



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2777

DATE FILMED 11/22/89 CAMERA NO. 4

CAMERAMAN AS

80040712893

OGC 763

J. Drake Edens, Jr.
Memorial Republican Center

616 Harden Street
PO Box 5247
Columbia, S.C. 29250
(803) 799-1610

RECEIVED
FEDERAL ELECTION COMMISSION

88 OCT 25 PM 1:

SOUTH CAROLINA
REPUBLICAN
PARTY

Van D. Hipp, Jr.
Chairman

October 24, 1988

HAND DELIVERED
88 OCT 25 AM 10:50

RECEIVED
FEDERAL ELECTION COMMISSION

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20004

Dear Mr. Noble:

This Complaint, by the South Carolina Republican Party, 616 Harden Street, P.O. Box 5247, Columbia, SC 29250, is made against Elizabeth J. Patterson, Liz Patterson for Congress '86, (FEC ID # 117137), Liz Patterson for Congress '88 (FEC ID #125482), P.O. Box 5564, Spartanburg, SC 29304, and the Palmetto Bank, a banking corporation chartered under the laws of South Carolina and having as its principal address P.O. Box 49, Laurens, SC 29360. This Complaint, with Exhibits, is filed with the Federal Election Commission ("FEC") pursuant to 2 U.S.C. §437g(a) of the Federal Election Campaign Act of 1971, as amended ("the Act"). As used herein, the term PAC means "Political Action Committee."

Elizabeth J. Patterson ("Patterson"), a candidate for the U.S. House of Representatives from South Carolina's Fourth Congressional District, and Patterson for Congress 1986 (FEC ID #117137), Patterson's principal campaign committee ("the 86 Committee"), have accepted from The Palmetto Bank, ("Palmetto

3 7 0 4 0 7 / 8 9 4

Bank") illegal contributions. The Palmetto Bank, likewise, in 1986 made illegal contributions to the 1986 Committee. Said acceptances of and payments of contributions are violative of the Act. 2 U.S.C. §§441 a and b.

Patterson and the 1988 Committee (FEC ID #125482) have accepted from the American Bankers Association PAC a contribution on March 24, 1988, violative of the Act. 2 U.S.C. §441(a).

Patterson and the 1988 Committee have accepted from the Letter Carriers PAC contributions on December 15, 1987; May 6, 1988; and May 25, 1988 violative of the Act. 2 U.S.C. §441 (a).

Patterson and the 1988 Committee improperly reported as "primary" contributions the following general election contributions of the following contributors: Dealers Election Action PAC; Bankers Trust PAC; Food Marketing Institute PAC; CSI Transportation PAC; Hoechst Celanese PAC; Sabo for Congress PAC; Carroll William; John Bathria; Frank Holleman; and Brad Wyche. Said reporting of these contributions is violative of the Act. 2 U.S.C. §434; 11 C.F.R. §110.1.

I. The Palmetto Bank Loan

Facts. In 1986 Patterson and her immediate family were major shareholders of Palmetto Bank, the value of the holdings being in excess of \$265,000 according to Patterson's 1986 Federal Financial Disclosure Statement (Exhibit A-1). In 1986 Patterson's brother-in-law, Leon Patterson, was chairman and president of Palmetto Bank;

890407/2375

and Lawrence E. Flynn, Jr., the treasurer of the 1986 Campaign, was a member of Palmetto Bank's Spartanburg, South Carolina, Advisory Board. Exhibit B - excerpt from 1986 Annual Report of Palmetto Bank.

Exhibit A-1 hereto shows loans which Palmetto in 1986 made to the 1986 Campaign and loan repayments which in 1986 the 1986 Campaign made to Palmetto. These loans were reported in the 1986 Campaign FEC Reports and in the January, 1987 amendment thereto. Exhibit C. As appears on said reports, the interest rate reported on the loans was a flat 8½% for all of 1986. On August 13, 1986, the prevailing prime rate of banks in South Carolina was 8%. In October, 1986, the prevailing prime rate of banks in South Carolina was 7½%.

Patterson on October 16, 1986, was quoted in the press as stating her campaign had to borrow only \$30,000, which statement was false and, on information and belief, was known by Patterson to be false. Exhibit D. In fact at that time the 1986 Campaign had borrowed \$106,550 from Palmetto Bank, had repaid Palmetto Bank \$40,407, and was indebted to Palmetto Bank for \$66,092.

