FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 1509

Date Filmed 1/10/85 Camera No. --- 2

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FEDERAL ELECTION COMMISSION

Conciliation documents, copies of bank records, routing slips, Commission objections, duplicate copies

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

___	(1) Classified Information	✓	(6) Personal privacy
___	(2) Internal rules and practices	✓	(7) Investigatory files
___	(3) Exempted by other statute	___	(8) Banking Information
___	(4) Trade secrets and commercial or financial information	___	(9) Well Information (geographic or geophysical)
✓	(5) Internal Documents		

Signed J.B. Hagan

date 1-7-85

FEC 9-21-77

This 1/9/85

85040510532

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
Coleman for Congress Committee	)	
C.R. (Kit) Bramblett	)	
Robert Garland	)	
Jack Stallings	)	
William Kastrin	)	
Richard Knapp	)	
James M. Shelton	)	
	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on December 24, 1984, the Commission decided by a vote of 5-0 to take the following actions in MUR 1509:

1. Authorize the General Counsel to execute the conciliation agreements submitted by the respondents, attached to the General Counsel's Memorandum to the Commission dated December 20, 1984.

2. Approve the letters to counsel for respondents attached to the General Counsel's Memorandum to Commission dated December 20, 1984.

3. Close the file.

Commissioners Aikens, Elliott, Harris, McGarry and Reiche voted affirmatively in this matter; Commissioner McDonald did not cast a vote.

Attest:

12-26-84
Date

Judy C. Ransom
for Marjorie W. Emmons
Secretary of the Commission

85040510533

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 31, 1984

Robert F. Bauer, Esquire
PERKINS, COIE, STONE, OLSEN & WILLIAMS
1110 Vermont Avenue, N.W.
Washington, D.C. 20005

RE: MUR 1509
Coleman for Congress
Committee, et al.

Dear Mr. Bauer:

On December 24, 1984, the Commission accepted the conciliation agreement signed by you in settlement of a violation of 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it will become a part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find a fully executed copy of the final conciliation agreements for your files.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

8504051053 4

GCC#6030

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
Coleman for Congress Committee	)	

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Probable cause to believe was found that the Coleman for Congress Committee ("Respondent") violated 2 U.S.C. § 441a(f) by accepting contributions in loan form from individuals violative of 2 U.S.C. § 441a(a)(1)(A).

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this Agreement with the Commission.

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IV. The pertinent facts in this matter are as follows:

(1) Respondent was the principal campaign committee for candidate Ronald Coleman during the 1982 election for the U.S. House of Representatives.

(2) Between January 1, 1982 and June 30, 1982, the candidate obtained commercial bank loans totalling $77,700 on the basis of eleven (11) promissory notes. These loans were obtained for use by the Respondent in his campaign for election to the House of Representatives.

(3) In considering individuals who might endorse the various promissory notes, the Committee sought and received the advice of legal counsel. The Committee sought out this advice because neither candidate Coleman nor his principal supporters had any prior familiarity with the FECA and were concerned to proceed with due caution in arranging for the loans in question.

(4) The Committee contends the legal counsel consulted by the Committee erroneously advised that the limitations of § 441(a)(1)(A) did not apply to individual loans or loan guarantees to a candidate or candidate's principal campaign committee. The Committee further contends they acted on this advice in seeking co-signatures from various individual endorsers, and the

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Committee specifically informed certain of these prospective individual endorsers that this legal advice had been solicited and received in accordance with the Committee's intention to structure the proposed loans in compliance with the requirements of the Act.

(5) Each of the 11 promissory notes in 2, above, were executed for various amounts by both the candidate and one or more of six co-makers as follows for the primary (P) and primary run-off (R) elections:

Contributor	Date & Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
William Kastrin	03/02/82 (1)(P) 04/12/82 (3)(P) 04/16/82 (1)(P) 04/28/82 (1)(P) 06/01/82 (3)(R)	$ 17,167 (P) 5,000 (R) $22,167	$ 1,000 (P)	$ 21,167
Richard Knapp	03/02/82 (1)(P) 04/12/82 (1)(P) 06/01/82 (1)(R)	$ 10,000 (P) 1,667 $ 11,667	0	$ 9,667
James M. Shelton	03/18/82 (1)(P)	$ 5,000 (P)	$ 1,000 (P)	$ 5,000
C.R. (Kit) Bramblett	04/12/82 (1)(P) 06/01/82 (1)(R)	$ 1,667 (P) 1,667 (R) $ 3,334	$ 1,000 (P)	$ 2,334
Jack Stallings	04/12/82 (1)(P) 06/01/82 (1)(R)	$ 1,667 (P) 1,667 (R) $ 3,334	$ 1,000 (P)	$ 2,334

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Contributor	Date & Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
Robert Garland	04/16/82 (1)(P)	$ 2,350 (P)	$ 200 (R)	$ 1,350

(6) The excessive contributions in the form of loan endorsements remained outstanding from one to four months. After this time, the Committee acted on new and correct advice about the requirements of the Act and restructured the loans with co-signatures of 63 endorsers in accordance with the limitations of 2 U.S.C. § 441a(a)(1)(A).

(7) When it came to the attention of the Committee that the original advice of counsel received in connection with those loans was incorrect, the Committee retained other counsel, voluntarily informed the Commission of the error, and undertook to negotiate a satisfactory remedy to the original error.

(8) The Committee contends that the new and lawful endorsements demonstrate that these loans could have been lawfully made in the first instance had the proper legal advice sought by the Committee been obtained.

V. Respondent violated 2 U.S.C. § 441a(f) through receipt of $41,852 in loan form in excess of limitations at 2 U.S.C. § 441a(a)(1)(A).

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VI. Respondent will pay a civil penalty to the Treasurer of the United States in the amount of TWO THOUSAND AND FIVE HUNDRED DOLLARS ($2,500.00) pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. Respondent agrees that it shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

IX. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

X. Respondent shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

FOR THE COMMISSION

Charles Steele
General Counsel

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December 27, 1984

BY: Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

COLEMAN FOR CONGRESS COMMITTEE

December 18, 1984

BY: John W. Bacon

Its: Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 31, 1984

Michael S. Berman, Esquire
KIRKPATRICK, LOCKHART, HILL, CHRISTOPHER
& PHILLIPS
1900 M Street, N.W.
Washington, D.C. 20036

RE: MUR 1509
Coleman for Congress
Committee, et al.

Dear Mr. Berman:

On December 24, 1984, the Commission accepted the conciliation agreements signed by you in settlement of violations of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it will become a part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find fully executed copies of the final conciliation agreements for your files.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

8504051054 1

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
'88 P3:59

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1509
C.R. (Kit) Bramblett)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Probable cause to believe was found that C.R. (Kit) Bramblett ("Respondent") violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions in loan form to the Coleman for Congress Committee.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding.

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this Agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent, C.R. (Kit) Bramblett, was an individual contributor to the Coleman for Congress Committee during the 1982 election.

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2. On April 12, 1982 and June 1, 1982, Respondent made contributions in the form of endorsements to two bank promissory notes cosigned with the candidate, Ronald Coleman, and other individuals.

3. Respondent endorsed the loans as follows for the primary (P) and primary run-off (R) elections:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
4/12/82 (1)(P)	$ 1,667(P)	$ 1,000(P)	$ 2,334
6/1/82 (1)(R)	$ 1,667(R)		
	$ 3,334		

4. The excessive contributions in the form of loan endorsements remained outstanding from one to four months before being restructured in accordance with the limitations at 2 U.S.C. § 441a(a)(1)(A).

5. The Coleman for Congress Committee has advised the Commission that it informed prospective individual endorsers that legal advice had been solicited and received in order to insure that the loans which these individuals were asked to endorse were structured in compliance with the law.

V. Respondent violated 2 U.S.C. § 441a(a)(1)(A) by making contributions in loan form totaling $2,334 in excess of limitations to the Coleman for Congress Committee.

VI. Respondent agrees that he shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

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VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement threrof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

FOR THE COMMISSION

Charles N. Steele
General Counsel

December 27, 1984
Date

BY: Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

C.R. (Kit) Bramblett

12/14/84
Date

BY: Michael S. Berman
Michael S. Berman
Counsel for Respondent

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
Robert Garland	)	

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Probable cause to believe was found that Robert Garland ("Respondent") violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions in loan form to the Coleman for Congress Committee.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding.

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this Agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent, Robert Garland, was an individual contributor to the Coleman for Congress Committee during the 1982 election.

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2. On April 16, 1982, Respondent made a contribution in the form of an endorsement to a bank promissory note cosigned with the candidate, Ronald Coleman, and other individuals.

3. Respondent endorsed the loans as follows for the primary (P) and primary run-off (R) elections:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
4/16/82 (1)(P)	$ 2,350(P)	$ 200(R)	$ 1,350

4. The excessive contribution in the form of a loan endorsement remained outstanding from one to four months before being restructured in accordance with the limitations at 2 U.S.C. § 441a(a)(1)(A).

5. The Coleman for Congress Committee has advised the Commission that it informed prospective individual endorsers that legal advice had been solicited and received in order to insure that the loans which these individuals were asked to endorse were structured in compliance with the law.

V. Respondent violated 2 U.S.C. § 441a(a)(1)(A) by making contributions in loan form totaling $1,350 in excess of limitations to the Coleman for Congress Committee.

VI. Respondent agrees that he shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

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VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

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FOR THE COMMISSION

Charles N. Steele
General Counsel

December 28, 1984
Date

BY: Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

Robert Garland

12/14/84
Date

BY: Michael S. Berman
Michael S. Berman
Counsel for Respondent

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
Jack Stallings	)	

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GENERAL COUNSEL
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CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Probable cause to believe was found that Jack Stallings ("Respondent") violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions in loan form to the Coleman for Congress Committee.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding.

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this Agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent, Jack Stallings, was an individual contributor to the Coleman for Congress Committee during the 1982 election.

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2. On April 12, 1982 and June 1, 1982, Respondent made contributions in the form of endorsements to two bank promissory notes cosigned with the candidate, Ronald Coleman, and other individuals.

3. Respondent endorsed the loans as follows for the primary (P) and primary run-off (R) elections:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
4/12/82 (1)(P)	$ 1,667(P)	$ 1,000(P)	$ 2,334
6/1/82 (1)(R)	$ 1,667(R)		
	$ 3,334		

4. The excessive contributions in the form of loan endorsements remained outstanding from one to four months before being restructured in accordance with the limitations at 2 U.S.C. § 441a(a)(1)(A).

5. The Coleman for Congress Committee has advised the Commission that it informed prospective individual endorsers that legal advice had been solicited and received in order to insure that the loans which these individuals were asked to endorse were structured in compliance with the law.

V. Respondent violated 2 U.S.C. § 441a(a)(1)(A) by making contributions in loan form totaling $2,334 in excess of limitations to the Coleman for Congress Committee.

VI. Respondent agrees that he shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

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VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

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FOR THE COMMISSION

Charles N. Steele
General Counsel

December 27, 1984
Date

BY: Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

Jack Stallings

12/14/84

BY: Michael S. Berman
Michael S. Berman
Counsel for Respondent

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
William Kastrin	)	

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Probable cause to believe was found that William Kastrin ("Respondent") violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions in loan form to the Coleman for Congress Committee.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding.

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this Agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent, William Kastrin, was treasurer of the Coleman for Congress Committee during the 1982 election.

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2. Between March 2, 1982 and June 1, 1982, Respondent made contributions in the form of endorsements to nine bank promissory notes cosigned with the candidate, Ronald Coleman, and other individuals.

3. Respondent endorsed the loans as follows for the primary (P) and primary run-off (R) elections:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
3/2/82 (1)(P)	$ 17,167(P)	$ 1,000(P)	$ 21,167
4/12/82 (3)(P)	$ 5,000(R)		
4/16/82 (1)(P)	$ 22,167		
4/28/82 (1)(P)			
6/1/82 (3)(R)			

4. The excessive contributions in the form of loan endorsements remained outstanding from one to four months before they were restructured in accordance with the limitations at 2 U.S.C. § 441a(a)(1)(A).

5. The Coleman for Congress Committee has advised the Commission that it informed prospective individual endorsers that legal advice had been solicited and received in order to insure that the loans which these individuals were asked to endorse were structured in compliance with the law.

V. Respondent violated 2 U.S.C. § 441a(a)(1)(A) by making contributions in loan form totaling $21,167 in excess of limitations to the Coleman for Congress Committee.

VI. Respondent agrees that he shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

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VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

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FOR THE COMMISSION

Charles N. Steele
General Counsel

December 27, 1984
Date

BY: Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

William Kastrin

12/14/84
Date

BY: Michael S. Berman
Michael S. Berman
Counsel for Respondent

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
Richard Knapp	)	

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Probable cause to believe was found that Richard Knapp ("Respondent") violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions in loan form to the Coleman for Congress Committee.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding.

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this Agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent, Richard Knapp, was an individual contributor to the Coleman for Congress Committee during the 1982 election.

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2. Between March 2, 1982 and June 1, 1982, Respondent made contributions in the form of endorsements to three bank promissory notes cosigned with the candidate, Ronald Coleman, and other individuals.

3. Respondent endorsed the loans as follows for the primary (P) and primary run-off (R) elections:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
3/2/82 (1)(P)	$ 10,000(P)	0	$ 9,667
4/12/82 (1)(P)	$ 1,667(R)		
6/1/82 (1)(R)	$ 11,667		

4. The excessive contributions in the form of loan endorsements remained outstanding from one to four months before being restructured in accordance with the limitations at 2 U.S.C. § 441a(a)(1)(A).

5. The Coleman for Congress Committee has advised the Commission that it informed prospective individual endorsers that legal advice had been solicited and received in order to insure that the loans which these individuals were asked to endorse were structured in compliance with the law.

V. Respondent violated 2 U.S.C. § 441a(a)(1)(A) by making contributions in loan form totaling $9,667 in excess of limitations to the Coleman for Congress Committee.

VI. Respondent agrees that he shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

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VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

FOR THE COMMISSION

Charles N. Steele
General Counsel

December 27, 1984
Date

BY: Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

Richard Knapp

12/14/84

BY: Michael S. Berman
Michael S. Berman
Counsel for Respondent

8504051055 6

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
James M. Shelton	)	

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Probable cause to believe was found that James M. Shelton ("Respondent") violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions in loan form to the Coleman for Congress Committee.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding.

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this Agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent, James M. Shelton, was an individual contributor to the Coleman for Congress Committee during the 1982 election.

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2. On March 18, 1982, Respondent made a contribution in the form of an endorsement to a bank promissory note cosigned with the candidate, Ronald Coleman, and other individuals.

3. Respondent endorsed the loans as follows for the primary (P) election:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
3/18/82 (1)(P)	$ 5,000(P)	$ 1,000(P)	$ 5,000

4. The excessive contribution in the form of a loan endorsement remained outstanding from one to four months before being restructured in accordance with the limitations at 2 U.S.C. § 441a(a)(1)(A).

5. The Coleman for Congress Committee has advised the Commission that it informed prospective individual endorsers that legal advice had been solicited and received in order to insure that the loans which these individuals were asked to endorse were structured in compliance with the law.

V. Respondent violated 2 U.S.C. § 441a(a)(1)(A) by making a contribution in loan form totaling $5,000 in excess of limitations to the Coleman for Congress Committee.

VI. Respondent agrees that he shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

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VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

FOR THE COMMISSION

Charles N. Steele
General Counsel

December 27, 1984
Date

BY: Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

James M. Shelton

12/14/84
Date

BY: Michael S. Berman
Michael S. Berman
Counsel for Respondent

8504051059

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
The Coleman for Congress Committee, *et al*.	)	

CERTIFICATION

I, Mary W. Dove, Recording Secretary for the Federal Election Commission executive session of May 30, 1984, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in the above-captioned matter:

2. Authorize the Office of General Counsel to file a civil suit for relief in the United States District Court against:

   a) The Coleman for Congress Committee
   b) William Kastrin
   c) Richard Knapp
   d) James M. Shelton
   e) C. R. (Kit) Bramblett
   f) Jack Stallings
   g) Robert Garland

3. Approve letters to Respondents as attached to the General Counsel's Memorandum dated May 29, 1984.

(Continued)

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Commissioners Aikens, Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively in this matter.

