amount)	$ None	
(b) To Other Committees (Itemize on Schedule B Regardless of Amount)	$ None	
(c) Subtotal of transfers out	$ None	$
25 Total Expenditures	$ None	$
PART III - DEBTS AND OBLIGATIONS		
26 Debts and obligations owed to the Committee (Itemize all on Schedule C)	$ None	
27 Debts and obligations owed by the Committee (Itemize all on Schedule C)	$ 158,400.00	
PART IV - RECEIPTS AND EXPENDITURES, NET OF TRANSFERS TO AND FROM AFFILIATED COMMITTEES		
28 Total Receipts (from line 19)	$ None	
29 Transfers In (from line 18(a))	$ None	
30 Net Receipts (Subtract line 29 from line 28)	$ None	
31 Total Expenditures (from line 25)	$ None	
32 Transfers out (from line 24(a))	$ None	
33 Net Expenditures (Subtract line 32 from line 31)	$ None	

Schedule A
July 1978
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Itemized Receipts, Contributions, Ticket Purchases, Loans, Rebates, and Transfers for Line Numbers 15, 16, 17 and/or 18 of FEC Form 3

(see instructions on back)

Page 1 of 1 for
LINE NUMBER 16
(Use separate schedule(s) for each numbered line)

Name of Candidate or Committee in full: The Tydings Committee -- A lot of people who want Joe Tydings back in the U.S. Senate

Full Name, mailing address and ZIP code	Occupation / Principal place of business	Date (month, day, year)	Amount of each receipt this period
Danzansky, Dickey, Tydings, Quint and Gordon 1120 Connecticut Avenue, NW Washington, D.C. 20036	Law Firm 1120 Connecticut Avenue, NW Washington, DC 20036 ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ $	1/31/79	$20,242.91
Full Name, mailing address and ZIP code	Occupation / Principal place of business ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ $	Date (month, day, year)	Amount of each receipt this period
Full Name, mailing address and ZIP code	Occupation / Principal place of business ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ $	Date (month, day, year)	Amount of each receipt this period
Full Name, mailing address and ZIP code	Occupation / Principal place of business ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ $	Date (month, day, year)	Amount of each receipt this period
Full Name, mailing address and ZIP code	Occupation / Principal place of business ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ $	Date (month, day, year)	Amount of each receipt this period
Full Name, mailing address and ZIP code	Occupation / Principal place of business ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ $	Date (month, day, year)	Amount of each receipt this period

Subtotal of receipts this page (optional) ▶ $20,242.91

Total this period (last page this line number only) ▶ $20,242.91

Page

Schedule C
July 1976
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Debts and Obligations for Line Numbers 26 and/or 27 of FEC Form 3

(see instructions on back)

Page 1 of 1 for
LINE NUMBER 27
(Use separate schedule(s) for each numbered line)

Name of Candidate or Committee in full The Tydings Committee --A lot of people who want Joe Tydings back in the U.S. Senate

Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	Amount of Original Debt, Contract, Agreement, or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Joseph D. Tydings Oakington Havre de Grace, Md 21078	12/31/78	$ 158,400.00	$ -0-	$ 158,400.00
		$	$	$
		$	$	$
		$	$	$
		$	$	$
		$	$	$
		$	$	$
		$	$	$
Subtotals this period this page (optional) ▶		$	$	$
Total this period (last page this line number only) ▶		$	$	$ 158,400.00

Carry outstanding balance only, to appropriate line of summary.

Page

04029468

FEC Form 3B
July 1976
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Consolidation Report of Receipts and Expenditures

(To Be Used By A Principal Campaign Committee)

Name of Principal Campaign Committee: The Tydings Committee — A lot of people who want Joe Tydings back in the U.S. Senate

Report Covering Period From: 1/1/79 To: 3/31/79

	Committee Name	(a) Line Number 7 Cash on hand at beginning of period	(b) Line Number 16 Total Contributions	(c) Line Number 18 Total loans, loan repayments loans forgiven	(d) Line Number 17 Total Refunds Rebates, etc.	(e) Line Number 18(a) Total transfers from affiliated comm.
A	The Tydings Committee			$20,242.91		
B						
C						
D						
E						
F						
G						
H						
I						
J						
K						
L						
M	Column Total this Page					
N	Column Total Last Page Only					