On the very day of Patterson's October 16 press statement, and within a one week period thereafter, the 1986 Campaign obtained three additional loans from Palmetto aggregating \$131,203. Patterson immediately after October 16, 1986, commenced her major paid media campaign, and on the date she made

390407/2820

the false statemet she knew she would be borrowing substantial additional funds from Palmetto Bank. As of October 24, 1986, and for the remainder of 1986, total loans outstanding from Palmetto Bank to the 1986 Campaign were \$197,296, exclusive of interest.

The 1986 Campaign Federal Election Commission Reports and the January, 1987, amendments thereto (Exhibit C) show no collateral given by the 1986 Campaign for Palmetto's loans.

These reports show that Patterson guaranteed the loans.

Patterson, in press statements, has stated that she used shares of stock of Winn Dixie, Inc. - which she personally owned - to secure said loans by Palmetto Bank to the 1986 Committee.

(Exhibit H) According to that press report, the value of this stock was \$168,000.

Patterson in 1986 reported salaries and other non-earned income of at most only \$18,440. (Exhibit A-2). She had no financial ability to repay loans of \$197,296 based on income. Palmetto Bank's loans to the 1986 Campaign were not made in the ordinary course of business because the value of the collateral was grossly less than that which a prudent bank in a normal loan would accept to secure a debt of \$197,296 plus interest. On information and belief, a bank in the ordinary course of business would have loaned the 1986 Campaign at most between 50% and 75% of the market value of the loan collateral. Therefore, assuming the most favorable 75% loan/collateral ratio, \$126,000 was the maximum loan which Palmetto Bank could have made in the ordinary

890407/2397

8 9 0 9 0 7 7 8 9 0

course of business to the 1986 Campaign, based solely upon the value of the Winn Dixie stock. With respect to the loan value of Patterson's remaining uncollateralized assets, the aforesaid press report (Exhibit D) states that she had net assets of \$460,000 without the Winn Dixie stock. Patterson's Financial Disclosure Report for 1986 (Exhibit A-1) however, shows that she reported under penalty of law her personal assets at only \$55,000 (maximum value) exclusive of Winn Dixie stock. Patterson's personal residence (which did not have to be reported in the 1986 financial disclosure) has a market value of \$158,000 according to the Spartanburg County Tax Assessor's office. Adding this asset to the \$55,000, Pattersons' known assets totalled \$213,000 in 1986, not the \$460,000 value stated in the press report. The veracity of Patterson's reported net worth of \$460,000 (exclusive of Winn Dixie stock) therefore is subject to question.

Even assuming that Patterson's \$460,000 net worth value is true, Patterson and this Complainant agree that a prudent bank would loan only 10% of net worth on an unsecured basis, (Exhibit D), and thus the maximum unsecured loan available to Patterson was \$46,000. Therefore, using the scenario admitted by Patterson in her press report, a prudent bank acting in the ordinary course of business at most would have loaned the 1986 Campaign \$126,000 secured by the Winn Dixie stock plus an additional \$46,000 based on the value of Patterson's remaining net worth, for a total of \$173,260. Palmetto Bank actually loaned \$197,296 (even more if

interest is added), and therefore it exceeded the maximum prudent loan limit by \$24,036. The \$24,036 constitutes an illegal corporate contribution by Palmetto Bank.

If it turns out that Patterson's net worth in truth was \$213,000 (maximum value of assets reported in the 1986 Disclosure Report - Exhibit A-1 - plus the value of her home), the maximum unsecured loan would have been \$21,300, and therefore the illegal contribution would have been \$49,996. The financial statement given by Patterson to Palmetto Bank would resolve the issue of how undercollateralized the loans were, but she has not revealed that document to the public.

The 8½% interest rate charged by Palmetto Bank, was only ½% to 1% above said prime rate during 1986, and this flat rate was preferential and below market rate when considered in relation to the grossly under collateralized nature of the loan and the inadequate ability of Patterson to repay them. Complainant is informed and believes that Palmetto Bank did not charge interest per the ordinary course of its business in connection with those loans.

The Palmetto Bank loans were illegal campaign contributions, and, on information and belief, the loans were made and accepted by Palmetto Bank, Patterson, and the 1986 Campaign knowingly and willfully. Because of Patterson's family and financial interests in Palmetto Bank, she received special, favorable treatment not given to regular banking customers, and

9
0
0
4
0
7
/ 2
8
9
9

she thereby obtained loans for her 1986 campaign both without interest charges and with less than market interest rates and in excess of loaned sums Palmetto Bank would have given others in the ordinary course of its business.