Attest:

5-30-84
Date

Mary W. Dove
Mary W. Dove
Recording Secretary

8504051056 1

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
The Coleman for Congress	)	
Committee, et al.	)	

84 MAY 29 P 4: 45

GENERAL COUNSEL'S REPORT

On February 14, 1984, the Commission found probable cause to believe that the Coleman for Congress Committee (the Committee) violated 2 U.S.C. § 441a(f) by accepting contributions in loan form from individuals violative of 2 U.S.C. § 441a(a)(1)(A). On February 14, 1984, the Commission also found probable cause to believe that six individuals made excessive contributions in loan form to the Committee in violation of 2 U.S.C. § 441a(a)(1)(A).

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BACKGROUND

During the 1982 election campaign for the 16th Congressional District of Texas, candidate Ronald D. Coleman borrowed funds from a commercial bank for use by his principal campaign committee. The candidate and six other guarantors endorsed as comakers a series of bank notes totaling $77,700. As a result, the guarantors exceeded the contribution limitations in varying amounts.

According to the Committee, it had originally set up the loans on the advice of volunteer counsel. The Committee became aware of a problem when it received a routine inquiry from the Reports Analysis Division regarding the source of the Committee's reported loans. In its response to the Request for Additional Information ("RFAI"), the Committee did not report the original, illegally structured loan endorsement arrangement, choosing instead to consult counsel more knowledgeable of the FECA, then restructure and report the legal loan endorsements. The Committee restructured the loans with cosignatures of 63 endorsers to comport with the Act's contribution and disclosure requirements. The Committee then brought this matter to the attention of the Office of General Counsel. Had the Committee reported the initial arrangement, the matter would have come to our attention through the normal course of referral from RAD following its review of the Committee's response to the RFAI.

The Committee and the co-makers of these loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, supported by copies of the promissory notes, it is apparent that the Committee received excessive contributions in the form of loan endorsements and, in some cases, direct contributions, from Committee treasurer William Kastrin and five other individuals. The loan/contributions violative of 2 U.S.C. § 441a(a)(1)(A) remained outstanding from one to four months and were then restructured.

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Along with the candidate, Ronald Coleman, who, as a comaker, endorsed each of 11 promissory notes, the individuals contributed as follows to the primary and primary runoff elections:

Contributor	Date and Number of Notes Endorsed Per Election */	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
William Kastrin	3/2/82 (1)(P) 4/12/82 (3)(P) 4/16/82 (1)(P) 4/28/82 (1)(P) 6/1/82 (3)(R)	$ 17,167(P) $ 5,000(R) $ 22,167	$ 1,000(P)	$ 21,167
Richard Knapp	3/2/82 (1)(P) 4/12/82 (1)(P) 6/1/82 (1)(R)	$ 10,000(P) 1,667(R) $ 11,667	0	$ 9,667
James M. Shelton	3/18/82 (1)(P)	$ 5,000(P)	$ 1,000(P)	$ 5,000
C.R. (Kit) Bramblett	4/12/82 (1)(P) 6/1/82 (1)(R)	$ 1,667(P) 1,667(R) $ 3,334	$ 1,000(P)	$ 2, 334
Jack Stallings	4/12/82 (1)(P) 6/1/82 (1)(R)	$ 1,667(P) 1,667(R) $ 3,334	$ 1,000(P)	$ 2,334
Robert Garland	4/16/82 (1)(P)	$ 2,350(P)	$ 200(R)	$ 1,350

LEGAL ANALYSIS

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 441a(f) states that no candidate or political committee shall knowingly accept any contribution violative of this section.

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*/ (P) = Primary Election on May 5, 1982
(R) = Primary Runoff Election on June 5, 1982
(G) = General Election on November 2, 1982

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2 U.S.C. § 431(8)(A)(i) states that the term contribution includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. [Emphasis added]. § 431(8)(B)(vii)(I) adds that such loan shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors.

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution made after the primary and designated for the primary shall be made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

The Committee's receipt of loans endorsed by the above-named individuals constitutes acceptance of contributions totaling $41,852 in excess of the Act's limitations. Therefore, the Committee is in violation of 2 U.S.C. § 441a(f) and the individuals are in violation of 2 U.S.C. § 441a(a)(1)(A).

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2. Authorize the Office of General Counsel to file a civil suit for relief in the United States District Court against:

   a) The Coleman for Congress Committee
   b) William Kastrin
   c) Richard Knapp
   d) James M. Shelton

e) C.R. (Kit) Bramblett
f) Jack Stallings
g) Robert Garland

3. Approve attached letters to Respondents.

5/29/84
Date

Charles N. Steele (cmw)
Charles N. Steele
General Counsel

Attachments

Letters to Respondents

8504051057 0

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1509
The Coleman for Congress Committee)

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission Executive Session on February 14, 1984, do hereby certify that the Commission decided by a vote of 4-0 to take the following actions in MUR 1509:

1. Find probable cause to believe that the Coleman for Congress Committee violated 2 U.S.C. § 441a(f).

2. Find probable cause to believe that the following individuals violated 2 U.S.C. § 441a(a)(1)(A):

   a) William Kastrin
   b) Richard Knapp
   c) James M. Shelton
   d) C. R. (Kit) Bramblett
   e) Jack Stallings
   f) Robert Garland

Commissioners Aikens, Elliott, Harris, and Reiche voted affirmatively for the decision; Commissioners McDonald and McGarry were not present at the time of the vote.

Attest:

2-14-84
Date

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

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

In the Matter of)
) MUR 1509
The Coleman for Congress)
Committee)

84 FEB 7 A11: 00

EXECUTIVE SESSION

GENERAL COUNSEL'S REPORT

FEB 14 1984

On December 6, 1982, the Commission found reason to believe that the Coleman for Congress Committee (the Committee) violated 2 U.S.C. § 441a(f) by accepting contributions in loan form from individuals violative of 2 U.S.C. § 441a(a)(1)(A). On April 13, 1983, the Commission found reason to believe that six individuals made excessive contributions in loan form to the Committee in violation of 2 U.S.C. § 441a(a)(1)(A).

8504051057 2

BACKGROUND

During the 1982 election campaign for the 16th Congressional District of Texas, candidate Ronald D. Coleman borrowed funds from a commercial bank for use by his principal campaign committee. The candidate and six other guarantors endorsed as comakers a series of bank notes totaling $77,700. As a result, the guarantors exceeded the contribution limitations in varying amounts.

According to the Committee, it had originally set up the loans on the advice of volunteer counsel and became aware of the violations when it received a routine inquiry from the Reports Analysis Division concerning the source of reported loans. Prompted by RAD's inquiry, the Committee obtained counsel knowledgeable of the FECA, and at that time, reviewed and

restructured the loans with cosignatures of 63 endorsers to comport with the Act's contribution and disclosure requirements. The Committee then brought this matter to the attention of the Office of General Counsel.

Subsequently, the Committee and the co-makers of these loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, supported by copies of the promissory notes, it is apparent that the Committee received excessive contributions in the form of loan endorsements and, in some cases, direct contributions, from Committee treasurer William Kastrin and five other individuals. The loan/contributions violative of 2 U.S.C. § 441a(a)(1)(A) remained outstanding from one to four months and were then restructured.

Along with the candidate, Ronald Coleman, who, as a comaker, endorsed each of 11 promissory notes, the individuals contributed as follows to the primary and primary runoff elections:

Contributor	Date and Number of Notes Endorsed Per Election 1/	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
William Kastrin	3/2/82 (1)(P) 4/12/82 (3)(P) 4/16/82 (1)(P) 4/28/82 (1)(P) 6/1/82 (3)(R)	$ 17,167(P) $ 5,000(R) $ 22,167	$ 1,000(P)	$ 21,167
Richard Knapp	3/2/82 (1)(P) 4/12/82 (1)(P) 6/1/82 (1)(R)	$ 10,000(P) 1,667(R) $ 11,667	0	$ 9,667

1/ (P) = Primary Election on May 5, 1982
(R) = Primary Runoff Election on June 5, 1982
(G) = General Election on November 2, 1982

8504051057 3

James M. Shelton	3/18/82 (1)(P)	$ 5,000(P)	$ 1,000(P)	$ 5,000
C.R. (Kit) Bramblett	4/12/82 (1)(P) 6/1/82 (1)(R)	$ 1,667(P) 1,667(R) $ 3,334	$ 1,000(P)	$ 2, 334
Jack Stallings	4/12/82 (1)(P) 6/1/82 (1)(R)	$ 1,667(P) 1,667(R) $ 3,334	$ 1,000(P)	$ 2,334
Robert Garland	4/16/82 (1)(P)	$ 2,350(P)	$ 200(R)	$ 1,350

LEGAL ANALYSIS OF RESPONDENTS' BRIEFS

(See OGC Brief of October 31, 1983).

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 441a(f) states that no candidate or political committee shall knowingly accept any contribution violative of this section.

2 U.S.C. § 431(8)(A)(i) states that the term contribution includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. [Emphasis added]. § 431(8)(B)(vii)(I) adds that such loan shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors.

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution made after the primary and designated for the primary shall be

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made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

The Committee

The Committee's brief makes no new arguments, but reiterates five issues in an effort to mitigate the violations:

(1) The individuals providing the loan guarantees were prominent members of the community who had no substantial experience with the Federal Election Campaign Act and no knowledge whatever of its application to the loan arrangements under consideration.

(2) Moreover, the Committee did not presume to act without further inquiry into the legal requirements which would apply to the contemplated loans. The volunteer attorney to the campaign was consulted.

(3) The violation was corrected promptly and well before the election.

(4) There was no benefit to the Committee from the illegal loan transaction, which could have been structured lawfully in the first place.

(5) The Committee initiated this enforcement action on its own initiative.

The Committee offered the same arguments during negotiations toward a pre-probable cause settlement. Then, as now, the Office

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of General Counsel considered the circumstances of the case in an attempt to balance the serious nature and substantial amount of the violation with the compelling evidence for mitigation. Our proposed conciliation agreements reflect the Committee's compliance efforts by including a civil penalty for the Committee of $4,000, representing approximately ten percent of the amount of the violation totaling $41,852.

As for the Committee's argument that it initiated the enforcement action, the Committee did reveal to the FEC the violations of 2 U.S.C. § 441a(a)(1)(A) and § 441a(f); however, the matter was prompted by a routine inquiry from the Reports Analysis Division regarding the source of the Committee's reported loans. In its response to the Request for Additional Information ("RFAI"), the Committee did not report the original, illegally structured loan endorsement arrangement, choosing instead to consult counsel more knowledgeable of the FECA, then restructure and report the legal loan endorsements. At that time, the Committee brought the matter directly to the Office of General Counsel. Had the Committee reported the initial arrangement, the matter would have come to our attention through the normal course of referral from RAD following its review of the Committee's response to the Request for Additional Information.

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The Committee also states that the violation was corrected "well before the election." The Committee refers to the general election held November 2, 1982. However, the loans in question were contributed to the primary and primary run-off elections. The loans were restructured to comport with the Act's contribution limitations in July 1982, after the May 5 and June 5, 1982 primary elections.

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The Individual Respondents

The six individual respondents, including the Committee treasurer, William Kastrin, do not dispute the facts of this case. They acknowledge that the violations of 2 U.S.C. § 441a(a)(1)(A) were committed through endorsing loans in excessive amounts. They argue, however, that none of the individuals was familiar with the election laws, that they relied on advice of volunteer counsel for the Committee, and that they did not knowingly or willfully violate the Act.

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RECOMMENDATIONS

1. Find probable cause to believe that the Coleman for Congress Committee violated 2 U.S.C. § 441a(f).

2. Find probable cause to believe that the following individuals violated 2 U.S.C. § 441a(a)(1)(A):

   a) William Kastrin
   b) Richard Knapp
   c) James M. Shelton
   d) C.R. (Kit) Bramblett
   e) Jack Stallings
   f) Robert Garland

3. Send attached letters and conciliation agreements.

7 February 1984
Date

Charles N. Steele
General Counsel

Attachments
Proposed Conciliation Agreements and Letters

GCG#6111

MEMORANDUM

TO: CHERYL THOMAS TO: JOAN HARRIS

FROM: JOAN HARRIS FROM: CHERYL THOMAS

CHECK NO. 1588 (a copy of which is attached) RELATING TO MUR 1509 AND NAME Coleman for Congress Committee WAS RECEIVED ON 12/21/84. PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT (#95F3875.16)

/✓/ CIVIL PENALTIES ACCOUNT (#95-1099.160)

/ / OTHER _____

SIGNATURE Cheryl R. Thomas DATE 1/3/85

[redacted]

COLEMAN FOR CONGRESS-84
715 N. OREGON 544-6950
EL PASO, TEXAS 79902

1588

88-15/1120

December 19 1984

Pay to the order of The Treasurer of The United States $2,500.00/xx

Two Thousand Five Hundred and no/100 Dollars

El Paso National Bank
P.O. DRAWER 140
EL PASO, TEXAS 79980

For FEC

Steve Lauterbach

⑈001588⑈ ⑆112000150⑆ 110 2677⑈

Docket 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

MEMORANDUM TO: THE COMMISSION

FROM: MARJORIE W. EMMONS/JODY C. RANSOM JCR

DATE: NOVEMBER 1, 1983

SUBJECT: GENERAL COUNSEL'S BRIEF - MUR 1509
Memorandum to the Commission
dated October 31, 1983

The attached documents are circulated for your information.

Attachments:
Memo, Brief and Letter

8504051053 0

RECEIVED
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

83 OCT 31 P2: 53

October 31, 1983

MEMORANDUM

TO : The Commission

FROM : Charles N. Steele
General Counsel

SUBJECT: MUR 1509

Attached for the Commission's review are briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. Copies of these briefs and letters notifying the respondents of the General Counsel's intent to recommend to the Commission findings of probable cause to believe were mailed on October 31, 1983. Following receipt of the respondents' replies to these notices, this Office will report further to the Commission.

Attachments
Briefs
Letters to Respondents

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(1)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
Coleman for Congress	)	
Committee	)	

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

On December 6, 1982, the Commission found reason to believe that the Coleman for Congress Committee (the Committee) violated 2 U.S.C. § 441a(f) by accepting contributions in loan form from individuals violative of 2 U.S.C. § 441a(a)(1)(A).

During the 1982 election campaign for the 16th Congressional District of Texas, candidate Ronald D. Coleman borrowed funds from a commercial bank for use by his principal campaign committee. The candidate and other guarantors endorsed a series of bank notes totaling $77,700. As a result, the guarantors exceeded the contribution limitations in varying amounts.

According to the Committee, it became aware of the violations when it received a routine inquiry from the Reports Analysis Division concerning the source of reported loans. At that time, the Committee reviewed and restructured the loans with cosignatures of 63 endorsers to comport with the Act's contribution and disclosure requirements.

Subsequently, the Committee and the co-makers of these loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, supported by copies of the promissory notes, it is apparent that the Committee received excessive contributions in the form of loan endorsements

Attachment A (1)

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and, in some cases, direct contributions, from Committee treasurer William Kastrin and five other individuals. The loan/contributions violative of 2 U.S.C. § 441a(a)(1)(A) remained outstanding from one to four months and were then restructured.