	(f) Line Number 18(b) Total transfers from other comm.	(g) Line Number 19 Total Receipts (Total columns (b) through (f))	(h) Line Number 20 Total operating expenditures	(i) Line Number 21 Independent Expenditures	(j) Line Number 22 Loans, Loan Repayments, & Contribution Refunds	(k) Line Number 23 Total fundraising expenditures	(l) Line Number 24(a) Total transfer out to affiliated comm.	(m) Line Number 24(b) Total transfer out to other comm.
A								
B								
C								
D								
E								
F								
G								
H								
I								
J								
K								
L								
M								
N								

	(n) Line Number 25 Total expenditures (Total columns (h) through (i))	(o) Line Number 10 Cash on hand at end of period	(p) Line Number 26 Debts and obligations owed to comm.	(q) Line Number 27 Debts and obligations owed by comm.
A				$158,400.00
B				
C				
D				
E				
F				
G				
H				
I				
J				
K				
L				
M				
N				

Computation of Net Receipts and Expenditures for all Committees (last page only)

Receipts and expenditures, net of transfers to and from affiliated committees:

1 Total receipts (from column (g)) . . . $ . . . . . .

2 Less total transfers in (from column (e)) . . . . . $ . . . . . .

3 Net receipts . . . . . $ _____

4 Total expenditures (from col. (m)) $ . . . . . .

5 Less total transfers out (from column (k)) . . . . . $ . . . . . .

6 Net expenditures . . . . . $ _____

Expenditures subject to limitation summary: (Presidential Campaigns Receiving Federal Funds)

7 Total operating expenses (from column (h)) . . . . . $ _____

8 Less total refunds and rebates (from column (d)) . . . . . $ . . . . . .

9 Total expenditures subject to limitation . . . . . $

8 1 0 4 0 2 9 4 7 7 0

8 1 0 4 0 2 9 4 7 7 1

WASHINGTON
APR 4 '79
D.C.

US POSTAGE
.41

RECEIVED
FEDERAL ELECTION
COMMISSION
'79 APR 9 AM 10:34

LAW OFFICES
DANZANSKY, DICKEY, TYDINGS, QUINT & GORDON
TENTH FLOOR
1120 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036

TO:

GENERAL COUNSEL
FEDERAL ELECTION COMMISSION
1325 K ST. N.W.
WASHINGTON, D.C.

PERSONAL-CONFIDENTIAL

FIRST CLASS MAIL

DS/80-1
D-596

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 10, 1980

MEMORANDUM FOR: THE OFFICE OF GENERAL COUNSEL

THROUGH : ORLANDO B. POTTER

FROM : TOM HASELHORST

SUBJECT : REFERRAL OF DEBT SETTLEMENT STATEMENT

Attached, for your consideration, is a copy of a debt settlement filed by Danzansky, Dickey, Tydings, Quint & Gordon. This statement consists of a letter from the creditor to FEC, in which, they agree to absolve the debt owed them by A LOT OF PEOPLE WHO WANT JOE TYDINGS BACK IN THE U.S. SENATE.

The following is additional data which may be of assistance to you in making your recommendation to the Commission:

AMOUNT OF ORIGINAL DEBT:	$20,242.91
PERCENTAGE OF DEBT FORGIVEN:	100%
TOTAL AMOUNT OF DEBTS OUTSTANDING:	$158,400.00
TOTAL NUMBER OF OTHER CREDITORS:	1
YEAR-TO-DATE RECEIPTS:	0
YEAR-TO-DATE EXPENDITURES:	0
CASH ON HAND 3/31/79:	0
LENGTH OF TIME DEBT(S) HAVE BEEN CARRIED:	since 5/76
DATE REPORTS REVIEWED:	11/1/79

The Reports Analysis Division has notified Danzansky, Dickey, Tydings, Quint & Gordon that the Commission is reviewing the debt settlement statement and advised the committee to continue reporting that debt until the Commission approves the debts settlement statement. If you should have any questions, please contact Theresa Harley at X34172.

8104029472

December 8, 1979

Bernard Segerman, Treasurer
A LOT OF PEOPLE ARE MAD AT TYDINGS BACK IN THE U.S. SENATE
8401 Connecticut Avenue
Washington, D.C. 20015

Dear Mr. Segerman:

We are in receipt of your debt settlement with Danzansky, Dickey, Tydings, Quint & Gordon. The Commission is reviewing the statement to determine if it complies with the requirements of Section 114.10 of Commission Regulations which outlines the procedures for debt settlements.