Discussion: Corporations are prohibited from making contributions or expenditures in connection with election to the United States House of Representatives, or in connection with any primary election to select candidates to such office. 2 U.S.C. §441b(a); 11 C.F.R. §1142(a). A corporation may extend credit to a candidate or political committee provided that the credit is extended in the ordinary course of the corporation's business and the terms are substantially similar to extensions of credit to nonpolitical debtors which are of similar risk and size of obligations. 11 C.F.R. §114.10. Additionally, a loan made by a state bank whose deposits are insured by the Federal Deposit Insurance Corporation (as is the case with Palmetto Bank) is an unlawful contribution if it exceeds the lawful contribution limits of 2 U.S.C. §441a and if it is made not in the ordinary course of business. A loan will be deemed to be made in the ordinary course of business if, among other things, it bears the usual and customary interest rate of the lending institution for the category of loan involved and is made on a basis which assures repayment. 11 C.F.R. §100.7(a)(1) and (a)(11). For the purposes of §100.7, a loan includes a guarantee and any other form of security. 11 C.F.R. §100.7(a)(1)(i).

890407 / 200

The converse of the above is also true. If the state banking corporation makes a loan outside the ordinary course of business, such loan is an illegal contribution.

390407 / 2901

The above factual discussion shows that Palmetto Bank gave the 1986 Campaign preferential treatment both as to the rate of interest charged and as to the amount loaned in relation to the collateral provided. Because of the deficiency of collateral and the limitations both on Patterson's earned incomes and the income of the 1986 Campaign (which still has not repaid the loan according to recent press reports - see Exhibit H), Palmetto Bank made the October, 1986 loans on a basis that did not assure repayment and with a favorable interest rate that was not usual and customary. The Act's violations are of two types: (1) the loans were not made in the ordinary course of business, and therefore they were contributions by a corporation. Corporate contributions are illegal; (2) the loans do not meet the exemption of 11 C.F.R. §100.7(a)(11), and therefore violate 2 U.S.C. §441a(1) which forbids contributions by a person of more than \$1,000 per election.

Because of Patterson's close family and financial ties to Palmetto Bank and, the highly questionable propriety of making the loans, it must be concluded that Patterson and the 1986 Campaign realized and appreciated the illegality of the 1986 Palmetto Bank loans and that for political reasons they attempted to conceal these loans until after the 1986 election had

occurred. Palmetto Bank in its 1986 annual report made no mention of outstanding loans to "related parties." (Exhibit F). In 1987 (when the loans had been paid down to approximately \$147,000 and therefore were adequately collateralized), Palmetto Bank's annual report did mention "related party" transactions and stated that such loans "do not involve more than the normal risk of collectibility, nor do they present other unfavorable features." (Exhibit G). The fact that the 1986 report refrained from addressing Patterson's "related party" loan is an indication that the parties in 1986 did not want to talk about the propriety of the 1986 loans to the 1986 Campaign. Under the above circumstances, the Commission should consider the application of the criminal sanctions of 2 U.S.C. §437g(d)(2)(A), which among other things provide for fines not to exceed 300% of the illegal contribution.

20040712902

II. American Bankers Association and Letter Carrier

Contributions

Facts. American Bankers Association PAC, according to the 1988 Campaign's FEC disclosures, made the following contributions to the 1988 Campaign: \$5,000 on July 13, 1987, and \$5,000 on March 24, 1988. Both these contributions were reported as "primary" contributions. These same disclosures showed the following contributions made by the Letter Carrier PAC: \$2,500 on July 7, 1987; \$500 on October 2, 1987; \$2,500 on December 16, 1987; \$1,000 on May 6, 1988; and \$225 on May 25, 1988. See

Exhibit I for copies of the foregoing disclosures. All these Letter Carrier contributions were reported as "primary" contributions. The 1988 Campaign had no debt through the reporting period ending May 30, 1988. The primary election occurred June 14, 1988.

Discussion. The \$5,000 contribution of American Bankers Association PAC on July 13, 1987, exceeded the \$5,000 limit set by §441a(2). The Letter Carrier contributions of \$6,725 exceeded said statutory limit by \$1,725. Because such excesses could not have been used to pay a debt of the 1988 Campaign, the foregoing \$5,000 and \$1,725 contributions are illegal contributions. 2 U.S.C. §441a(2); 11 C.F.R. §110.2(a).