Along with the candidate, Ronald Coleman, who endorsed each of 11 promissory notes, the individuals contributed as follows to the primary and primary runoff elections:

Contributor	Date and Number of Notes Endorsed Per Election 1/	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
William Kastrin	3/2/82 (1)(P) 4/12/82 (3)(P) 4/16/82 (1)(P) 4/28/82 (1)(P) 6/1/82 (3)(R)	$ 17,167(P) $ 5,000(R) $ 22,167	$ 1,000(P)	$ 21,167
Richard Knapp	3/2/82 (1)(P) 4/12/82 (1)(P) 6/1/82 (1)(R)	$ 10,000(P) 1,667(R) $ 11,667	0	$ 9,667
James M. Shelton	3/18/82 (1)(P)	$ 5,000(P)	$ 1,000(P)	$ 5,000
C.R. (Kit) Bramblett	4/12/82 (1)(P) 6/1/82 (1)(R)	$ 1,667(P) 1,667(R) $ 3,334	$ 1,000(P)	$ 2, 334
Jack Stallings	4/12/82 (1)(P) 6/1/82 (1)(R)	$ 1,667(P) 1,667(R) $ 3,334	$ 1,000(P)	$ 2,334
Robert Garland	4/16/82 (1)(P)	$ 2,350(P)	$ 200(R)	$ 1,350

II. Legal Analysis

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political

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1/ (P) = Primary Election on May 5, 1982
(R) = Primary Runoff Election on June 5, 1982
(G) = General Election on November 2, 1982

A (2)

committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 441a(f) states that no candidate or political committee shall knowingly accept any contribution violative of this section.

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution made after the primary and designated for the primary shall be made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

The Committee's receipt of loans endorsed by the candidate and above-named individuals constitutes acceptance of contributions totaling $41,852 in excess of limitations set forth at 2 U.S.C. § 441a(a)(1)(A). Therefore, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that the Coleman for Congress Committee violated 2 U.S.C. § 441a(f).

III. General Counsel's Recommendation

1. Find probable cause to believe that the Coleman for Congress Committee violated 2 U.S.C. § 441a(f).

28 October 1983
Date

Charles N. Steele
General Counsel

A (3)

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(4)

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Robert F. Bauer, Esquire
Perkins, Coie, Stone, Olsen
and Williams
1110 Vermont Avenue, N.W.
Suite 1200
Washington, D.C. 20005

RE: MUR 1509

Dear Mr. Bauer:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities and information which you supplied, the Federal Election Commission, on December 6, 1982, found reason to believe that your client, the Coleman for Congress Committee, had violated 2 U.S.C. § 441a(f), and the Commission instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible). The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within fifteen days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond twenty days.

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Attachment B(1)

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Frances B. Hagan at (202) 523-4529.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

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B(2)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
William Kastrin	)	

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

On April 13, 1983, the Commission found reason to believe that William Kastrin, treasurer of the Coleman for Congress Committee (the Committee) violated 2 U.S.C. § 441a(a)(1)(A) by making contributions in loan form in excess of contribution limitations to the Coleman campaign.

During the 1982 election campaign for the 16th Congressional District of Texas, candidate Ronald D. Coleman borrowed funds from a commercial bank for use by his principal campaign committee. The candidate and other guarantors, including William Kastrin, endorsed a series of bank notes totaling $77,700. As a result, the guarantors exceeded the contribution limitations in varying amounts.

According to the Committee, it became aware of the violations when it received a routine inquiry from the Reports Analysis Division concerning the source of reported loans. At that time, the Committee reviewed and restructured the loans with cosignatures of 63 endorsers to comport with the Act's contribution and disclosure requirements.

Subsequently, the Committee and the co-makers of these loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, supported by copies

Attachment C (1)

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of the promissory notes, it is apparent that the Committee treasurer, William Kastrin, made excessive contributions in the form of loan endorsements and direct contributions to the Coleman campaign. Between March 2, 1982 and June 1, 1982, Mr. Kastrin endorsed nine bank promissory notes cosigned with the candidate, Ronald Coleman, and other individuals. The loan/contributions violative of 2 U.S.C. § 441a(a)(1)(A) remained outstanding from one to four months and were restructured on July 1 and 2, 1982. Mr. Kastrin endorsed loans as follows for the primary (P) and primary run-off (R) elections:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
3/2/82 (1)(P)	$ 17,167(P)	$ 1,000(P)	$ 21,167
4/12/82 (3)(P)	$ 5,000(R)		
4/16/82 (1)(P)	$ 22,167		
4/28/82 (1)(P)			
6/1/82 (3)(R)			

II. Legal Analysis

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 431(8)(A) defines contribution as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office...." [Emphasis added].

C (2)

8504051053

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution made after the primary and designated for the primary shall be made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

By endorsing loans for use in the Coleman campaign, Mr. Kastrin made contributions totaling $21,167 in excess of contribution limitations. Therefore, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that William Kastrin violated 2 U.S.C. § 441a(a)(1)(A) in this matter.

III. General Counsel's Recommendation

1. Find probable cause to believe that William Kastrin violated 2 U.S.C. § 441a(a)(1)(A).

28 October 1983
Date

Charles N. Steele
General Counsel

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C(3)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
Richard Knapp	)	

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

On April 13, 1983, the Commission found reason to believe that Richard Knapp violated 2 U.S.C. § 441a(a)(1)(A) by making contributions in loan form in excess of contribution limitations to the Coleman for Congress Committee (the Committee).

During the 1982 election campaign for the 16th Congressional District of Texas, candidate Ronald D. Coleman borrowed funds from a commercial bank for use by his principal campaign committee. The candidate and other guarantors, including Richard Knapp, endorsed a series of bank notes totaling $77,700. As a result, the guarantors exceeded the contribution limitations in varying amounts.

According to the Committee, it became aware of the violations when it received a routine inquiry from the Reports Analysis Division concerning the source of reported loans. At that time, the Committee reviewed and restructured the loans with cosignatures of 63 endorsers to comport with the Act's contribution and disclosure requirements.

Subsequently, the Committee and the co-makers of these loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, supported by copies

Attachment D (1)

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of the promissory notes, it is apparent that Mr. Knapp made excessive contributions in the form of loan endorsements to the Coleman campaign. Between March 2, 1982 and June 1, 1982, Mr. Knapp endorsed three bank promissory notes cosigned with the candidate, Ronald Coleman, and other individuals. The loan/contributions violative of 2 U.S.C. § 441a(a)(1)(A) remained outstanding from one to four months and were restructured on July 1 and 2, 1982. Mr. Knapp endorsed loans as follows for the primary (P) and primary run-off (R) elections:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
3/2/82 (1)(P)	$ 10,000(P)	0	$ 9,667
4/12/82(1)(P)	1,667(R)		
6/1/82 (1)(R)	$ 11,667		

II. Legal Analysis

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 431(8)(A) defines contribution as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office...." [Emphasis added].

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution made after the primary and designated for the primary shall be

D (2)

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made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

By endorsing loans for use in the Coleman campaign, Mr. Knapp made contributions totaling $9,667 in excess of contribution limitations. Therefore, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that Richard Knapp violated 2 U.S.C. § 441a(a)(1)(A) in this matter.

III. General Counsel's Recommendation

1. Find probable cause to believe that Richard Knapp violated 2 U.S.C. § 441a(a)(1)(A).

28 October 1983
Date

Charles N. Steele
General Counsel

8504051059

D(3)

(12)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
James M. Shelton	)	

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

On April 13, 1983, the Commission found reason to believe that James M. Shelton violated 2 U.S.C. § 441a(a)(1)(A) by making a contribution in loan form in excess of contribution limitations to the Coleman for Congress Committee (the Committee).

During the 1982 election campaign for the 16th Congressional District of Texas, candidate Ronald D. Coleman borrowed funds from a commercial bank for use by his principal campaign committee. The candidate and other guarantors, including James M. Shelton, endorsed a series of bank notes totaling $77,700. As a result, the guarantors exceeded the contribution limitations in varying amounts.

According to the Committee, it became aware of the violations when it received a routine inquiry from the Reports Analysis Division concerning the source of reported loans. At that time, the Committee reviewed and restructured the loans with cosignatures of 63 endorsers to comport with the Act's contribution and disclosure requirements.

Subsequently, the Committee and the co-makers of these loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, supported by copies

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Attachment E(1)

of the promissory notes, it is apparent that James Shelton made excessive contributions in the form of a loan endorsement and a direct contribution to the Coleman campaign. On March 18, 1982, Mr. Shelton endorsed a bank promissory note cosigned with the candidate, Ronald Coleman. The loan/contribution violative of 2 U.S.C. § 441a(a)(1)(A) remained outstanding four months and was restructured on July 1, 1982. Mr. Shelton endorsed the following loan for the primary (P) election:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
3/18/82 (1)(P)	$ 5,000(P)	$ 1,000(P)	$ 5,000

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II. Legal Analysis

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 431(8)(A) defines contribution as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office...." [Emphasis added].

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution made after the primary and designated for the primary shall be made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular

E (2)

election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

By endorsing loans for use in the Coleman campaign, Mr. Shelton made contributions totaling $5,000 in excess of contribution limitations. Therefore, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that James M. Shelton violated 2 U.S.C. § 441a(a)(1)(A) in this matter.

III. General Counsel's Recommendation

1. Find probable cause to believe that James M. Shelton violated 2 U.S.C. § 441a(a)(1)(A).

28 Oct Oct 1983
Date

Charles N. Steele
General Counsel

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(15)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
C.R. (Kit) Bramblett	)	

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

On April 13, 1983, the Commission found reason to believe that C.R. (Kit) Bramblett violated 2 U.S.C. § 441a(a)(1)(A) by making contributions in loan form in excess of contribution limitations to the Coleman for Congress Committee (the Committee).

During the 1982 election campaign for the 16th Congressional District of Texas, candidate Ronald D. Coleman borrowed funds from a commercial bank for use by his principal campaign committee. The candidate and other guarantors, including C.R. (Kit) Bramblett, endorsed a series of bank notes totaling $77,700. As a result, the guarantors exceeded the contribution limitations in varying amounts.

According to the Committee, it became aware of the violations when it received a routine inquiry from the Reports Analysis Division concerning the source of reported loans. At that time, the Committee reviewed and restructured the loans with cosignatures of 63 endorsers to comport with the Act's contribution and disclosure requirements.

Subsequently, the Committee and the co-makers of these loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, supported by copies

Attachment F(1)

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of the promissory notes, it is apparent that C.R. (Kit) Bramblett made excessive contributions in the form of loan endorsements and a direct contribution to the Coleman campaign. On April 12, 1982 and June 1, 1982, Mr. Bramblett endorsed two bank promissory notes cosigned with the candidate, Ronald Coleman, and other individuals. The loan/contributions violative of 2 U.S.C. § 441a(a)(1)(A) remained outstanding from one to three months and were restructured on July 1 and 2, 1982. Mr. Bramblett endorsed the following loans for the primary (P) and primary run-off (R) elections:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
4/12/82 (1)(P)	$ 1,667(P)	$ 1,000(P)	$ 2, 334
6/1/82 (1)(R)	1,667(R)		
	$ 3,334		

II. Legal Analysis

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 431(8)(A) defines contribution as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office...." [Emphasis added].

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution

F (2)

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made after the primary and designated for the primary shall be made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

By endorsing loans for use in the Coleman campaign, Mr. Bramblett made contributions totaling $2,334 in excess of contribution limitations. Therefore, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that C.R. (Kit) Bramblett violated 2 U.S.C. § 441a(a)(1)(A) in this matter.

III. General Counsel's Recommendation

1. Find probable cause to believe that C.R. (Kit) Bramblett violated 2 U.S.C. § 441a(a)(1)(A).

28 October 1983
Date

Charles N. Steele
General Counsel

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(18)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
Jack Stallings	)	

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

On April 13, 1983, the Commission found reason to believe that Jack Stallings violated 2 U.S.C. § 441a(a)(1)(A) by making contributions in loan form in excess of contribution limitations to the Coleman for Congress Committee (the Committee).

During the 1982 election campaign for the 16th Congressional District of Texas, candidate Ronald D. Coleman borrowed funds from a commercial bank for use by his principal campaign committee. The candidate and other guarantors, including Jack Stallings, endorsed a series of bank notes totaling $77,700. As a result, the guarantors exceeded the contribution limitations in varying amounts.

According to the Committee, it became aware of the violations when it received a routine inquiry from the Reports Analysis Division concerning the source of reported loans. At that time, the Committee reviewed and restructured the loans with cosignatures of 63 endorsers to comport with the Act's contribution and disclosure requirements.

Subsequently, the Committee and the co-makers of these loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, supported by copies

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Attachment G (1)

of the promissory notes, it is apparent that Jack Stallings made excessive contributions in the form of loan endorsements and a direct contribution to the Coleman campaign. On April 12, 1982 and June 1, 1982, Mr. Stallings endorsed two bank promissory notes cosigned with the candidate, Ronald Coleman, and other individuals. The loan/contributions violative of 2 U.S.C. § 441a(a)(1)(A) remained outstanding from one to three months and were restructured on July 1 and 2, 1982. Mr. Stallings endorsed the following loans for the primary (P) and primary run-off (R) elections:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
4/12/82 (1)(P)	$ 1,667(P)	$ 1,000(P)	$ 2, 334
6/1/82 (1)(R)	1,667(R)		
	$ 3,334		

II. Legal Analysis

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 431(8)(A) defines contribution as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office...." [Emphasis added].

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution

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made after the primary and designated for the primary shall be made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

By endorsing loans for use in the Coleman campaign, Mr. Stallings made contributions totaling $2,334 in excess of contribution limitations. Therefore, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that Jack Stallings violated 2 U.S.C. § 441a(a)(1)(A) in this matter.

III. General Counsel's Recommendation

1. Find probable cause to believe that Jack Stallings violated 2 U.S.C. § 441a(a)(1)(A).

28 October 1983
Date

Charles N. Steele
General Counsel

8504051060

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
Robert Garland	)	

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

On April 13, 1983, the Commission found reason to believe that Robert Garland violated 2 U.S.C. § 441a(a)(1)(A) by making a contribution in loan form in excess of contribution limitations to the Coleman for Congress Committee (the Committee).

During the 1982 election campaign for the 16th Congressional District of Texas, candidate Ronald D. Coleman borrowed funds from a commercial bank for use by his principal campaign committee. The candidate and other guarantors, including Robert Garland, endorsed a series of bank notes totaling $77,700. As a result, the guarantors exceeded the contribution limitations in varying amounts.

According to the Committee, it became aware of the violations when it received a routine inquiry from the Reports Analysis Division concerning the source of reported loans. At that time, the Committee reviewed and restructured the loans with cosignatures of 63 endorsers to comport with the Act's contribution and disclosure requirements.

Subsequently, the Committee and the co-makers of these loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, supported by copies

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Attachment H (1)

of the promissory notes, it is apparent that Robert Garland made excessive contributions in the form of a loan endorsement and a direct contribution to the Coleman campaign. On April 16, 1982, Mr. Garland endorsed a bank promissory note cosigned with the candidate, Ronald Coleman. The loan/contribution violative of 2 U.S.C. § 441a(a)(1)(A) remained outstanding three months and was restructured on July 1, 1982. Mr. Garland endorsed the following loan for the primary (P) election:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
4/16/82 (1)(P)	$2,350(P)	$ 200(R)	$ 1,350

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II. Legal Analysis

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 431(8)(A) defines contribution as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office...." [Emphasis added].

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution made after the primary and designated for the primary shall be made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular

H (2)

election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

By endorsing loans for use in the Coleman campaign, Mr. Garland made contributions totaling $1,350 in excess of contribution limitations. Therefore, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that Robert Garland violated 2 U.S.C. § 441a(a)(1)(A) in this matter.