Until you are notified of the Commission's decision, please continue to report the debt owed to Danzansky, Dickey, Tydings, Quint & Gordon on Schedule C, until you are advised by the Commission that your debt settlement statement has been approved.

If you have any questions, please do not hesitate to contact Theresa Harley, in our Reports Analysis Division on the toll free number (800)424-9530. Our local number is (202)523-4172.

Sincerely,

Lorraine M. Wilson

Chief
Congressional II
Reports Analysis Division

Certified Mail
Return Receipt Requested

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 8, 1978

Mr. Michael E. Kris
Dunaway, Dicky, Tydings, Quint & Gordon
1120 Connecticut Ave., NW 10th Floor
Washington, DC 20036

Dear Mr. Kris:

We are in receipt of your statement of proposed debt settlement with A Lot of People Who Want Joe Tydings in the U.S. Senate. The Commission is in the process of reviewing the statement to determine if it complies with the requirements of Section 114.10 of the Commission Regulations which outlines the procedures for debt settlements.

Until you are notified by the Commission that your settlement statement has been approved, you should continue to consider the debt as an outstanding obligation.

If you have any questions regarding this matter, please do not hesitate to contact Theresa Harley, in our Reports Analysis Division on the toll free number (800)424-9530. Our local number is (202)523-4172.

Sincerely,

Suzanne M. Wilson

Chief
Congressional II
Reports Analysis Division

Certified Mail
Return Receipt Requested

7 0 0 3 0 1 4 0 0 0 1 2 8 4 9 7 7 4

LAW OFFICES
DANZANSKY, DICKEY, TYDINGS, QUINT & GORDON
TENTH FLOOR
520 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036
(202) 857-4000

RAYMOND R. DICKEY
BERNARD GORDON
MILTON QUINT
JOSEPH D. TYDINGS
ROBERT F. BOLDICK
MITCHELL S. CUTLER
LOUIS M. DIAMOND
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ROBERT BURG
RONALD S. SHAPIRO
CURTIS A. RITTER
FRANK S. GORDON
CORY H. ARNON

JOSEPH S. DANZANSKY
COUNSEL TO THE FIRM

ROBERT H. FINCH
SPECIAL COUNSEL TO THE FIRM

THOMAS J. WALSH
MARVIN WILLIG
OF COUNSEL

FRANK BUCKLEY (1944)
STANLEY H. FISCHER (1963)

CABLE: DANKEY
TELECOPIER (202) 857-4010
TELEX: 440429 DINC

WRITER'S DIRECT DIAL
857-4082

March 20, 1979

7902022835
8104029475

General Counsel
Federal Elections Commission
1325 K Street, N.W.
Washington, D.C.

Dear Sir:

The enclosed reports for filing with the Federal Elections Commission indicate that The Tydings Committee has been absolved of an obligation of $16,929.00 to the law firm of Danzansky, Dickey, Tydings, Quint & Gordon. As counsel to that campaign, I am especially concerned that you understand the background of this transaction since many of the facts are not immediately evident.

Since the primary election in May, 1976, during which this obligation was incurred, The Tydings Committee has reported a debt of $20,242.91 to the law firm. However, recent efforts to resolve this matter have uncovered an obligation in the amount of $16,929.00. We have conducted a thorough search of law firm and campaign records in order to resolve this discrepancy, but it has been to no avail. Since 1976, the law firm has had three bookkeepers, and the campaign has had three different persons charged with filing the reports. I feel it is fair to assume that some error or misunderstanding developed during the campaign, and successors in responsibility routinely assumed that all records regarding this matter were in order. Of course, the Federal Elections Commission is invited to review the campaign records as well as the law firm records pertaining to this matter.

In any event, the law firm has written off a loan of $16,929.00, and the campaign will write off its entire obligation to the law firm.

Further background on the nature of the campaign and the law firm loan might explain why this transaction has taken place.

When Joe Tydings decided to seek the Democratic nomination for the U.S. Senate from Maryland, the new election laws were coming into effect. In order to comply with the spirit of the law and its letter, as we interpreted it, the law firm treated Mr. Tydings' office in the firm as a satellite. His secretary's time was billed to the campaign; a pro-rata share of rent and overhead was billed to the campaign; xeroxing services and supplies were billed to the campaign. The entire loan from the law firm consisted of in-kind services and supplies, and it did not include any contribution whatsoever of monies in any form.