III. Contributions Reported as "Primary Contributions" but Made After the Primary Election Date

Facts: The 1988 Campaign disclosure report for the period ending May 30, 1988 (Exhibit J) shows various contributions made to the 1988 Campaign after the primary election date of June 14, 1988, but nevertheless labeled in the report as "primary contributions by the 1988 Campaign. The contributions are:

Dealers Election Action	\$4500
Bankers Trust	\$1500
Food Marketing Inst.	\$ 300
CSI Transportation	\$ 250
Hoechst Celanese	\$ 300

Sabo for Congress	\$ 100
Carroll William	\$ 500
John Bathria	\$ 50, 50, 50
Frank Holleman	\$ 20
Brad Wyche	\$ 300

3 7 0 4 0 7 / 2 9 0 4

Discussion. Contributions received after the primary election date must be allocated to the general election unless the campaign has a debt from the primary campaign and the post-primary contribution is designated in writing for the primary election. 11 C.F.R. §110.1(a). Because the 1988 Campaign had no debt, the allocation of the above contributions violates 11 C.F.R. §110.1(a) and would result in the respective contributor making an illegal contribution in the general election if the amount of the old contribution plus the amount of the new contribution exceeds \$1,000 for an individual or \$5,000 for a PAC.

IV. Conclusion

Patterson, her 1986 Campaign and The Palmetto Bank have violated the Act by the making and accepting of illegal corporate contributions and, additionally, contributions in excess of \$1,000.

Patterson and her 1988 Campaign have violated the Act by accepting contributions from American Bankers Association PAC and Letter Carriers PAC in excess of the \$5,000 limit.

Patterson and her 1988 Campaign have violated the Act by

misreporting as "primary" contributions certain contributions which in fact were general election contributions.

V. Prayer for Relief

Complainant respectfully requests that the Federal Election Commission investigate these violations and enforce the Federal Election Campaign Act and the Commission's regulations.

Complainant further requests that the Commission seek the maximum fines for the violations set forth above, and that the Commission take all steps necessary to prevent Patterson and the Committees from continuing their illegal activities.

VI. Verification.

The undersigned swears that the allegations and facts set forth in this complaint are true to the best of his knowledge, information and belief.

Chairman, South Carolina
Republican Party

Sworn to before me this ___ day of October, 1988.

Notary Public for South Carolina

890407/2905

EXHIBIT A-1

Schedule of 1986 loans to, and repayments from, The Palmetto Bank to Patterson for Congress, 1986

<u>Loan/Repayment Date</u>	<u>Amount</u>	
1-15-86	50	
1-15-86	2,500	
5-13-86	(2,550)	
8-12-86	70,200	
BALANCE AS OF 9-30-86 REPORT DATE		<u>70,200</u>
10-3-86	(37,907)	
10-3-86	33,800	
BALANCE AS OF 10-15-86 REPORT DATE		<u>66,093</u>
10-16-86	14,500	
10-17-86	44,800	
10-24-86	<u>71,903</u>	
BALANCE AS OF 10-24-86 AND FOR REMAINDER OF 1986	197,296	

Based on Federal Election Commission Reports filed by Liz Patterson for Congress '86.

890407 / 2900

misreporting as "primary" contributions certain contributions which in fact were general election contributions.

V. Prayer for Relief

Complainant respectfully requests that the Federal Election Commission investigate these violations and enforce the Federal Election Campaign Act and the Commission's regulations.

Complainant further requests that the Commission seek the maximum fines for the violations set forth above, and that the Commission take all steps necessary to prevent Patterson and the Committees from continuing their illegal activities.

VI. Verification.

The undersigned swears that the allegations and facts set forth in this complaint are true to the best of his knowledge, information and belief.

Van D. Hipp, Jr.
Chairman, South Carolina
Republican Party

Sworn to before me this 24th day of October, 1988.

M. Elizabeth Klapman

Notary Public for South Carolina
My commission expires 6/25/94

890407 / 2907

MAY 15 1986

UNITED STATES HOUSE OF REPRESENTATIVES

Committee on Standards of Official Conduct

ETHICS IN GOVERNMENT ACT—FINANCIAL DISCLOSURE STATEMENT

FORM B—For use by candidates for the office of Member and new employees

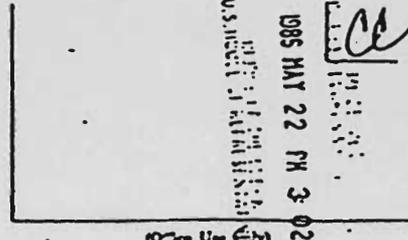
DUE DATE May 15, 1986

Check if amended Statement.