III. General Counsel's Recommendation

1. Find probable cause to believe that Robert Garland violated 2 U.S.C. § 441a(a)(1)(A).

28 October 1983
Date

Charles N. Steele
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Michael S. Berman, Esquire
Kirkpatrick, Lockhart, Hill,
Christopher and Phillips
1900 M Street, N.W.
Washington, D.C. 20036

RE: MUR 1509

Dear Mr. Berman:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities and information supplied by your clients, the Federal Election Commission, on April 13, 1983, found reason to believe that your clients, William Kastrin, Richard Knapp, James M. Shelton, C.R. (Kit) Bramblett, Jack Stallings and Robert Garland, had violated 2 U.S.C. § 441a(a)(1)(A) and the Commission instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review are briefs stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the briefs of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible). The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within fifteen days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond twenty days.

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Attachment I (1)

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Frances B. Hagan at (202) 523-4529.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Briefs

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
Coleman for Congress Committee	)	
	)	

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

On December 6, 1982, the Commission found reason to believe that the Coleman for Congress Committee (the Committee) violated 2 U.S.C. § 441a(f) by accepting contributions in loan form from individuals violative of 2 U.S.C. § 441a(a)(1)(A).

During the 1982 election campaign for the 16th Congressional District of Texas, candidate Ronald D. Coleman borrowed funds from a commercial bank for use by his principal campaign committee. The candidate and other guarantors endorsed a series of bank notes totaling $77,700. As a result, the guarantors exceeded the contribution limitations in varying amounts.

According to the Committee, it became aware of the violations when it received a routine inquiry from the Reports Analysis Division concerning the source of reported loans. At that time, the Committee reviewed and restructured the loans with cosignatures of 63 endorsers to comport with the Act's contribution and disclosure requirements.

Subsequently, the Committee and the co-makers of these loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, supported by copies of the promissory notes, it is apparent that the Committee received excessive contributions in the form of loan endorsements

Attachment A (1)

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and, in some cases, direct contributions, from Committee treasurer William Kastrin and five other individuals. The loan/contributions violative of 2 U.S.C. § 441a(a)(1)(A) remained outstanding from one to four months and were then restructured.

Along with the candidate, Ronald Coleman, who endorsed each of 11 promissory notes, the individuals contributed as follows to the primary and primary runoff elections:

Contributor	Date and Number of Notes Endorsed Per Election 1/	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
William Kastrin	3/2/82 (1)(P) 4/12/82 (3)(P) 4/16/82 (1)(P) 4/28/82 (1)(P) 6/1/82 (3)(R)	$ 17,167(P) $ 5,000(R) $ 22,167	$ 1,000(P)	$ 21,167
Richard Knapp	3/2/82 (1)(P) 4/12/82 (1)(P) 6/1/82 (1)(R)	$ 10,000(P) 1,667(R) $ 11,667	0	$ 9,667
James M. Shelton	3/18/82 (1)(P)	$ 5,000(P)	$ 1,000(P)	$ 5,000
C.R. (Kit) Bramblett	4/12/82 (1)(P) 6/1/82 (1)(R)	$ 1,667(P) 1,667(R) $ 3,334	$ 1,000(P)	$ 2, 334
Jack Stallings	4/12/82 (1)(P) 6/1/82 (1)(R)	$ 1,667(P) 1,667(R) $ 3,334	$ 1,000(P)	$ 2,334
Robert Garland	4/16/82 (1)(P)	$ 2,350(P)	$ 200(R)	$ 1,350

II. Legal Analysis

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political

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1/ (P) = Primary Election on May 5, 1982
(R) = Primary Runoff Election on June 5, 1982
(G) = General Election on November 2, 1982

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committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 441a(f) states that no candidate or political committee shall knowingly accept any contribution violative of this section.

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution made after the primary and designated for the primary shall be made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

The Committee's receipt of loans endorsed by the candidate and above-named individuals constitutes acceptance of contributions totaling $41,852 in excess of limitations set forth at 2 U.S.C. § 441a(a)(1)(A). Therefore, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that the Coleman for Congress Committee violated 2 U.S.C. § 441a(f).

III. General Counsel's Recommendation

1. Find probable cause to believe that the Coleman for Congress Committee violated 2 U.S.C. § 441a(f).

28 October 1983
Date

Charles N. Steele
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
William Kastrin	)	

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

On April 13, 1983, the Commission found reason to believe that William Kastrin, treasurer of the Coleman for Congress Committee (the Committee) violated 2 U.S.C. § 441a(a)(1)(A) by making contributions in loan form in excess of contribution limitations to the Coleman campaign.

During the 1982 election campaign for the 16th Congressional District of Texas, candidate Ronald D. Coleman borrowed funds from a commercial bank for use by his principal campaign committee. The candidate and other guarantors, including William Kastrin, endorsed a series of bank notes totaling $77,700. As a result, the guarantors exceeded the contribution limitations in varying amounts.

According to the Committee, it became aware of the violations when it received a routine inquiry from the Reports Analysis Division concerning the source of reported loans. At that time, the Committee reviewed and restructured the loans with cosignatures of 63 endorsers to comport with the Act's contribution and disclosure requirements.

Subsequently, the Committee and the co-makers of these loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, supported by copies

Attachment C (1)

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of the promissory notes, it is apparent that the Committee treasurer, William Kastrin, made excessive contributions in the form of loan endorsements and direct contributions to the Coleman campaign. Between March 2, 1982 and June 1, 1982, Mr. Kastrin endorsed nine bank promissory notes cosigned with the candidate, Ronald Coleman, and other individuals. The loan/contributions violative of 2 U.S.C. § 441a(a)(1)(A) remained outstanding from one to four months and were restructured on July 1 and 2, 1982. Mr. Kastrin endorsed loans as follows for the primary (P) and primary run-off (R) elections:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
3/2/82 (1)(P)	$ 17,167(P)	$ 1,000(P)	$ 21,167
4/12/82 (3)(P)	$ 5,000(R)		
4/16/82 (1)(P)	$ 22,167		
4/28/82 (1)(P)			
6/1/82 (3)(R)			

II. Legal Analysis

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 431(8)(A) defines contribution as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office...." [Emphasis added].

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According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution made after the primary and designated for the primary shall be made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

By endorsing loans for use in the Coleman campaign, Mr. Kastrin made contributions totaling $21,167 in excess of contribution limitations. Therefore, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that William Kastrin violated 2 U.S.C. § 441a(a)(1)(A) in this matter.

III. General Counsel's Recommendation

1. Find probable cause to believe that William Kastrin violated 2 U.S.C. § 441a(a)(1)(A).

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28 October 1983
Date

Charles N. Steele
General Counsel

C(3)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
Richard Knapp	)	

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

On April 13, 1983, the Commission found reason to believe that Richard Knapp violated 2 U.S.C. § 441a(a)(1)(A) by making contributions in loan form in excess of contribution limitations to the Coleman for Congress Committee (the Committee).

During the 1982 election campaign for the 16th Congressional District of Texas, candidate Ronald D. Coleman borrowed funds from a commercial bank for use by his principal campaign committee. The candidate and other guarantors, including Richard Knapp, endorsed a series of bank notes totaling $77,700. As a result, the guarantors exceeded the contribution limitations in varying amounts.

According to the Committee, it became aware of the violations when it received a routine inquiry from the Reports Analysis Division concerning the source of reported loans. At that time, the Committee reviewed and restructured the loans with cosignatures of 63 endorsers to comport with the Act's contribution and disclosure requirements.

Subsequently, the Committee and the co-makers of these loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, supported by copies

Attachment D (1)

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of the promissory notes, it is apparent that Mr. Knapp made excessive contributions in the form of loan endorsements to the Coleman campaign. Between March 2, 1982 and June 1, 1982, Mr. Knapp endorsed three bank promissory notes cosigned with the candidate, Ronald Coleman, and other individuals. The loan/contributions violative of 2 U.S.C. § 441a(a)(1)(A) remained outstanding from one to four months and were restructured on July 1 and 2, 1982. Mr. Knapp endorsed loans as follows for the primary (P) and primary run-off (R) elections:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
3/2/82 (1)(P)	$ 10,000(P)	0	$ 9,667
4/12/82(1)(P)	1,667(R)		
6/1/82 (1)(R)	$ 11,667		

II. Legal Analysis

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 431(8)(A) defines contribution as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office...." [Emphasis added].

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution made after the primary and designated for the primary shall be

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made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

By endorsing loans for use in the Coleman campaign, Mr. Knapp made contributions totaling $9,667 in excess of contribution limitations. Therefore, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that Richard Knapp violated 2 U.S.C. § 441a(a)(1)(A) in this matter.

III. General Counsel's Recommendation

1. Find probable cause to believe that Richard Knapp violated 2 U.S.C. § 441a(a)(1)(A).

28 October 1983
Date

Charles N. Steele
General Counsel

8504051061

D(3)

(12)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
James M. Shelton	)	

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

On April 13, 1983, the Commission found reason to believe that James M. Shelton violated 2 U.S.C. § 441a(a)(1)(A) by making a contribution in loan form in excess of contribution limitations to the Coleman for Congress Committee (the Committee).

During the 1982 election campaign for the 16th Congressional District of Texas, candidate Ronald D. Coleman borrowed funds from a commercial bank for use by his principal campaign committee. The candidate and other guarantors, including James M. Shelton, endorsed a series of bank notes totaling $77,700. As a result, the guarantors exceeded the contribution limitations in varying amounts.

According to the Committee, it became aware of the violations when it received a routine inquiry from the Reports Analysis Division concerning the source of reported loans. At that time, the Committee reviewed and restructured the loans with cosignatures of 63 endorsers to comport with the Act's contribution and disclosure requirements.

Subsequently, the Committee and the co-makers of these loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, supported by copies

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Attachment E(1)

of the promissory notes, it is apparent that James Shelton made excessive contributions in the form of a loan endorsement and a direct contribution to the Coleman campaign. On March 18, 1982, Mr. Shelton endorsed a bank promissory note cosigned with the candidate, Ronald Coleman. The loan/contribution violative of 2 U.S.C. § 441a(a)(1)(A) remained outstanding four months and was restructured on July 1, 1982. Mr. Shelton endorsed the following loan for the primary (P) election:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
3/18/82 (1)(P)	$ 5,000(P)	$ 1,000(P)	$ 5,000

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II. Legal Analysis

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 431(8)(A) defines contribution as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office...." [Emphasis added].

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution made after the primary and designated for the primary shall be made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular

E (2)

election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

By endorsing loans for use in the Coleman campaign, Mr. Shelton made contributions totaling $5,000 in excess of contribution limitations. Therefore, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that James M. Shelton violated 2 U.S.C. § 441a(a)(1)(A) in this matter.

III. General Counsel's Recommendation

1. Find probable cause to believe that James M. Shelton violated 2 U.S.C. § 441a(a)(1)(A).

28 Oct 1983
Date

Charles N. Steele
General Counsel

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(15)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
C.R. (Kit) Bramblett	)	

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

On April 13, 1983, the Commission found reason to believe that C.R. (Kit) Bramblett violated 2 U.S.C. § 441a(a)(1)(A) by making contributions in loan form in excess of contribution limitations to the Coleman for Congress Committee (the Committee).

During the 1982 election campaign for the 16th Congressional District of Texas, candidate Ronald D. Coleman borrowed funds from a commercial bank for use by his principal campaign committee. The candidate and other guarantors, including C.R. (Kit) Bramblett, endorsed a series of bank notes totaling $77,700. As a result, the guarantors exceeded the contribution limitations in varying amounts.

According to the Committee, it became aware of the violations when it received a routine inquiry from the Reports Analysis Division concerning the source of reported loans. At that time, the Committee reviewed and restructured the loans with cosignatures of 63 endorsers to comport with the Act's contribution and disclosure requirements.

Subsequently, the Committee and the co-makers of these loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, supported by copies

Attachment F(1)

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of the promissory notes, it is apparent that C.R. (Kit) Bramblett made excessive contributions in the form of loan endorsements and a direct contribution to the Coleman campaign. On April 12, 1982 and June 1, 1982, Mr. Bramblett endorsed two bank promissory notes cosigned with the candidate, Ronald Coleman, and other individuals. The loan/contributions violative of 2 U.S.C. § 441a(a)(1)(A) remained outstanding from one to three months and were restructured on July 1 and 2, 1982. Mr. Bramblett endorsed the following loans for the primary (P) and primary run-off (R) elections:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
4/12/82 (1)(P)	$ 1,667(P)	$ 1,000(P)	$ 2, 334
6/1/82 (1)(R)	1,667(R)		
	$ 3,334		

II. Legal Analysis

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 431(8)(A) defines contribution as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office...." [Emphasis added].

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution

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made after the primary and designated for the primary shall be made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

By endorsing loans for use in the Coleman campaign, Mr. Bramblett made contributions totaling $2,334 in excess of contribution limitations. Therefore, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that C.R. (Kit) Bramblett violated 2 U.S.C. § 441a(a)(1)(A) in this matter.

III. General Counsel's Recommendation

1. Find probable cause to believe that C.R. (Kit) Bramblett violated 2 U.S.C. § 441a(a)(1)(A).

28 October 1983
Date

Charles N. Steele
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
Jack Stallings	)	

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

On April 13, 1983, the Commission found reason to believe that Jack Stallings violated 2 U.S.C. § 441a(a)(1)(A) by making contributions in loan form in excess of contribution limitations to the Coleman for Congress Committee (the Committee).

During the 1982 election campaign for the 16th Congressional District of Texas, candidate Ronald D. Coleman borrowed funds from a commercial bank for use by his principal campaign committee. The candidate and other guarantors, including Jack Stallings, endorsed a series of bank notes totaling $77,700. As a result, the guarantors exceeded the contribution limitations in varying amounts.

According to the Committee, it became aware of the violations when it received a routine inquiry from the Reports Analysis Division concerning the source of reported loans. At that time, the Committee reviewed and restructured the loans with cosignatures of 63 endorsers to comport with the Act's contribution and disclosure requirements.

Subsequently, the Committee and the co-makers of these loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, supported by copies

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Attachment G (1)

of the promissory notes, it is apparent that Jack Stallings made excessive contributions in the form of loan endorsements and a direct contribution to the Coleman campaign. On April 12, 1982 and June 1, 1982, Mr. Stallings endorsed two bank promissory notes cosigned with the candidate, Ronald Coleman, and other individuals. The loan/contributions violative of 2 U.S.C. § 441a(a)(1)(A) remained outstanding from one to three months and were restructured on July 1 and 2, 1982. Mr. Stallings endorsed the following loans for the primary (P) and primary run-off (R) elections:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
4/12/82 (1)(P)	$ 1,667(P)	$ 1,000(P)	$ 2, 334
6/1/82 (1)(R)	1,667(R)		
	$ 3,334		

II. Legal Analysis

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 431(8)(A) defines contribution as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office...." [Emphasis added].

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution

G (2)

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made after the primary and designated for the primary shall be made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

By endorsing loans for use in the Coleman campaign, Mr. Stallings made contributions totaling $2,334 in excess of contribution limitations. Therefore, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that Jack Stallings violated 2 U.S.C. § 441a(a)(1)(A) in this matter.

III. General Counsel's Recommendation

1. Find probable cause to believe that Jack Stallings violated 2 U.S.C. § 441a(a)(1)(A).

28 October 1983
Date

Charles N. Steele
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
Robert Garland	)	

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

On April 13, 1983, the Commission found reason to believe that Robert Garland violated 2 U.S.C. § 441a(a)(1)(A) by making a contribution in loan form in excess of contribution limitations to the Coleman for Congress Committee (the Committee).

During the 1982 election campaign for the 16th Congressional District of Texas, candidate Ronald D. Coleman borrowed funds from a commercial bank for use by his principal campaign committee. The candidate and other guarantors, including Robert Garland, endorsed a series of bank notes totaling $77,700. As a result, the guarantors exceeded the contribution limitations in varying amounts.

According to the Committee, it became aware of the violations when it received a routine inquiry from the Reports Analysis Division concerning the source of reported loans. At that time, the Committee reviewed and restructured the loans with cosignatures of 63 endorsers to comport with the Act's contribution and disclosure requirements.