Mr. Tydings entered the campaign at a point when much of the money he had counted on in past campaigns was already committed to his primary opponent, Paul Sarbanes. He knew then that he would have to contribute some of his own money, although the applicable law at the time (pre-Buckley v. Valeo) would have placed a $25.00 limit on his contributions.

The campaign's initial fund-raising endeavors confirmed the fear that money would be hard to find, and, frankly, the campaign was saved only when the Supreme Court lifted the restrictions on candidate contributions. Nonetheless, the campaign committee did not expect Mr. Tydings to finance the entire campaign, since he did not have such resources, and since doing so would have been anathema to the type of grass-roots political participation that Mr. Tydings had always encouraged.

However, the Committee met failure after failure in its fund-raising efforts: mailings brought back money which barely paid for their cost; private parties were sparcely attended, and large gatherings for contributors seemed fruitless, because there were not enough of them.

The result of this was the Committee's increasing reliance on Mr. Tydings' personal funds, to the point where he contributed, in the form of a loan, about $158,000.00, which was more than 50 percent of all funds expended by the Tydings Committee.

8 1 0 4 0 2 9 4 7 7 6

To pay off its obligations remaining after the campaign, the Committee solicited everyone who had contributed $100.00 or more, but the response was anemic. A fund-raising event was contemplated, but the idea was dropped after initial feelers indicated that it would be a waste of time and energy. Indeed, the Committee no longer could provide any compelling reason for people to contribute to the campaign fund.

Again, Mr. Tydings helped the Committee pay off its debts, and it finally reached the point where only the loans by the firm and to Mr. Tydings remained on the books. Raising funds to pay off these loans is now out of the question.

I understand that the "bottom line" of this transaction is a contribution from the law firm, a partnership, in excess of the legal limit of $5,000.00. However, the Federal Elections Commission has promulgated standards (see AO-1975-50; 40 FR 4068 (1975)) whereby settlement or forgiveness of a corporate (the distinction is not crucial for our purposes) debt will not be considered a contribution. They are as follows:

1) The initial extention of credit to the candidate or committee was made in a manner similar to that of non-political debtors.

I have been advised that the Committee was billed even more stringently than a routine "non-billable" client, who is charged only for expenses. These clients are not billed for a proportionate share of overhead expenses, nor for that amount of secretarial time actually spent on that work.

2) A candidate or political committee has undertaken an exhaustive effort to satisfy the outstanding debt.

I think that this letter gives an adequate picture of the Committee's good faith, yet futile, efforts to raise money.

3) The corporate(sic) creditor has pursued remedies in a manner similar in intensity to that employed in pursuit of a non-political debtor.

8 1 0 4 0 2 9 4 7 7 7 7 9 0 2 0 2 2 8 3 7

The law firm was well aware that Mr. Tydings himself paid off all the campaign's debts. The partners talked to him about this matter, and they probably applied as much pressure as possible to a man who had just spent $158,000.00 in a losing effort. The decision to wait this long to write off the debt was made primarily in the hope of receiving funds to satisfy this obligation.

I apologize for the length of the letter, but this is a sensitive area, and I believe that disclosure of all these facts will be helpful to the Federal Elections Commission.

Sincerely,

MICHAEL E. KRIS
Counsel to The Tydings Committee

kq

Enclosures

7902002838
8104029478

FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 1383

Date Filmed _____ Camera No. --- 2

Cameraman _____

FEDERAL ELECTION COMMISSION

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

THE FOLLOWING MATERIAL IS BEING ADDED TO THE PUBLIC FILE OF CLOSED MUR 1383.

81 AUG 11 A11:34

8104029517 3

Acc# 5230

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/JODY CUSTER

DATE: AUGUST 6, 1981

SUBJECT: REFERRAL OF LETTER REGARDING MUR 1383

The attached letter regarding MUR 1383 was received in Chairman McGarry's office and then forwarded to the Secretary of the Commission. It is provided for your action.