Elizabeth J. Peterson
(Full Name)

P.O. Box 5564
(Mailing Address)

Spartanburg, S.C. 29304



Check the appropriate box and (E) in the blanks.

Candidate for the U.S. House of Representatives—District 4th state S.C.
Date of Election MAY 4, 1986 (general)
June 10, 1986 (primary)

New Officer or Employee—Employing Office

GENERAL INFORMATION

WHO MUST FILE AND WHEN:

CANDIDATES for the U.S. House of Representatives must file a Financial Disclosure Statement within 30 days of becoming a candidate or on or before May 15th of the calendar year in which he or she becomes a candidate, whichever is later, but in no event later than 7 days before the election.

You are a candidate if:

- (A) you are an individual other than a Member of Congress who has taken the action necessary under the law of a State to qualify for nomination or election to the U.S. House of Representatives; or
- (B) you or your authorized campaign committee have taken the action necessary to register or file reports required by the Federal Election Campaign Act of 1971 [2 U.S.C. 432(a)].

NEW EMPLOYEES of the Legislative Branch must file a Financial Disclosure Statement within 30 days of assuming the new position.

You are a new employee if:

- (A) you are compensated at a rate equal to or in excess of the annual rate of basic pay in effect for grade GS-16 of the General Schedule; or
- (B) you are designated as a principal assistant by a Member of Congress upon employment in the House of Representatives.

Note: Individuals who are employed in the Legislative Branch immediately before assuming the new position described above or who have left such a position within 30 days prior to assuming the new position need not file this Statement.

WHERE TO SECURE ASSISTANCE: Committee on Standards of Official Conduct, U.S. House of Representatives, Room HT-2, Capitol Building, Washington, D.C. 20515. Telephone (202) 225-7103. Additional forms and instructions may be obtained from the Committee office.

REPORTING INSTRUCTIONS

Note: Please read instructions carefully. Sign this form where indicated. Attach additional sheets if needed; identify each sheet by showing your name and the section being continued. Complete all parts (if None, so indicate). Please type or print clearly.

REPORTING PERIOD: With respect to income, the period covered by this Disclosure Statement is the preceding calendar year and the current calendar year to date of filing. Information concerning assets and liabilities must be current as of a date which is less than 31 days before the filing date. Other required information must be current as of the filing date.

I. SPOUSE AND DEPENDENT DISCLOSURE EXEMPTION

In general, the reporting individual is required to include financial information concerning his or her spouse or dependent children. However, in certain limited circumstances, the truly independent financial interests of a spouse or dependent would be exempt from disclosure.

Information concerning a spouse or dependent child should be reported as follows: (1) the source, but not amount, of spouse earned income which exceeds \$1,000; (2) the source and category of value of income derived from any asset of the spouse or dependent reported under Part III of the Disclosure Statement; and (3) assets and liabilities of the spouse or dependent child.

8004074908

STANDARDS FOR EXEMPTION

Disclosure of the financial interests and liabilities of a spouse or dependent under Parts III and IV of the Statement is exempted when all three of the following circumstances are met: (1) the item is the sole interest or responsibility of the spouse or dependent child and the reporting individual has no knowledge of the item; (2) the item was not in any way, past or present, derived from the income, assets, or activities of the reporting individual; and (3) the reporting individual neither derives, nor expects to derive, any financial or economic benefit from the item.

NOTE: Only financial interests meeting the standards are exempted from disclosure, all other interests must be reported.

The information concerning a spouse or dependent child must be reported in the same manner as that of the reporting individual. However, the person reporting need not identify which items belong to a spouse or dependent. No information is required with respect to a spouse living separate and apart from the reporting individual with the intention of terminating the marriage or providing for permanent separation; or with respect to any income or obligations of an individual arising from the dissolution of the marriage or permanent separation.

NOTE: If the reporting individual does not disclose certain financial interests or liabilities of the spouse or dependent child because these three standards for exemption are met, he or she must so indicate.