Subsequently, the Committee and the co-makers of these loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, supported by copies

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Attachment H (1)

of the promissory notes, it is apparent that Robert Garland made excessive contributions in the form of a loan endorsement and a direct contribution to the Coleman campaign. On April 16, 1982, Mr. Garland endorsed a bank promissory note cosigned with the candidate, Ronald Coleman. The loan/contribution violative of 2 U.S.C. § 441a(a)(1)(A) remained outstanding three months and was restructured on July 1, 1982. Mr. Garland endorsed the following loan for the primary (P) election:

Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
4/16/82 (1)(P)	$2,350(P)	$ 200(R)	$ 1,350

II. Legal Analysis

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

2 U.S.C. § 431(8)(A) defines contribution as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office...." [Emphasis added].

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution made after the primary and designated for the primary shall be made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular

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election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

By endorsing loans for use in the Coleman campaign, Mr. Garland made contributions totaling $1,350 in excess of contribution limitations. Therefore, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that Robert Garland violated 2 U.S.C. § 441a(a)(1)(A) in this matter.

III. General Counsel's Recommendation

1. Find probable cause to believe that Robert Garland violated 2 U.S.C. § 441a(a)(1)(A).

28 October 1983
Date

Charles N. Steele
General Counsel

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KIRKPATRICK, LOCKHART, HILL, CHRISTOPHER & PHILLIPS

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November 21, 1983

Commissioner Danny McDonald
Chairman
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: FEC MUR ~~1507~~ 1509
William J. Kastrin
C. R. Bramblet
Robert D. Garland, Jr.
Richard Knapp
James M. Shelton
Jack Stallings

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Dear Chairman McDonald:

This letter is submitted on behalf of the above-referenced individuals in response to the General Counsel's Brief in Support of a Finding of Probable Cause to Believe that the respondents violated 2 U.S.C. 441(a)(1)(A).

There is no apparent dispute about the facts in this matter, at least no dispute has been cited in any communications from the Commission staff. Each of the respondents co-signed with candidate Ronald Coleman one or more bank notes the proceeds of which were ultimately used for Mr. Coleman's campaign for Congress.

As noted in the statement of facts submitted on February 28, 1983 by counsel for these respondents and counsel for respondent Coleman for Congress Committee, the structuring and co-signing of these loans was approved by the campaign committee's counsel. Counsel approved these transactions without any stated qualification as to the dollar amount of the notes which could be signed by any one individual. Most if not all of these respondents were present in the meeting when counsel's advice was sought and received.

These are not sophisticated participants in the federal political process. Even the committee treasurer, Mr. Kastrin, was new to the process. Simply stated, they relied on the belief that this transaction was approved by counsel and, if there was something wrong with what they were asked to do, the committee's lawyer would have so stated.

The Federal Election Campaign Act came into being and grew for a number of reasons. Among the most important of those reasons was a desire on the part of the Congress to limit the amount received by a candidate from a single source to an amount believed unlikely to result in undue influence and to provide an opportunity for any interested party to find out who is providing financial support to a particular candidate. While the law binds both contributors and campaign committees, the primary burden falls upon committees. So long as an individual spends money on behalf of a candidate by giving it to a proper campaign committee, he or she has no obligation to separately report this activity to any authority.

In this instance, the respondents as contributors to a proper campaign committee relied on advice from that committee and its counsel that their guarantee of bank loans in the noted amounts was appropriate and lawful. Even the treasurer of the committee, Mr. Kastrin, did the only thing a prudent man can be expected to do -- he sought legal advice. At the first hint of a problem in the form of a RAD notice seeking additional information, Mr. Kastrin immediately sought more expert legal advice and, with the advice of new counsel, set about restructuring the loans and amending the relevant reports. These actions were taken expeditiously and were completed months before the general election. It is unfortunate that every lawyer in America is not an expert in federal election law, but they are not. The FECA and the attendent regulations are not uncomplicated. In at least one instance, the Commission has dealt fairly with a situation in which a campaign committee sought legal advice from a former Commission attorney and received advice which the Commission subsequently decided was in error.

One of the concerns about the Federal Election Campaign Act has always been that it not operate in such a way as to dissuade people from or make them fearful of participating in the political

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process by contributing to candidates. It is not reasonable to expect nor was it ever intended that the millions of people who contribute to federal candidates be individually expert in federal election law. If average people who are not experienced or sophisticated in election law must now contribute to candidates at their peril, the Federal Election Campaign Act will have a devastating effect upon the political process.

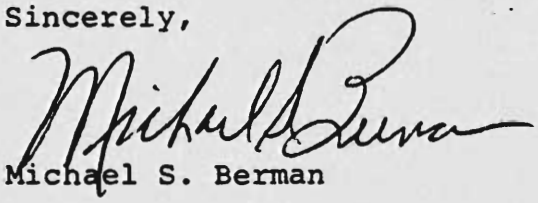
These respondents did not knowingly or willfully violate the FECA; they were not cavalier in their attitude toward the law. They did something which they had every reason to believe was lawful. They have been wholly cooperative with the Commission. Unwittingly, they made a mistake and now that they are aware of the law, it may be reasonable to ask them to sign an agreement acknowledging the mistake and agreeing never to do it again. It is unreasonable and unfair to require them to pay a fine for an unknowing and unintentional mistake.

These respondents should not be penalized for their innocent actions but, in fact, they will be penalized when their acknowledgement of their actions in the form of a conciliation agreement is made public. If the Commission must penalize them, the penalty of public embarrassment should be more than sufficient.

I respectfully submit that it should not be necessary for the Commission to reach the stage in its proceedings of finding Probable Cause to Believe as relates to these respondents. The Act and its intended reliance on voluntary conciliation are more than well served by the public admission by these respondents of their mistake and their pledge not to violate the Act in the future.

I remain available to discuss this matter further at the convenience of the Commission or its staff.

Sincerely,



Michael S. Berman

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of Coleman for Congress Committee	)))	MUR 1509

DEC 5 P4:55

BRIEF OF RESPONDENT COLEMAN FOR CONGRESS COMMITTEE

INTRODUCTION

The Coleman for Congress Committee (the Committee) respectfully submits this brief pursuant to 2 U.S.C. § 437g(a)(3), setting forth its position of the legal and factual issues of the cases and replying to the brief of the General Counsel.[1/]

In his brief dated October 28, 1983, the General Counsel has concluded that he must recommend "probable cause to believe" that the Committee violated 2 U.S.C. § 441a(f), by accepting loans from Congressional candidate Ron Coleman who, in turn, had borrowed the funds from a commercial bank on the basis of promissory notes co-signed by various individuals in violation of the contribution limitations applicable under § 441a of the Act.

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1/ The brief is submitted this date under an extension of time requested by the Committee in a letter dated November 9, 1983, and granted by OGC staff in a telephone conversation with counsel on November 16, 1983. See Appendix (App.) A.

The General Counsel's brief supplies the absolute minimum of detail on this case.[2/] In that sense, it is seriously misleading about the circumstances surrounding the current "probable cause" proceeding. Neither the facts nor the law of this case have been disputed by any of the respondents, including the Committee.[3/] In fact, as the General Counsel's brief completely omits to mention, the Committee came forward on its own initative to make full disclosure of all circumstances surrounding the loans in question,

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2/ The General Counsel's presentation, all of three pages, is also terse on the legal issues; it does not even cite or discuss those provisions of the Commission regulations defining loan endorsements or guarantees as "contributions". See 11 C.F.R. § 100.7(a)(i)(A)-(D).

3/ The other respondents are the Committee Treasurer, Mr. Kastrin, and five other individuals who co-signed certain of the notes in question.

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FACTS

The facts of the case need not be exhaustively reviewed here, because the Committee has already willingly provided full detail to the General Counsel's office. Specifically, the Committee and the individual respondents submitted an agreed and full statement of facts by memorandum dated February 28, 1983.[5/] All facts and figures relating to the loan transactions were provided, including copies of the relevant

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5/ See App. B.

promissory notes. Of more significance here, detailed information was provided on the circumstances surrounding the negotiation of loans which were, by the Committee's own admission, in violation of § 441a by virtue of individual endorsements exceeding the applicable contribution limitations.

These facts bear some additional emphasis here, if only because the Committee has been unable to focus the General Counsel's attention on their significance.[6/] Briefly, stated:

(1) The individuals providing the loan guarantees were prominent members of the community who had no substantial experience with the Federal Election Campaign Act and no knowledge whatever of its application to the loan arrangements under consideration. As the Committee has noted in a written presentation to the General Counsel's office,[7/] Mr. Coleman's campaign was undertaken in pursuit of a seat in the House of Representatives which had been virtually uncontested for the previous 18 years, and which had come open by virtue of the incumbent's retirement.

6/ Argument on these points was made by the Committee to the General Counsel in a memorandum dated March 7, 1983. See

7/ Id.

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(2) Moreover, the Committee did not presume to act without further inquiry into the legal requirements which would apply to the contemplated loans. The volunteer attorney to the campaign was consulted. This attorney advised, in turn, that the individuals involved in this transaction (other than the Congressman) could supply loan guarantees without limitation under the FECA. As the Committee and individual respondents have stated in their agreed statement of facts, "the attorney apparently believed that, since candidate Coleman could contribute an unlimited amount of his own funds to the campaign effort, his personal borrowing for the same campaign purpose would be similarly unrestricted regardless of the guarantees or endorsements secured to support this borrowing." (emphasis in original)[8/]

This legal advice was the basis for the Committee's actions in accepting these loans. Moreover, several of the co-makers were present when this attorney's advice was given; those not present relied on the Committee's assurance, based on this advice, that their endorsements were lawful.[9/]

Under these circumstances, there can be no claim of intentional or wilful behavior by the Committee in connection

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8/ See App. B, at p.2.

9/ See letter dated March 8, 1983 from Michael Berman, counsel to individual respondents, to the General Counsel, at p.3.

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with this violation. Nor can even negligence be alleged; the Committee has attempted to remind the General Counsel that "lay persons cannot be faulted for consulting lawyers on the meaning of the law."[10/]

(3) The violation was corrected promptly and well before the election. The first of the notes in question were taken out on March 2, 1982 and the last on June 1, 1982. By July 1 and 2, 1982, only four months later, and well before the general election, the Committee had: (a) identified the violation, (b) restructured the loans in compliance with the FECA, (c) repaid the bank to whom the illegal obligations were owed, and (d) initiated consultations with an attorney which led to wholly voluntary submission to the enforcement procedures of the Act.

(4) There was no benefit to the Committee from the illegal loan transaction, which could have been structured lawfully in this first place. As the subsequent restructuring of the loan transactions demonstrates, there was no advantage to the Committee whatever in the illegal co-signatures executed on the assumption that they did not violate the Act. The Committee was able, promptly, to restructure the loans with endorsements which were fully consistent with the contribution limits in

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10/ See App. B, at p. 2.

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§ 441a. If incorrect legal advice had not been received in the first instance, the loan could have been structured in perfectly lawful fashion from the very beginning.

All in all, this case calls for fair recognition of the clear equities in the Committees' and individual respondents' favor.

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CONCLUSION

Under these circumstances, the Committee formally requests that the Commission not find "probable cause" to believe that a violation of § 441a(f) has occurred.

Respectfully submitted,

Robert F. Bauer, Esq.
PERKINS, COIE, STONE,
OLSEN & WILLIAMS
Suite 1200
1110 Vermont Avenue, N.W.
Washington, D.C. 20005
(202) 887-9030

Counsel
Coleman for Congress Committee

85040510643

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
The Coleman for Congress Committee	)	

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission Executive Session on April 13, 1983, do hereby certify that the Commission decided by a vote of 4-2 to take the following actions in MUR 1509:

1. Find reason to believe that William Kastrin violated 2 U.S.C. §441a(a)(1)(A).

2. Find reason to believe that Richard Knapp violated 2 U.S.C. §441a(a)(1)(A).

3. Find reason to believe that James Shelton violated 2 U.S.C. §441a(a)(1)(A).

4. Find reason to believe that C. R. (Kit) Bramblett violated 2 U.S.C. §441a(a)(1)(A).

5. Find reason to believe that Jack Stallings violated 2 U.S.C. §441a(a)(1)(A).

6. Find reason to believe that Robert Garland violated 2 U.S.C. §441a(a)(1)(A).

7. Find no reason to believe that Mark Howell violated 2 U.S.C. §441a(a)(1)(A).

8. Close the file as it relates to Mark Howell.

(Continued)

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9. Send the notification letters attached to the General Counsel's report dated April 5, 1983.

Commissioners Aikens, Harris, McDonald, and Reiche voted affirmatively for the decision; Commissioners Elliott and McGarry dissented.

Attest:

4-14-83
Date

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

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
The Coleman for Congress	)	
Committee	)	

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SENSITIVE

GENERAL COUNSEL'S REPORT

On December 6, 1982, the Commission found reason to believe that the Coleman for Congress Committee (the Committee) violated 2 U.S.C. § 441a(f) by accepting contributions in loan form from individuals violative of 2 U.S.C. § 441a(a)(1)(A).

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BACKGROUND

On October 2, 1982, the Committee submitted a letter concerning an apparent violation of 2 U.S.C. § 441a(f). The letter stated that the candidate borrowed funds from a commercial bank for use by his campaign committee. The candidate and other guarantors apparently signed a series of notes totaling $77,700. The guarantors exceeded the contribution limitations in varying amounts. According to the Committee, it noted the violation when it received a request from the Reports Analysis Division to correct inadequate reporting of loans. At that time, the Committee reviewed and restructured the loans to comport with the contribution limitations and disclosure requirements.

The Committee

The letter notifying the Committee of the Commission's reason to believe finding included questions designed to determine the factual situation surrounding the loans, especially

concerning identification of the individual loan guarantors and the amount of each promissory note they endorsed.

On February 18, 1983, the Committee submitted answers to the General Counsel's interrogatory, identifying the promissory notes, the amounts, dates, terms and seven guarantors (in addition to the candidate). Copies of the notes were attached to the response.

The Individuals

On January 5 and 25, 1983, this Office received authorization of counsel forms from seven individuals who wished to be represented in this matter. At that time, their attorney stated that he was attempting to ascertain the facts of the individuals' participation and would contact this Office with the information.

FACTUAL AND LEGAL ANALYSIS

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution made after the primary and designated for the primary shall be made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular election, the contribution shall apply to the primary if made on or before the primary election date or to the general election if made after the primary election date.

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On February 28, 1983, the Committee and the co-makers of certain loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, the Committee treasurer, William Kastrin, and five other individuals made excessive contributions in the form of loan endorsements and, in some cases, direct contributions, to the Coleman campaign in violation of 2 U.S.C. § 441a(a)(1)(A). Along with the candidate, Ronald D. Coleman, who endorsed each of 11 promissory notes, the individuals contributed as follows to the primary and primary runoff elections:

Contributor	Date and Number of Notes Endorsed Per Election 1/	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
William Kastrin	3/2/82 (1)(P) 4/12/82 (3)(P) 4/16/82 (1)(P) 4/28/82 (1)(P) 6/1/82 (3)(R)	$ 17,167(P) $ 5,000(R) $ 22,167	$ 1,000(P)	$ 21,167
Richard Knapp	3/2/82 (1)(P) 4/12/82(1)(P) 6/1/82 (1)(R)	$ 10,000(P) 1,667(R) $ 11,667	0	$ 9,667
James M. Shelton	3/18/82 (1)(P)	$ 5,000(P)	$ 1,000(P)	$ 5,000
C.R. (Kit) Bramblett	4/12/82 (1)(P) 6/1/82 (1)(R)	$ 1,667(P) 1,667(R) $ 3,334	$ 1,000(P)	$ 2, 334
Jack Stallings	4/12/82 (1)(P) 6/1/82 (1)(R)	$ 1,667(P) 1,667(R) $ 3,334	$ 1,000(P)	$ 2,334
Robert Garland	4/16/82 (1)(P)	$2,350(P)	$ 200(R)	$ 1,350

1/ (P) = Primary Election on May 5, 1982
(R) = Primary Runoff Election on June 5, 1982
(G) = General Election on November 2, 1982

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	Pre-MUR 96
Coleman for Congress Committee	)	
	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on December 6, 1982, the Commission decided by a vote of 5-0 to take the following actions in Pre-MUR 96:

1. Open a Matter Under Review
2. Find reason to believe that the Coleman for Congress Committee violated 2 U.S.C. § 441a(f).
3. Approve the letters as attached to the First General Counsel's Report dated December 2, 1982.