8104029517 4

RECEIVED
GENERAL COUNSEL
81 AUG 6 P4:12

Attachment:
Letter dated July 28, 1981
from Mark London

OFFICE OF THE COMMISSION SECRETARY
RECEIVED
OFFICE OF THE
81 AUG 6 P12:18
Case # 5231

FINLEY, KUMBLE, WAGNER, HEINE, UNDERBERG & CASEY
1920 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036
(202) 857-4000
CABLE: DANKEY
TELEX: 89641S
TELECOPIER (202) 857-4410

WRITER'S DIRECT DIAL
(202) 857-4441

PARTNERS IN WASHINGTON, D.C. OFFICE FORMERLY MEMBERS OF DANZANSKY, DICKEY, TYDINGS, QUINT & GORDON

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RESIDENT IN MIAMI
J. ARTHUR GOLDBERG
PHILIP BLOOM
BARRY N. SENET
FRED H. LICHSTEIN

489 PARK AVENUE
NEW YORK, N.Y. 10022
(212) 371-9900
TELECOPIER (212) 371-3469

2029 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067
(213) 557-0111
TELECOPIER (213) 557-0898

1401 BRICKELL AVENUE
MIAMI, FLORIDA 33131
(305) 358-8080
TELECOPIER (305) 371-3665

NATHANIEL L. GOLDSTEIN (N.Y.)
HILTON QUINT (D.C.)
RAYMOND R. DICKEY (D.C.)
SPECIAL COUNSEL

FRANCES J. GUILLINAN (N.Y.)
EDWIN A. TENNANT, JR. (N.Y.)
CHAUNCEY H. LEVY (N.Y.)
GERALD WEIDEL (N.Y.)
VICTOR F. CONDELLO (N.Y.)
THOMAS J. WALSH (D.C.)
MARVIN WILLIG (D.C.)
PETER DE KRASSEL (CA.)
COUNSEL

July 28, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John Warren McGarry
Chairman
FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20005

RE: MUR 1383

Dear Mr. Chairman:

I am in receipt of your letter informing me of an appearance of a violation of 2 U.S.C. §441 a(f), a provision of the Federal Election Campaign Act of 1971 as amended (the "Act") by the law firm of Danzansky, Dickey, Tydings, Quint & Gordon. Your letter indicates that I may submit materials for the public record, of which this letter should be made part.

The MUR setting forth the reasoning for the Commission's decision sets forth certain findings which I find to be incorrect. Specifically, they are as follows:

1. The services rendered to the Committee were duly reported in the periodic reports to the Commission during the time of the primary election. Therein, the type and amount of

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services were set forth with specificity and according to a set formula. The arrangement for administrative support was informal, as the Commission points out, but only in the sense that there was no signed contract for these services. There was an explicit understanding between the Committee and the law firm regarding the type and amount of services, and the expectancy that they would be repaid in full.

2. We strongly disagree with the finding that the "Committee has made no efforts to satisfy the outstanding debt." Enclosed herewith is a letter to the Commission, dated March 20, 1979, setting forth in detail the substantial efforts made by the Committee to retire its debt.

3. The law firm did pursue its customary remedies to collect the debt. The debt was kept open for almost three years in order to allow the Committee time to raise the money, if possible. Very rarely has the law firm pursued court action to collect its debts. It has been a tacit firm policy to absorb bad debts rather than institute a multiplicity of law suits against former clients. The disposition of this debt was an unfortunate but not unusual method of concluding accounts.

4. The finding that the debt is an in-kind contribution only is valid if the Commission finds that the debt was improperly forgiven. The discussion set forth herein disputes this conclusion.

While the Commission found that there was an appearance of impropriety in this matter, its decision was to take no further action and close the file. This is, of course, a welcome result, however, we have grave reservations concerning the basis for the reasoning of the Committee's decision. The debt incurred by the Committee arose from only the most scrupulous accounting procedures on the part of both parties. I continue to be amazed that this matter does not have a precedent, because of the commonplace situation of lawyers running for office utilizing law firm services and resources. Only because the law firm decided to formalize its relationship with its partner-candidate did it put itself in the position of inviting the Commission's scrutiny. What was done was done above board and in full public view. That the debt could not be repaid was an unfortunate consequence of a losing campaign. It should not be grounds for censure.

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Please contact me if you require any further information in this matter.

Sincerely,

MARK LONDON
For the Firm

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Enclosure

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March 20, 1979

General Counsel
Federal Elections Commission
1325 K Street, N.W.
Washington, D.C.

Dear Sir:

The enclosed reports for filing with the Federal Elections Commission indicate that The Tydings Committee has been absolved of an obligation of $16,929.00 to the law firm of Danzansky, Dickey, Tydings, Quint & Gordon. As counsel to that campaign, I am especially concerned that you understand the background of this transaction since many of the facts are not immediately evident.