ARE YOU AWARE OF ANY INTERESTS IN PROPERTY OR LIABILITIES OF A SPOUSE OR DEPENDENT CHILD WHICH YOU HAVE NOT REPORTED BECAUSE THEY MEET THE THREE STANDARDS FOR EXEMPTION? (See Instruction Booklet at page 7)
 YES _____ NO

II. INCOME

INCOME: The term "income" is intended to be all-inclusive, as defined in the Act. The identity of the source and the amount or category of value of all income which exceeds \$100 from any one source must be disclosed separately. Gross income should be listed, but the net income derived from business may also be reported. The type of income should be identified as salary, commission, pension, honoraria, dividends, interest, etc. In reporting any honoraria, include the date of receipt and indicate which honoraria, if any, were assigned to charity. Exclusion: Income from current U.S. Government employment.

For more information, see detailed Instruction Booklet at page 7.

A. The source, type, and amount of income (except income reported below in Part III) aggregating \$100 or more in value received from any source during the preceding calendar year and the current calendar year to date of filing. List separately by year.

SOURCE	YEAR	TYPE	AMOUNT
S. C. State Senate	1985	Salary	10,000
" " "	1986	"	10,000
Committee for Gov. D. Johnson	1985	Commission	1,633
Arron, Horton, Martin & Johnson (Spouse)	1985	Partnership Income	
" " "	1986	"	
City of Spartanburg (Civil Service Act)	1985	Salary	
" " " (Spouse)			
J.F. Kaplan & Co., Inc. (Child)	1985	Salary	
" " " " (")	1986	"	

B. The source, type, and category of value of income from dividends, interest, rent, and capital gains received from any source during the preceding calendar year and the year of filing. List separately by year, which exceeds \$100 in value. Note: For this part only, indicate Category of Value, as follows: Category A-not more than \$1,000; B-\$1,001-\$2,500; C-\$2,501-\$5,000; D-\$5,001-\$15,000; E-\$15,001-\$50,000; F-\$50,001-\$100,000; G-over \$100,000.

SOURCE	YEAR	TYPE	CATEGORY
Wynn-Dixie Stores, Inc.	1985	Dividends	D
" " "	1986	"	B
Wide Appliance Company	1985	Royalty	H
The Palmetto Bank	1985	Dividends	F
" " " (Spouse/Child)	1986	"	F
" " " " " " "	1985	"	D
" " " " " " "	1986	"	B
" " " " " " "	1985	Interest	H
" " " " " " "	1986	"	H
The Seibels House Company (Child)	1985	Dividends	B
" " " " " " "	1986	"	F
N.B.S.C. Organizational (Child)	1985	"	F
" " " " " " "	1986	"	F
General Partners (real estate) (Spouse)	1985	Rents	C
" " " " " " "	1986	"	B
Liberty Street Title Insurance Co. (Spouse)	1985	Partnership Income	F
" " " " " " "	1986	"	F

8 9 0 4 0 7 / 2 9 0 7

IN PARTS III AND IV, THE INFORMATION REQUIRED SHOULD BE CURRENT AS OF A DATE WHICH IS LESS THAN THIRTY-ONE DAYS BEFORE THE FILING DATE. THE INFORMATION BELOW IS CURRENT AS OF May 1, 1986
(Date)

NOTE: For Parts III and IV below, indicate Category of Value, as follows: Category A—not more than \$5,000; B—\$5,001-\$15,000; C—\$15,001-\$50,000; D—\$50,001-\$100,000; E—\$100,001-\$250,000; F—over \$250,000.

III. HOLDINGS

HOLDINGS: Business interests, stocks and bonds, real estate, savings accounts, and any other investment or income-producing property should be reported by category of value. In listing the category of value of any item where it is difficult to determine an approximate fair market value, any recognized indication of value may be used provided that the method of valuation is included on the Disclosure Statement. (See 2 U.S.C. 702(c) for methods of valuation.) In listing securities, the name of each company in which stock worth over \$1,000 is held must be listed separately. In reporting real property holdings, a brief description of the property (such as number of acres and indication of any improvements), and its location should be included. Exclusions: Any deposits aggregating \$5,000 or less in personal savings accounts, and any personal liability owed to the reporting individual by a relative. A personal residence would not be reported unless any part of the residence produces rental income. The cash value of a life insurance policy need not be reported.

The holdings of and income from a trust or other financial arrangement in which a beneficial interest in principal or income is held by the reporting individual, his spouse, or any dependent children must be disclosed. However, the reporting individual need only report the category of the amount of income received by him, his spouse, or dependents from: (1) a trust which was not created directly by such individual, his spouse, or any dependent, and with respect to which such individual, his spouse, and dependents have no knowledge of the holdings or sources of income of the trust; or (2) a "qualified blind trust," as defined in section 102(e)(2) of the Act. Such a trust must be approved by the Committee on Standards of Official Conduct before it will be deemed a qualified blind trust under the Act.