Commissioners Aikens, Elliott, Harris, McGarry and Reiche voted affirmatively in this matter; Commissioner McDonald did not cast a vote.

Attest:

12/6/82
Date

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

Received in Office of Commission Secretary: 12-2-82, 10:31
Circulated on 48 hour tally basis: 12-2-82, 4:00

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SENSITIVE

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

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

82 DEC 2 A10: 31

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL BY OGC TO THE COMMISSION 12/2/82

MUR NO. Pre-MUR 96
STAFF MEMBER Frances B. Hagan

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

RESPONDENT'S NAME: Coleman for Congress Committee

RELEVANT STATUTE: 2 U.S.C. § 441a(a)(1)(A)
2 U.S.C. § 441a(f)

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

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GENERATION OF MATTER

This matter was generated, sua sponte, by a letter from counsel for the Coleman for Congress Committee ("the Committee"). The Committee is the principal campaign committee of Ronald D. Coleman, 1982 Democratic candidate for Congress in the Sixteenth District of Texas.

SUMMARY OF ALLEGATIONS

The Coleman for Congress Committee violated 2 U.S.C. § 441a(f) through receipt of excessive contributions in the form of loan endorsements.

FACTUAL AND LEGAL ANALYSIS

On October 2, 1982, the Committee submitted a letter

concerning an apparent violation of 2 U.S.C. § 441a(f).1/ The letter states that the candidate borrowed funds from a commercial bank for use by his campaign committee. The candidate and other guarantors apparently signed a series of notes totaling between $75,000 and $78,000. The guarantors exceeded the contribution limitations in varying amounts. According to the Committee, it noted the violation when it received a request from the Reports Analysis Division to correct inadequate reporting of loans. At that time, the Committee reviewed and restructured the loans to comport with the contribution limitations and disclosure requirements.

The Committee states that the violation occurred inadvertently due to a misunderstanding of the applicable law. It states that the excessive contributions remained outstanding only three months and were voluntarily rectified.

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LEGAL ANALYSIS

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and authorized committees which exceed $1,000 per election. 2 U.S.C. § 441a(f) prohibits receipt of any contributions violative of this section.

The initial information offered by the Committee indicates that the Committee violated 2 U.S.C. § 441a(f) when it received excessive contributions in the form of loans from several individuals

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1/ The letter was preceded by a meeting between Committee counsel and OGC enforcement senior staff to convey the initial information concerning the Committee's apparent violation.

who signed as guarantors for a number of promissory notes executed by the candidate. In addition, the individuals who made excessive contributions in the form of loan endorsements apparently violated 2 U.S.C. § 441a(a)(1)(A).

The Committee states that the notes in question total $77,700. However, the Committee does not list the number or names of individual co-makers; nor does it specify the excessive amount attributable to each. In conversations with this Office, counsel agreed to supply such information. A review of the Committee's financial disclosure reports shows the loan arrangement after the Committee restructured the notes to comply with the contribution limitations. We will offer recommendations regarding the individual contributors when the names and amounts in violation are available for review.

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RECOMMENDATIONS

1. Open a Matter Under Review.

2. Find reason to believe that the Coleman for Congress Committee violated 2 U.S.C. § 441a(f).

3. Approve attached letter.

Charles N. Steele
General Counsel

December 1, 1982
Date

BY: Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

Attachments
Letter from Committee counsel
Proposed letter

In addition, Mark Howell was one of three cosignatories on the April 16, 1982 note which totaled $1,000. His portion of the contribution is $333, well within the contribution limits. According to the Committee-contributor factual statement, Mr. Howell made no other contributions to the primary or runoff elections.

The amounts of the excessive portions of the contributions range from $1,350 to $21,167. The excessive contributions in loan form remained outstanding from one to four months when they were restructured with co-signatures of 63 individuals. Because the original loan/contributions represent significant amounts in excess of contribution limitations, the Office of General Counsel recommends that the Commission find reason to believe that the six individual contributors violated 2 U.S.C. § 441a(a)(1)(A) in this matter.

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Finally, we recommend that the Commission find no reason to believe that respondent Mark Howell violated 2 U.S.C. § 441a(a)(1)(A) in that his contributions to the Committee did not exceed contribution limits.

RECOMMENDATIONS

1. Find reason to believe that William Kastrin violated 2 U.S.C. § 441a(a)(1)(A).

2. Find reason to believe that Richard Knapp violated 2 U.S.C. § 441a(a)(1)(A).

3. Find reason to believe that James Shelton violated 2 U.S.C. § 441a(a)(1)(A).

4. Find reason to believe that C.R. (Kit) Bramblett violated 2 U.S.C. § 441a(a)(1)(A).

5. Find reason to believe that Jack Stallings violated 2 U.S.C. § 441a(a)(1)(A).

6. Find reason to believe that Robert Garland violated 2 U.S.C. § 441a(a)(1)(A).

7. Find no reason to believe that Mark Howell violated 2 U.S.C. § 441a(a)(1)(A).

8. Close the file as it relates to Mark Howell.

9. Send attached letters of notification.

Charles N. Steele
General Counsel

April 5, 1983 BY: Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

Attachments
Letter to Counsel for the Respondents
General Counsel's Factual and Legal Analysis

85040510654

Gcc # 8580

PERKINS, COIE, STONE, OLSEN & WILLIAMS

ANCHORAGE OFFICE
420 "L" STREET
SUITE 301
ANCHORAGE, ALASKA 99501
TELEPHONE: 907-279-8561
TELECOPIER: 907-276-3108

1110 VERMONT AVENUE, N.W.
WASHINGTON, D.C. 20005
TELEPHONE: 202-887-9030

PLEASE REPLY TO WASHINGTON, D.C. OFFICE

SEATTLE OFFICE
1900 WASHINGTON BUILDING
SEATTLE, WASHINGTON 98101
TELEPHONE: 206-682-8770
TELECOPIER: 206-682-8784
CABLE "PERKINS SEATTLE"
DOM TELEX: 32-0319
INT'L TELEX: 471123

October 1, 1982

Mr. Ken Gross
General Counsel's Office
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: Coleman for Congress

Dear Ken:

This letter serves to confirm our discussion on Friday, September 17, 1982, at a meeting in which I appeared as counsel to the Coleman for Congress Committee. At that meeting, I sought to formally inform the Commission of a violation of the Federal Election Campaign Act of 1971, as amended, which was inadvertantly committed by the Committee when it accepted certain loans negotiated on its behalf by the candidate that it supports, Ron Coleman, and a number of his supporters.

Specifically, Mr. Coleman undertook to borrow funds from a commercial bank, through the execution of a series of promissory notes, which would in turn be turned over to the Committee for its use in support of Mr. Coleman's election to the Congress. A series of notes were executed which carried Mr. Coleman's signature and, in each case, one or more co-signatures of supporters of Mr. Coleman. Because of a failure to understand the applicable law, the co-signatories did not in each case conform with the $1,000 per election contribution limitation binding upon each of them as individual contributors. The total amount of all notes in question was $77,700, with various co-makers exceeding their contribution limitations in varying amounts.

The violation did not come to the attention of the Committee until, in response to a request from Reports and Analysis to rectify inadequate reporting of the loans, it reviewed the notes once again. At that point, the matter was referred to counsel. The loan arrangements were then

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completely restructured to conform with all applicable requirements of the FECA, including the contribution limitations binding on co-signatories. Nevertheless, it is apparent that, for the three month period that the original promisory notes were outstanding, the Committee stood in violation of the FECA.

Very truly yours,

Robert F. Bauer /JC

Robert F. Bauer

RFB/peg

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PERKINS, COIE, STONE, OLSEN & WILLIAMS
1110 VERMONT AVENUE, N.W.
WASHINGTON, D.C. 20005

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HAND DELIVER

Mr. Ken Gross
General Counsel's Office
Federal Election Commission
1325 K Street, N.W.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 18, 1983

Michael S. Berman, Esquire
Kirkpatrick, Lockhart, Hill, Christopher
and Phillips
1900 M Street, N.W.
Washington, D.C. 20036

RE: MUR 1509

Dear Mr. Berman:

On April 13, 1983, the Federal Election Commission determined that there is reason to believe that your clients, William Kastrin, Richard Knapp, James Shelton, C.R. (Kit) Bramblett, Jack Stallings, and Robert Garland violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Coleman for Congress Committee during the 1982 primary election. In addition, the Commission determined that there is no reason to believe that your client, Mark Howell, violated 2 U.S.C. § 441a(a)(1)(A) through his contributions to the 1982 Coleman campaign. Accordingly, the file has been closed as it pertains to Mark Howell. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against your clients. Please submit any additional factual or legal materials which you believe are relevant to the Commission's consideration of this matter.

In the absence of any additional information which demonstrates that no further action should be taken against your clients, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe as you have indicated. See 11 C.F.R. § 111.18(d).

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 523-4529.

Sincerely,

Danny L. McDonald

DANNY L. McDONALD
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1509
STAFF MEMBER Frances B. Hagan

RESPONDENTS' NAMES: William J. Kastrin
Richard Knapp
James M. Shelton
C. R. (Kit) Bramblett
Jack Stallings
Robert Garland
Mark Howell

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

Six individuals made excessive contributions in the form of loan guarantees and, in some cases, direct contributions, to the Coleman for Congress Committee (the Committee) in violation of 2 U.S.C. § 441a(a)(1)(A).

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution made after the primary and designated for the primary shall be made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular election, the contribution shall apply to the primary if made on

or before the primary election date or to the general election if made after the primary election date.

On February 28, 1983, the Committee and the co-makers of certain loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, the Committee treasurer, William Kastrin, and five other individuals made excessive contributions in the form of loan endorsements and, in some cases, direct contributions, to the Coleman campaign in violation of 2 U.S.C. § 441a(a)(1)(A). Along with the candidate, Ronald D. Coleman, who endorsed each of 11 promissory notes, the individuals contributed as follows to the primary and primary runoff elections:

Contributor	Date and Number of Notes Endorsed Per Election 1/	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
William Kastrin	3/2/82 (1)(P) 4/12/82 (3)(P) 4/16/82 (1)(P) 4/28/82 (1)(P) 6/1/82 (3)(R)	$ 17,167(P) $ 5,000(R) $ 22,167	$ 1,000(P)	$ 21,167
Richard Knapp	3/2/82 (1)(P) 4/12/82(1)(P) 6/1/82 (1)(R)	$ 10,000(P) 1,667(R) $ 11,667	0	$ 9,667
James M. Shelton	3/18/82 (1)(P)	$ 5,000(P)	$ 1,000(P)	$ 5,000
C.R. (Kit) Bramblett	4/12/82 (1)(P) 6/1/82 (1)(R)	$ 1,667(P) 1,667(R) $ 3,334	$ 1,000(P)	$ 2, 334

1/ (P) = Primary Election on May 5, 1982
(R) = Primary Runoff Election on June 5, 1982
(G) = General Election on November 2, 1982

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Contributor	Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
Jack Stallings	4/12/82 (1)(P) 6/1/82 (1)(R)	$ 1,667(P) 1,667(R) $ 3,334	$ 1,000(P)	$ 2,334
Robert Garland	4/16/82 (1)(P)	$ 2,350(P)	$ 200(R)	$ 1,350

In addition, Mark Howell was one of three cosignatories on the April 16, 1982 note which totaled $1,000. His portion of the contribution is $333, well within the contribution limits. According to the Committee-contributor factual statement, Mr. Howell made no other contributions to the primary or runoff elections.

The amounts of the excessive portions of the contributions range from $1,350 to $21,167. The excessive contributions in loan form remained outstanding from one to four months when they were restructured with co-signatures of 63 individuals. Because the original loan/contributions represent significant amounts in excess of contribution limitations, the Office of General Counsel recommends that the Commission find reason to believe that the six individual contributors violated 2 U.S.C. § 441a(a)(1)(A) in this matter. We also recommend that the Commission find no reason to believe that respondent Mark Howell violated 2 U.S.C. § 441a(a)(1)(A) in that his contributions to the Committee did not exceed contribution limits.

The Commission made the following determinations:

1. Found reason to believe that William Kastrin violated 2 U.S.C. § 441a(a)(1)(A).

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2. Found reason to believe that Richard Knapp violated 2 U.S.C. § 441a(a)(1)(A).

3. Found reason to believe that James Shelton violated 2 U.S.C. § 441a(a)(1)(A).

4. Found reason to believe that C.R. (Kit) Bramblett violated 2 U.S.C. § 441a(a)(1)(A).

5. Found reason to believe that Jack Stallings violated 2 U.S.C. § 441a(a)(1)(A).

6. Found reason to believe that Robert Garland violated 2 U.S.C. § 441a(a)(1)(A).

7. Found no reason to believe that Mark Howell violated 2 U.S.C. § 441a(a)(1)(A).

8. Closed the file as it relates to Mark Howell.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Michael S. Berman, Esquire
Kirkpatrick, Lockhart, Hill, Christopher
and Phillips
1900 M Street, N.W.
Washington, D.C. 20036

RE: MUR 1509

Dear Mr. Berman:

On , 1983, the Federal Election Commission determined that there is reason to believe that your clients, William Kastrin, Richard Knapp, James Shelton, C.R. (Kit) Bramblett, Jack Stallings, and Robert Garland violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making contributions to the Coleman for Congress Committee during the 1982 primary election. In addition, the Commission determined that there is no reason to believe that your client, Mark Howell, violated 2 U.S.C. § 441a(a)(1)(A) through his contributions to the 1982 Coleman campaign. Accordingly, the file has been closed as it pertains to Mark Howell. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against your clients. Please submit any additional factual or legal materials which you believe are relevant to the Commission's consideration of this matter.

In the absence of any additional information which demonstrates that no further action should be taken against your clients, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe as you have indicated. See 11 C.F.R. § 111.18(d).

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

Attachment A (1)

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 523-4529.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1509
STAFF MEMBER Frances B. Hagan

RESPONDENTS' NAMES: William J. Kastrin
Richard Knapp
James M. Shelton
C. R. (Kit) Bramblett
Jack Stallings
Robert Garland
Mark Howell

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

Six individuals made excessive contributions in the form of loan guarantees and, in some cases, direct contributions, to the Coleman for Congress Committee (the Committee) in violation of 2 U.S.C. § 441a(a)(1)(A).

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000.

According to 11 C.F.R. § 110.1(a)(2), "any election" means the election designated in writing, except that a contribution made after the primary and designated for the primary shall be made only to the extent of the net outstanding primary debt. In the case of a contribution not designated for a particular election, the contribution shall apply to the primary if made on

Attachment (B) (1)

or before the primary election date or to the general election if made after the primary election date.