Since the primary election in May, 1976, during which this obligation was incurred, The Tydings Committee has reported a debt of $20,242.91 to the law firm. However, recent efforts to resolve this matter have uncovered an obligation in the amount of $16,929.00. We have conducted a thorough search of law firm and campaign records in order to resolve this discrepancy, but it has been to no avail. Since 1976, the law firm has had three bookkeepers, and the campaign has had three different persons charged with filing the reports. I feel it is fair to assume that some error or misunderstanding developed during the campaign, and successors in responsibility routinely assumed that all records regarding this matter were in order. Of course, the Federal Elections Commission is invited to review the campaign records as well as the law firm records pertaining to this matter.

In any event, the law firm has written off a loan of $16,929.00, and the campaign will write off its entire obligation to the law firm.

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Further background on the nature of the campaign and the law firm loan might explain why this transaction has taken place.

When Joe Tydings decided to seek the Democratic nomination for the U.S. Senate from Maryland, the new election laws were coming into effect. In order to comply with the spirit of the law and its letter, as we interpreted it, the law firm treated Mr. Tydings' office in the firm as a satellite. His secretary's time was billed to the campaign; a pro-rata share of rent and overhead was billed to the campaign; xeroxing services and supplies were billed to the campaign. The entire loan from the law firm consisted of in-kind services and supplies, and it did not include any contribution whatsoever of monies in any form.

Mr. Tydings entered the campaign at a point when much of the money he had counted on in past campaigns was already committed to his primary opponent, Paul Sarbanes. He knew then that he would have to contribute some of his own money, although the applicable law at the time (pre-Buckley v. Valeo) would have placed a $25.00 limit on his contributions.

The campaign's initial fund-raising endeavors confirmed the fear that money would be hard to find, and, frankly, the campaign was saved only when the Supreme Court lifted the restrictions on candidate contributions. Nonetheless, the campaign committee did not expect Mr. Tydings to finance the entire campaign, since he did not have such resources, and since doing so would have been anathema to the type of grass-roots political participation that Mr. Tydings had always encouraged.

However, the Committee met failure after failure in its fund-raising efforts: mailings brought back money which barely paid for their cost; private parties were sparcely attended, and large gatherings for contributors seemed fruitless, because there were not enough of them.

The result of this was the Committee's increasing reliance on Mr. Tydings' personal funds, to the point where he contributed, in the form of a loan, about $158,000.00, which was more than 50 percent of all funds expended by the Tydings Committee.

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To pay off its obligations remaining after the campaign, the Committee solicited everyone who had contributed $100.00 or more, but the response was anemic. A fund-raising event was contemplated, but the idea was dropped after initial feelers indicated that it would be a waste of time and energy. Indeed, the Committee no longer could provide any compelling reason for people to contribute to the campaign fund.

Again, Mr. Tydings helped the Committee pay off its debts, and it finally reached the point where only the loans by the firm and to Mr. Tydings remained on the books. Raising funds to pay off these loans is now out of the question.

I understand that the "bottom line" of this transaction is a contribution from the law firm, a partnership, in excess of the legal limit of $5,000.00. However, the Federal Elections Commission has promulgated standards (see AO-1975-50; 40 FR 4068 (1975)) whereby settlement or forgiveness of a corporate (the distinction is not crucial for our purposes) debt will not be considered a contribution. They are as follows:

1) The initial extention of credit to the candidate or committee was made in a manner similar to that of non-political debtors.

I have been advised that the Committee was billed even more stringently than a routine "non-billable" client, who is charged only for expenses. These clients are not billed for a proportionate share of overhead expenses, nor for that amount of secretarial time actually spent on that work.

2) A candidate or political committee has undertaken an exhaustive effort to satisfy the outstanding debt.

I think that this letter gives an adequate picture of the Committee's good faith, yet futile, efforts to raise money.

3) The corporate(sic) creditor has pursued remedies in a manner similar in intensity to that employed in pursuit of a non-political debtor.

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The law firm was well aware that Mr. Tydings himself paid off all the campaign's debts. The partners talked to him about this matter, and they probably applied as much pressure as possible to a man who had just spent $158,000.00 in a losing effort. The decision to wait this long to write off the debt was made primarily in the hope of receiving funds to satisfy this obligation.

I apologize for the length of the letter, but this is a sensitive area, and I believe that disclosure of all these facts will be helpful to the Federal Elections Commission.

Sincerely,

MICHAEL E. KRIS
Counsel to The Tydings Committee

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Enclosures

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END OF ADDITIONAL MATERIAL FOR CLOSED MUR 1383.

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