DO YOU, YOUR SPOUSE OR DEPENDENT CHILD RECEIVE INCOME FROM OR HAVE A BENEFICIAL INTEREST IN A TRUST OR OTHER FINANCIAL ARRANGEMENT WHOSE HOLDINGS WERE NOT REPORTED BECAUSE THE TRUST IS A "QUALIFIED BLIND TRUST" OR OTHER EXCEPTED TRUST? (See Instruction Booklet at page 9)

YES _____ NO

The identity and category of value of any interest in property held in a trade or business, or for investment or the production of income, which has a fair market value in excess of \$1,000 as of the date specified above.

IDENTITY	CATEGORY
The Palmetto Bank shares	C
"NBC Corporation" shares (spouse and children)	F
Seibels-Bishop Group, Inc. shares (child)	A
Auto Pooling Company lease	B
Wine-Dive Farm Inc. shares	F
1/2 interest in 237 acre farm, Laurens County, SC. (spouse)	D
1/2 interest in Wilson lot, Spartanburg, S.C.	A
1/4 interest in General Estates, near Little Martinsburg (spouse)	E
1/5 interest in Palmetto Farm, Vianna Johnson, New Martinsburg (spouse)	E, C
1/5 interest in Liberty Street Title Service Agency, Martinsburg (spouse)	A
The Palmetto Bank savings accounts (children)	C

IV. LIABILITIES

LIABILITIES: All personal obligations aggregating over \$10,000 owed to one creditor, whether secured or not, and regardless of the repayment terms or interest rates, must be listed. The identity of the liability should include the name of the individual or organization to which the liability is owed. Any contingent liability, such as that of a guarantor or endorser, or the liabilities of a business in which the reporting individual has an interest need not be listed. Exclusions: Any mortgage secured by the PERSONAL RESIDENCE of the reporting individual or spouse (including a second residence or vacation home) that is NOT held for the PRODUCTION OF INCOME; any loan secured by a PERSONAL MOTOR VEHICLE, or household furniture or appliances provided such loan does not exceed the purchase price of the item; and any liability owed to a relative.

For more information, see detailed Instruction Booklet at page 10.

The identity and category of value of the total liabilities owed to any creditor which exceeds \$10,000 as of the date specified above.

IDENTITY	CATEGORY
The Palmetto Bank (2 unsecured notes)	C

V. POSITIONS

POSITIONS HELD: Any nongovernmental positions held by the reporting individual, whether compensated or uncompensated, in any business entity, nonprofit organization, labor group, educational or other institution must be reported. Exclusions: Positions held in any religious, social, fraternal, or political entities, and positions solely of an honorary nature.

For more information, see detailed Instruction Booklet at page 12.

The identity of all positions held on or before the date of filing during the current calendar year as an officer, director, trustee, partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution other than the United States Government.

POSITION	NAME OF ORGANIZATION
member	Board of Trustees, Hartford College
member	Board of Directors, Springfield Post Office

VI. AGREEMENTS

(For New Employees Only)

AGREEMENTS: Candidates are not required to complete this section. Continued payments or benefits from a former employer would include interests in or contributions to a pension fund, profit-sharing plan, or life or health insurance; buy-out agreements; severance payments, etc.

For more information, see detailed Instruction Booklet at page 12.

A description of the date, parties to, and terms of any agreement or arrangement with respect to future employment, leave of absence during period of government service, continuation of payments by a former employer other than the U.S. Government, and continuing participation in an employee welfare or benefit plan maintained by a former employer.

DATE	PARTIES TO	TERMS OF AGREEMENT

This Financial Disclosure Statement is required by the Ethics in Government Act of 1976, as amended (2 U.S.C. § 701, et seq.). The Statements will be made publicly available to any requesting person under written application, and will be reviewed by the Committee on Standards of Official Conduct. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions (see 2 U.S.C. § 706 and 18 U.S.C. § 1001).

Signature: <i>Eugene J. Petru</i>	Date: <i>May 15, 1986</i>
-----------------------------------	---------------------------

WHERE TO FILE:

RETURN COMPLETED STATEMENT
(WITH TWO COPIES) TO:
The Clerk, U.S. House of Representatives
Office of Records and Registration
1036 Longworth House Office Building
Washington, D.C. 20515

EXTENSIONS: The Committee on Standards of Official Conduct may grant reasonable extensions of time for filing any Disclosure Statement. Extension requests should be directed to the chairman of that Committee in writing and should state the reason the extension is necessary.