On February 28, 1983, the Committee and the co-makers of certain loans submitted an agreed statement of facts concerning the loans. Based on the information in this statement, the Committee treasurer, William Kastrin, and five other individuals made excessive contributions in the form of loan endorsements and, in some cases, direct contributions, to the Coleman campaign in violation of 2 U.S.C. § 441a(a)(1)(A). Along with the candidate, Ronald D. Coleman, who endorsed each of 11 promissory notes, the individuals contributed as follows to the primary and primary runoff elections:

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Richard Knapp	3/2/82 (1)(P) 4/12/82(1)(P) 6/1/82 (1)(R)	$ 10,000(P) 1,667(R) $ 11,667	0	$ 9,667
James M. Shelton	3/18/82 (1)(P)	$ 5,000(P)	$ 1,000(P)	$ 5,000
C.R. (Kit) Bramblett	4/12/82 (1)(P) 6/1/82 (1)(R)	$ 1,667(P) 1,667(R) $ 3,334	$ 1,000(P)	$ 2, 334

1/ (P) = Primary Election on May 5, 1982
(R) = Primary Runoff Election on June 5, 1982
(G) = General Election on November 2, 1982

B (2)

8 5 0 4 0 5 1 0 6 6 7

Contributor	Date and Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
Jack Stallings	4/12/82 (1)(P) 6/1/82 (1)(R)	$ 1,667(P) 1,667(R) $ 3,334	$ 1,000(P)	$ 2,334
Robert Garland	4/16/82 (1)(P)	$ 2,350(P)	$ 200(R)	$ 1,350

In addition, Mark Howell was one of three cosignatories on the April 16, 1982 note which totaled $1,000. His portion of the contribution is $333, well within the contribution limits. According to the Committee-contributor factual statement, Mr. Howell made no other contributions to the primary or runoff elections.

The amounts of the excessive portions of the contributions range from $1,350 to $21,167. The excessive contributions in loan form remained outstanding from one to four months when they were restructured with co-signatures of 63 individuals. Because the original loan/contributions represent significant amounts in excess of contribution limitations, the Office of General Counsel recommends that the Commission find reason to believe that the six individual contributors violated 2 U.S.C. § 441a(a)(1)(A) in this matter. We also recommend that the Commission find no reason to believe that respondent Mark Howell violated 2 U.S.C. § 441a(a)(1)(A) in that his contributions to the Committee did not exceed contribution limits.

RECOMMENDATIONS

1. Find reason to believe that William Kastrin violated 2 U.S.C. § 441a(a)(1)(A).

B (3)

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2. Find reason to believe that Richard Knapp violated 2 U.S.C. § 441a(a)(1)(A).

3. Find reason to believe that James Shelton violated 2 U.S.C. § 441a(a)(1)(A).

4. Find reason to believe that C.R. (Kit) Bramblett violated 2 U.S.C. § 441a(a)(1)(A).

5. Find reason to believe that Jack Stallings violated 2 U.S.C. § 441a(a)(1)(A).

6. Find reason to believe that Robert Garland violated 2 U.S.C. § 441a(a)(1)(A).

7. Find no reason to believe that Mark Howell violated 2 U.S.C. § 441a(a)(1)(A).

8. Close the file as it relates to Mark Howell.

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B (4)

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 16, 1983

Robert F. Bauer, Esquire
Perkins, Coie, Stone, Olsen
and Williams
1110 Vermont Avenue, N.W.
Washington, D.C. 20005

RE: MUR 1509
Coleman for Congress Committee

Dear Mr. Bauer:

This will confirm the telephone conversation between you and our staff on February 15, 1983, concerning the above referenced matter. You agreed to provide a formal response to the Commission's findings, including the information and documentation requested with the reason to believe notification, by Friday, February 18, 1983. If we do not receive a complete response by that date, we will recommend that the Commission take additional action to obtain the necessary information.

If you have any questions regarding this matter, contact Frances B. Hagan at (202) 523-4529.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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KIRKPATRICK, LOCKHART, HILL, CHRISTOPHER & PHILLIPS

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

1900 M STREET, N. W.

WASHINGTON, D. C. 20036

TELEPHONE (202) 452-7000
CABLE: KIPHI
TELEX 440309 KIPH UI
WRITER'S DIRECT DIAL NUMBER

(202) 452-8387

IN PITTSBURGH
KIRKPATRICK, LOCKHART, JOHNSON & HUTCHISON
1500 OLIVER BUILDING
PITTSBURGH, PENNSYLVANIA 15222
(412) 355-6500

83 JAN 25 P 2:07

January 24, 1983

Mr. Ken Gross
Associate General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: MUR 1509

Dear Mr. Gross:

The following individuals have asked me to represent them in the above-referenced matter.

William J. Kastrin
Richard A. Knapp
Jack H. Stallings
Mark F. Howell
Robert D. Garland, Jr.
C.R. Kit Bramblett
James A. Shelton

I believe that all of the above have forwarded to the Chairman of the Commission letters authorizing my representation of their interests in this matter.

Authorization have been received, I am now attempting to develop the facts surrounding the participation of each of them and I will be in touch with Ms. Hagen as soon as I have gathered the necessary information.

Thank you for your consideration.

Sincerely,

Michael S. Berman

MSB:rv
cc: Ms. Fran Hagen

8504051067

PATRICK, LOCKHART, HILL, CHRISTOPHER & PHILLIPS
1900 M STREET, N. W.
WASHINGTON, D. C. 20036

WASHINGTON, DC 20036
PM
24 JAN
1983

RECEIVED AT THE FEC
ALWAYS USE ZIP CODE
83 JAN 25 P1:02

Mr. Ken Gross
Associate General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

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Gcc# 9325

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

83 JAN 13 P 3: 28

January 10, 1983

Mr. Danny McDonald
Chairman Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Mr. McDonald:

Please find enclosed the following letters of authorization for representation by Mr. Michael S. Berman of Washington, D.C.:

William J. Kastrin
Richard A. Knapp
Jack H. Stallings
Mark F. Howell
Robert D. Garland, Jr.
C.R. Kit Bramblett
James A. Shelton

Copies of these letters have been forwarded to Mr. Michael S. Berman of Washington, D.C.

Sincerely,

William J. Kastrin
Campaign Treasurer

SOUTHWESTERN SHEET METAL WORKS, INC.

P.O. Box 10094 / El Paso, Texas 79991 / 915 / 533-6291

85040510673

January 7, 1982

Mr. Danny McDonald
Chairman Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: MUR 1509

Dear Mr. McDonald:

This letter is intended to authorize Michael S. Berman of Washington, D.C. to represent me for all purposes in the above-related matter.

SOUTHWESTERN SHEET METAL WORKS, INC.

Sincerely,

William J. Kastrin

cc: Michael S. Berman

8504051067 4

P.O. Box 10094/El Paso, Texas 79991/915/533-6291

NAME William J. Cotton

BUSINESS ADDRESS 1930 Magoffin

El Paso, TX 79905

HOME ADDRESS 3940 Flamingo

El Paso, TX

BUSINESS TELEPHONE 532-6281 HOME TELEPHONE 544-6135

OCCUPATION Chairman of the Board

EMPLOYER Southwestern Sheet Metal Works, Inc.

8504051067 5

D & B DEVELOPMENT COMPANY

TELEPHONE (915) 852-4060

15000 DARRINGTON • EL PASO, TEXAS 79927

January 7, 1983

Mr. Danny McDonald, Chairman
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 1509

Dear Mr. McDonald:

This letter is intended to authorize Michele S. Berman of Washington, D.C. to represent me for all purposes in the above referenced matter.

Sincerely,

R. A. Knapp

RAK/mnb

cc: Michele S. Berman

8504051067 6

NAME Richard A. Knapp

BUSINESS ADDRESS 15000 Darrington
El Paso, TX 79927

HOME ADDRESS 912 Broadmoor
El Paso, TX 79912

BUSINESS TELEPHONE (915) 852-4080 HOME TELEPHONE 581-3960

OCCUPATION Land Developer

EMPLOYER Self

8504051067 7

Stallings Farms
11200 SOCORRO ROAD — PHONE 859-8714
EL PASO, TEXAS 79927

January 7, 1983

Mr. Danny McDonald
Chairman
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

RE: MUR 1509

Dear Mr. McDonald,

This letter is intended to authorize Michael S. Berman of Washington, D.C. to represent me for all purposes in the above - referenced matter.

Sincerely,

Jack H. Stallings

JHS/vl

cc: Michael S. Berman

8 5 0 4 0 5 1 0 6 7 3

NAME Jack H. Stallings

BUSINESS ADDRESS 11200 Socorro Road
El Paso, TX 79927

HOME ADDRESS Same

BUSINESS TELEPHONE (915) 859-8714 HOME TELEPHONE Same

OCCUPATION Farmer

EMPLOYER Self

8504051067 9

HOWELL & FIELDS
ATTORNEYS AT LAW

MARK F. HOWELL
4171 NORTH MESA C-206
EL PASO, TEXAS 79902
915/545-2820

LARRY G. FIELDS
P.O. BOX 411
SANTA TERESA, N.M. 88008
915/589-0090

January 7, 1983

Mr. Danny McDonald, Chairman
Federal Election Commission
1325 K St. N.W.
Washington, D.C. 20463

RE: M.U.R. 1509

Dear Mr.McDonald:

This letter is intended to authorize Michael S. Berman of Washington, D. C. to represent me for all purposes in the above referenced matter.

Sincerely,

Mark F. Howell

MARK F. HOWELL

cc: Michael S. Berman

8504051063

NAME Mark F. Howell

BUSINESS ADDRESS 4171 North Mesa C-206
El Paso, TX 79902

HOME ADDRESS 805 Cincinatti
El Paso, TX 79902

BUSINESS TELEPHONE (915) 545-2820 HOME TELEPHONE 544-1650

OCCUPATION Attorney

EMPLOYER Howell & Fields (Self)

8 5 0 4 0 5 1 0 6 8 1

ROBERT D. GARLAND, JR., A. I. A.
DAVID E. HILLES, A. I. A.
CHARLES V. DEVILLIER, A. I. A.
GILBERT G. SAWTELLE, A. I. A.

GARLAND & HILLES, A.I.A., ARCHITECTS 1444 MONTANA AVENUE EL PASO, TEXAS 79902

ASSOCIATES
WOODROW W. HAMMOND, A. I. A.
LEONARD A. NORDELL, A. I. A.
JOSE A. VASQUEZ, T.S.P.E.

January 7, 1983

Mr. Danny McDonald
Chairman Federal Election Committee
1325 K Street, N.W.
Washington, D.C. 20463

RE: MUR 1509

Dear Mr. McDonald:

This letter is intended to authorize Michael S. Berman of Washington, D.C. to represent me for all purposes in the above-referenced matter.

Sincerely,

Robert D. Garland, Jr.

Robert D. Garland, Jr.

cc: Michael S. Berman

85040510692

NAME Robert D. Garland, Jr.

BUSINESS ADDRESS 1444 Montana

El Paso, TX 79902

HOME ADDRESS 8201 Big Bend

El Paso, TX 79904

BUSINESS TELEPHONE 533-3937 HOME TELEPHONE 755-6442

OCCUPATION Architect

EMPLOYER Garland and Hilles Architects

8504051068 3

C. R. KIT BRAMBLETT
Attorney at Law
1551 Montana Avenue Building
Suite 200
El Paso, Texas 79902

of Council
Mary Anne Bramblett

Phone (915) 533-1635

January 7, 1983

Mr. Danny McDonald
Chairman Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Re: MUR 1509

Dear Mr. McDonald:

This letter is intended to authorize Michael S. Berman of Washington, D.C. to represent me for all purposes in the above-referenced matter.

Sincerely,

C R Kit Bramblett

C. R. KIT BRAMBLETT
Attorney at Law

cc: Michael S. Berman

3 5 0 2 0 5 1 0 6 9 1

NAME C. R. Kit Bramblett

BUSINESS ADDRESS 1551 Montana Suite 200
El Paso, TX 79902

HOME ADDRESS P. O. Box 465
Clint, TX 79836

BUSINESS TELEPHONE 533-1635 HOME TELEPHONE 851-2107

OCCUPATION Attorney

EMPLOYER Self

8504051068 5

TELEPHONE 915.581.0777

LAW OFFICES
LUTHER JONES

7598 NORTH MESA, SUITE 201
EL PASO, TEXAS 79923

January 8, 1982

Mr. Danny McDonald, Chairman
Federal Election Commission
1325 K Street NW.
Washington, D. C.

RE: MUR 1509

Dear Mr. McDonald:

This letter is intended to authorize Michael S. Berman of Washington D. C. to represent my client Mr. James M. Shelton for all purposes in the above referenced matter.

Any correspondence required to be sent to Mr. Shelton should be addressed as follows:

Luther Jones
Attorney at Law
P. O. Box 13464
El Paso, Texas (79913)

Sincerely,

Luther Jones

Luther Jones

LJ/cs

cc: Michael S. Berman

8 5 0 4 0 5 1 0 6 8 5

NAME James A. Shelton

BUSINESS ADDRESS P.O. Box 13464

El Paso, TX 79913

HOME ADDRESS 9524 Desert Ridge

El Paso, TX 79925

BUSINESS TELEPHONE 565-4681 HOME TELEPHONE 593-1807

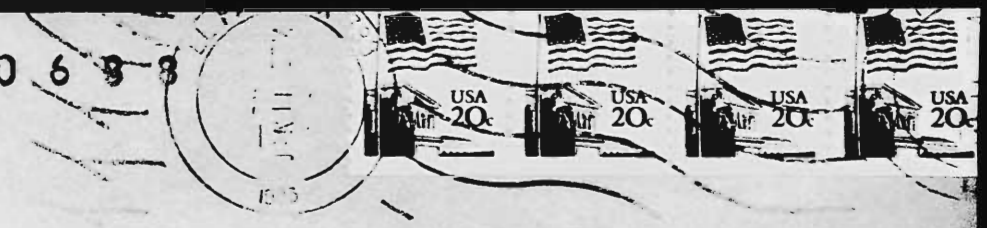
OCCUPATION Financial Investor

EMPLOYER Self

8 5 0 4 0 5 1 0 6 8 7

William J. Kastrin
P.O. Box 10094
El Paso, TX 79991

3 5 0 4 0 5 1 0 6 9 8



Mr. Danny McDonald
Chairman Federal Election Comm
1325 K Street, N.W.
Washington, D.C. 20463

Ccc# 927

KIRKPATRICK, LOCKHART, HILL, CHRISTOPHER & PHILLIPS

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

1900 M STREET, N. W.

WASHINGTON, D. C. 20036

TELEPHONE (202) 452-7000
CABLE: HIPHI
TELEX 440309 HIPH UI
WRITER'S DIRECT DIAL NUMBER
(202) 452-8387

IN PITTSBURGH
KIRKPATRICK, LOCKHART, JOHNSON & HUTCHISON
1500 OLIVER BUILDING
PITTSBURGH, PENNSYLVANIA 15222
(412) 355-6500

P 2:46

January 3, 1983

HAND DELIVERED

Mr. Ken Gross
Associate General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: MUR 1509

Dear Mr. Gross:

I have been asked by Mr. William Kastrin, Treasurer of the Coleman for Congress Committee, to represent him and other co-makers of certain notes relating to loans to Ronald Coleman which were used for his election campaign. I spoke with Ms. Hagen before the holidays.

I have asked Mr. Kastrin and the other co-makers to submit to the Commission appropriate letters authorizing my representation of them for purposes relating to this matter.

I will proceed to gather necessary information as soon as specific authorization has been provided and I will contact Ms. Hagen at the earliest possible time.

Thank you for your consideration.

Sincerely,

Michael S. Berman

MSB:rv
cc: Ms. Fran Hagen, FEC

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KPATRICK, LOCKHART, HILL, CHRISTOPHER & PHILLIPS
1900 M STREET, N. W.
WASHINGTON, D. C. 20036

5040510690

Mr. Ken Gross
Associate General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

HAND DELIVERED

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 13, 1982

Robert F. Bauer, Counsel
Coleman for Congress Committee
Perkins, Coie, Stone, Olsen
and Williams
1110 Vermont Avenue, N.W.
Washington, D.C. 20005

RE: MUR 1509

Dear Mr. Bauer:

On December 6 , 1982, the Federal Election Commission determined that there is reason to believe that your client violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by accepting contributions in loan form from individuals violative of 2 U.S.C. § 441a(a)(1)(A). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Additionally, please submit answers to the enclosed questions within ten days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your client, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe as you have requested.

If you intend to further represent the Committee in this matter, the Committee should advise the Commission by completing the enclosed form formally designating you as counsel.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 523-4529.

Sincerely,

Frank P. Reiche

Frank P. Reiche
Chairman for the
Federal Election Commission

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement
Questions

8504051069 2

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1509
STAFF MEMBER Frances B. Hagan

RESPONDENT'S NAME: Coleman for Congress Committee

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

The Coleman for Congress Committee violated 2 U.S.C. § 441a(f) through receipt of excessive contributions in the form of loan endorsements.

FACTUAL BASIS AND LEGAL ANALYSIS

On October 2, 1982, the Committee submitted a letter concerning an apparent violation of 2 U.S.C. § 441a(f). 1/ The letter states that the candidate borrowed funds from a commercial bank for use by his campaign committee. The candidate and other guarantors apparently signed a series of notes totaling between $75,000 and $78,000. The guarantors exceeded the contribution limitations in varying amounts. According to the Committee, it noted the violation when it received a request from the Reports Analysis Division to correct inadequate reporting of loans. At that time, the Committee reviewed and restructured the loans to comport with the contribution limitations and disclosure requirements.

1/ The letter was preceded by a meeting between Committee counsel and OGC enforcement senior staff to convey the initial information concerning the Committee's apparent violation.

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The Committee states that the violation occurred inadvertently due to a misunderstanding of the applicable law. It states that the excessive contributions remained outstanding only three months and were voluntarily rectified.

LEGAL ANALYSIS

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and authorized committees which exceed $1,000 per election. 2 U.S.C. § 441a(f) prohibits receipt of any contributions violative of this section.

The initial information offered by the Committee indicates that the Committee violated 2 U.S.C. § 441a(f) when it received excessive contributions in the form of loans from several individuals who signed as guarantors for a number of promissory notes executed by the candidate. In addition, the individuals who made excessive contributions in the form of loan endorsements apparently violated 2 U.S.C. § 441a(a)(1)(A). Based on the information in hand, the Office of General Counsel recommended that the Commission find reason to believe that the Coleman for Congress Committee violated 2 U.S.C. § 441a(f).

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Please provide the following information and documentation.

Copies of the loan agreements in question or other documents which verify:

a) number of promissory notes involved;

b) dates the loans were made and, if applicable, when repaid;

c) terms of the loans and collateral;

d) names and addresses of the lending institutions;

e) names and addresses of the individuals who co-signed the notes;

f) the amount of the loans guaranteed by each individual.

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(3)

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Robert F. Bauer, Counsel
Coleman for Congress Committee
Perkins, Coie, Stone, Olsen
and Williams
1110 Vermont Avenue, N.W.
Washington, D.C. 20005

RE:

Dear Mr. Bauer:

On , 1982, the Federal Election Commission determined that there is reason to believe that your client violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by accepting contributions in loan form from individuals violative of 2 U.S.C. § 441a(a)(1)(A). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Additionally, please submit answers to the enclosed questions within ten days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your client, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe as you have requested.

If you intend to further represent the Committee in this matter, the Committee should advise the Commission by completing the enclosed form formally designating you as counsel.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

Attachment B (1)

8 5 0 4 0 5 1 0 6 9 6

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 523-4529.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement
Questions

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B (2)

(5)

Please provide the following information and documentation.

Copies of the loan agreements in question or other documents which verify:

a) number of promissory notes involved;

b) dates the loans were made and, if applicable, when repaid;

c) terms of the loans and collateral;

d) names and addresses of the lending institutions;

e) names and addresses of the individuals who co-signed the notes;

f) the amount of the loans guaranteed by each individual.

8 5 0 4 0 5 1 0 6 9 8

B (3)

PERKINS, COIE, STONE, OLSEN & WILLIAMS

ANCHORAGE OFFICE
420 "L" STREET
SUITE 301
ANCHORAGE, ALASKA 99501
TELEPHONE: 907-279-8561
TELECOPIER: 907-276-3108

1110 VERMONT AVENUE, N.W.
WASHINGTON, D.C. 20005
TELEPHONE: 202-887-9030

PLEASE REPLY TO WASHINGTON, D.C. OFFICE

SEATTLE OFFICE
1900 WASHINGTON BUILDING
SEATTLE, WASHINGTON 98101
TELEPHONE: 206-682-8770
TELECOPIER: 206-682-8784
CABLE "PERKINS SEATTLE"
DOM TELEX: 32-0319
INT'L TELEX: 47123

October 1, 1982

Mr. Ken Gross
General Counsel's Office
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: Coleman for Congress

Dear Ken:

This letter serves to confirm our discussion on Friday, September 17, 1982, at a meeting in which I appeared as counsel to the Coleman for Congress Committee. At that meeting, I sought to formally inform the Commission of a violation of the Federal Election Campaign Act of 1971, as amended, which was inadvertantly committed by the Committee when it accepted certain loans negotiated on its behalf by the candidate that it supports, Ron Coleman, and a number of his supporters.

Specifically, Mr. Coleman undertook to borrow funds from a commercial bank, through the execution of a series of promissory notes, which would in turn be turned over to the Committee for its use in support of Mr. Coleman's election to the Congress. A series of notes were executed which carried Mr. Coleman's signature and, in each case, one or more co-signatures of supporters of Mr. Coleman. Because of a failure to understand the applicable law, the co-signatories did not in each case conform with the $1,000 per election contribution limitation binding upon each of them as individual contributors. The total amount of all notes in question was $77,700, with various co-makers exceeding their contribution limitations in varying amounts.

The violation did not come to the attention of the Committee until, in response to a request from Reports and Analysis to rectify inadequate reporting of the loans, it reviewed the notes once again. At that point, the matter was referred to counsel. The loan arrangements were then

Attachment A (1)

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(2)

completely restructured to conform with all applicable requirements of the FECA, including the contribution limitations binding on co-signatories. Nevertheless, it is apparent that, for the three month period that the original promisory notes were outstanding, the Committee stood in violation of the FECA.

Very truly yours,

Robert F. Bauer /JC

Robert F. Bauer

RFB/peg

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FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 1509

Date Filmed 1/10/85 Camera No. --- 2

Cameraman AS

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THE FOLLOWING MATERIAL IS BEING ADDED TO THE PUBLIC FILE OF CLOSED MUR 1509.

86040614771

GLC#5097

PERKINS, COIE, STONE, OLSEN & WILLIAMS
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1110 VERMONT AVENUE, N.W.
WASHINGTON, D.C. 20005
TELEPHONE: [illegible]
FACSIMILE [illegible]
TELEX: 44-0677
PLEASE REPLY TO WASHINGTON, D.C. OFFICE

SEATTLE OFFICE
1900 WASHINGTON BUILDING
SEATTLE, WASHINGTON 98101
TELEPHONE: [illegible]
CABLE "PERKINS SEATTLE"
TELEX: [illegible]

ANCHORAGE OFFICE
SUITE 301
420 "L" STREET
ANCHORAGE, ALASKA 99501
TELEPHONE: [illegible]

BELLEVUE OFFICE
ONE BELLEVUE CENTER
SUITE 1800
411 - 108TH AVENUE N.E.
BELLEVUE, WASHINGTON 98004
TELEPHONE: [illegible]

PORTLAND OFFICE
U.S. BANCORP TOWER
SUITE 2500
111 SOUTHWEST FIFTH AVENUE
PORTLAND, OREGON 97204
TELEPHONE: [illegible]

October 11, 1984

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
84 OCT 11 P4:41

Mr. Charles Steele
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 1509

Dear Mr. Steele:

The Coleman for Congress Committee ("the Committee") today submits, for the consideration and approval of the Commission, proposed conciliation agreements and supporting materials required for successful settlement of this case. The Committee is confident that the settlement proposal placed before the Commission at this time will justify its approval.

Enclosed the Commission will find:

1. A proposed conciliation agreement for the Committee which includes both appropriate language and a civil penalty.

(a) The civil penalty, in the amount of $2,500.00, reflects clearly the good faith of the Committee in reaching settlement of the matter.

(b) The language of the conciliation agreement identifies the key factual circumstances surrounding the execution of the bank loans at issue in the case.

2. Parallel conciliation agreements for the endorser-respondents and the Committee treasurer, Mr. William Kastrin.

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STRATHMORE WRITING

These agreements follow the language of the agreement reached with the Committee. None of the individual respondents are liable to civil penalty under the agreement reached with your office.

Two items are outstanding which can be resolved in a matter of days and cause no appreciable delay in settlement. These two items will be treated here briefly, as follows.

KASTRIN AFFIDAVIT

First, Mr. Kastrin is currently preparing an affidavit attesting to his involvement, as Committee treasurer, in seeking advice of counsel which, it later turned out, was erroneous. Owing to Mr. Kastrin's travel schedule, the completion of this affidavit has been delayed, but is expected virtually any day. The Kastrin affidavit, moreover, will reflect facts already before the Commission in the form of the statement of facts jointly submitted by the Committee and all individual respondents on February 28, 1983.

DISCLOSURE OF IDENTITY
OF VOLUNTEER COUNSEL

Second, the Committee notes the request of the General Counsel that the identity of the volunteer counsel, who provided erroneous advice with respect to the application of the Act to loan endorsements or guarantees, be disclosed in the Kastrin affidavit. In light of recent, highly publicized events concerning a similar but closed MUR, the Committee fully understands the Commission's position on this issue. At the same time, the Committee requests that the Commission approve the agreement in the form submitted today, without the disclosure of this counsel's identity, to spare the individual in question both public and possibly professional embarassment. The willingness of counsel to advise campaigns on a volunteer basis is important to all candidates and committees, and serves the statutory goal of full compliance with the Act, including provisions of the statute which are complex and poorly understood by laymen. If the Commission requires the disclosure of the identity of these counsel, in each and every instance where good faith error is made in the construction of the statute, there will be few attorneys who will remain prepared to offer their services on an unpaid basis. The attorney in question in this case is a

8604051477 3

distinguished and highly respected member of his bar, whose graciousness in providing counsel to the Commission, in this and other matters, will be ill-rewarded with considerable and highly unnecessary embarassment if his identity is revealed as part of the public record.

If the Commission concludes that this settlement cannot be approved without full disclosure of the name of this attorney, the Committee will be required to recede from its objection and amend its submission to include this item. The Committee urges the Commission, however, to consider carefully the need for this information and its overall relationship to the continued use of volunteer counsel by candidates and committees.

CONCLUSION

In closing, the Committee, confident that settlement is at hand, expresses appreciation for the good faith contribution to this negotiation on the part of the Office of General Counsel. From time to time, the Office of General Counsel has expressed frustration with delays in the resolution of the case and has demanded more prompt movement toward settlement by the Committee. The Committee will develop a full statement on the point at a later time for inclusion in the public record. At this time, the Committee notes only its statement in a memorandum to the General Counsel, dated March 7, 1983, that it has sought only and consistently that the outcome be fair. In that memorandum, the Committee stated its position as follows:

> In this case, this Committee emphasizes first and foremost considerations of fairness or equity. The Committee is not, by contrast, concerned with pecuniary considerations, "political appearance" considerations, or considerations of expediency such as a simple wish to dispose of the case as rapidly as possible. Rather, in the Committee's view the focus should remain sharply on the fairness of the outcome.

Moreover, the Committee has invested considerable time and expense in the presentation of its position and in the pursuit of negotiation in particular. Since this matter was brought to the Commission by the Committee, five separate--and, in some instances, lengthy--written statements of position were submitted by the Committee. These statements were:

R 6 0 4 0 5 1 4 7 7 4

-- Statement of the case and of the intent of the Committee to seek voluntary conciliation.

-- Response to the Commission's finding of "reason to believe."

-- Joint statement of facts submitted with the individual respondents.

-- Legal memorandum defining the legal standards governing the resolution of the matter.

-- Reply to the position taken by the General Counsel in pre-probable cause negotiations.

-- Request for a written response to the Committee's concerns with respect to the Office of General Counsel's pre-probable cause negotiating position.

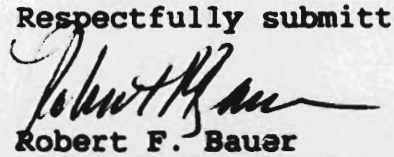
-- Pre-probable cause brief.

-- Response to the General Counsel's statement of position in pre-probable cause negotiation.

In short, this is not a matter which failed to come to prompt resolution for want of prosecution. The disagreements between the Committee and Commission related to fundamental differences over the shape of the eventual outcome, and particularly its equitable reflection of all mitigating circumstances.

The Committee does not come away from this matter fully satisfied that the result was a fair one. Yet the time for resolution has come, because there appears no prospect for a resolution better than the one advanced for Commission approval today.

Respectfully submitted,



Robert F. Bauer
Counsel for Coleman for
Congress Committee

Enclosures

8604051477 5

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1509
Coleman for Congress Committee	)	

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Probable cause to believe was found that the Coleman for Congress Committee ("Respondent") violated 2 U.S.C. § 441a(f) by accepting contributions in loan form from individuals violative of 2 U.S.C. § 441a(a)(1)(A).

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this Agreement with the Commission.

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IV. The pertinent facts in this matter are as follows:

(1) Respondent was the principal campaign committee for candidate Ronald Coleman during the 1982 election for the U.S. House of Representatives.

(2) Between January 1, 1982 and June 30, 1982, the candidate obtained commercial bank loans totalling $77,700 on the basis of eleven (11) promissory notes. These loans were obtained for use by the Respondent in his campaign for election to the House of Representatives.

(3) In considering individuals who might endorse the various promissory notes, the Committee sought and received the advice of legal counsel. The Committee sought out this advice because neither candidate Coleman nor his principal supporters had any prior familiarity with the FECA and were concerned to proceed with due caution in arranging for the loans in question.

(4) The legal counsel consulted by the Committee erroneously advised that the limitations of § 441(a)(1)(A) did not apply to individual loans or loan guarantees to a candidate or candidate's principal campaign committee. The Committee acted on this advice in seeking co-signatures from various individual endorsers, and the Committee specifically informed

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certain of these prospective individual endorsers that this legal advice had been solicited and received in accordance with the Committee's intention to structure the proposed loans in compliance with the requirements of the Act.

(5) Each of the 11 promissory notes in 2, above, were executed for various amounts by both the candidate and one or more of six co-makers as follows for the primary (P) and primary run-off (R) elections:

Contributor	Date & Number of Notes Endorsed Per Election	Amount of Contribution Through Loans	Total Direct Contributions	Amount in Excess of Limitation
William Kastrin	03/02/82 (1)(P) 04/12/82 (3)(P) 04/16/82 (1)(P) 04/28/82 (1)(P) 06/01/82 (3)(R)	$ 17,167 (P) 5,000 (R) $22,167	$ 1,000 (P)	$ 21,167
Richard Knapp	03/02/82 (1)(P) 04/12/82 (1)(P) 06/01/82 (1)(R)	$ 10,000 (P) 1,667 $ 11,667	0	$ 9,667
James M. Shelton	03/18/82 (1)(P)	$ 5,000 (P)	$ 1,000 (P)	$ 5,000
C.R. (Kit) Bramblett	04/12/82 (1)(P) 06/01/82 (1)(R)	$ 1,667 (P) 1,667 (R) $ 3,334	$ 1,000 (P)	$ 2,334
Jack Stallings	04/12/82 (1)(P) 06/01/82 (1)(R)	$ 1,667 (P) 1,667 (R) $ 3,334	$ 1,000 (P)	$ 2,334

VI. Respondent will pay a civil penalty to the Treasurer of the United States in the amount of TWO THOUSAND AND FIVE HUNDRED DOLLARS ($2,500.00) pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. Respondent agrees that it shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

IX. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

X. Respondent shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

FOR THE COMMISSION

Charles Steele
General Counsel

FOR COLEMAN FOR CONGRESS
COMMITTEE

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