8 9 0 4 0 7 / 2 9 1 2

**THE PALMETTO
BANK**

Officers

L. Leon Patterson
*Chairman and Chief
Executive Officer*

Paul W. Stringer
*President and Chief
Operating Officer*

Philip A. Betette
*Senior Vice President,
Trust and Investments*

Nancy G. Osborne
Vice President, Auditor

Martha E. Saul
Marketing Officer

David E. Burgess
*Senior Vice President and
Chief Credit Officer*

Edith S. Brown
*Assistant Vice President and
Trust Administration
Officer*

Kathleen L. Makocy
*Bank Card Department
Manager*

Ralph M. Burns, III
*Senior Vice President and
Cashier*

Paul M. Denman
*Assistant Vice President and
Data Processing Manager*

Edna C. McCarter
*Assistant Trust Operations
Officer*

Teresa W. Knight
Vice President, Personnel

Robert D. Benson
Trust Officer

Myrna B. Self
Assistant Cashier

Greenville

Curtis A. Tyner
*Executive Vice President
and County Executive*

Judy H. Cook
*Assistant Branch Manager
Fountain Inn*

Spartanburg
William T. Brown
*Senior Vice President
and County Executive*

W. Don Hudson
Vice President

Deborah R. Hardwick
*Branch Manager
Simpsonville*

W. Heyward Johnston
Vice President

Robert R. Taylor
Vice President

Laurens

E. Patrick Crowley
*Assistant Vice President,
Spartan Centre Office*

Harmon D. Wood
Assistant Vice President

A. King Dixon, II
*Vice President and
City Executive*

Patricia A. Wheeler
*Branch Manager
Blackstock Road Office*

Earle T. Harding
*Assistant Vice President
East North Street Office*

Thomas K. Hardy
Vice President

Cynthia A. Rhymer
*Branch Manager
Fernwood Road Office*

Robert E. Reeves, Jr.
*Assistant Vice President
Haywood Road Office*

Lovell C. Compton
*Assistant Vice President,
Church Street Office*

James B. Mill
*Branch Manager
Howell Road Office*

Mark A. Fox
Assistant Vice President

Duncan

Fountain Inn/Simpsonville

George E. Hall, Jr.
Assistant Vice President

Joseph M. Gibbs
*Assistant Vice President
Duncan Office*

Richard R. Hilton
*Vice President and City
Executive, Fountain Inn
and Simpsonville*

Charlene B. Stroud
*Assistant Vice President
North Harper Street Office*

Vickie L. Tow
*Assistant Branch Manager
Duncan Office*

John S. Peñen
*Assistant Vice President
Fountain Inn*

EXHIBIT B

3 7 0 4 0 7 / 2 9 1 3

Officers

**PALMETTO
BANCSHARES, INC.**

L. Leon Patterson
President

Paul W. Stringer
Vice President

Ralph M. Burns, III
Secretary

Curtis A. Tyner
Treasurer

David E. Burgess
Assistant Secretary

Philip A. Betette
Assistant Treasurer

**Board of
Directors**

L. Leon Patterson
*Chairman and Chief
Executive Officer, The
Palmetto Bank, President,
Palmetto Bancshares, Inc.*

James A. Cannon
*President, Cannon Funeral
Home, Inc., Fountain Inn*

Morris J. Crump
*Retired, Southern States
Lumber Company, Inc.,
Laurens*

W. Fred Davis, Jr.
*President, Palmetto Spinning
Corporation, Laurens*

David P. George, Jr.
*General Manager, George
Motor Company, Laurens*

John T. Gramling, II
*Vice President and Secretary,
Gramling Brothers, Inc.,
Spartanburg*

Ralph S. Hendricks
*President, Hendricks Builders
Centers, Inc., Simpsonville*

Paul W. McAlister
*Attorney, McAlister &
McAlister, P.A., Laurens*

Harold W. McClintock
*Retired, The Palmetto Bank,
Laurens*

James M. Shoemaker, Jr.
*Attorney, Wyche, Burgess,
Freeman & Parham, P.A.,
Greenville*

Paul W. Stringer
*President and Chief
Operating Officer, The
Palmetto Bank, Vice
President, Palmetto
Bancshares, Inc.*

J. David Wasson, Jr.
*General Manager, Laurens
Electric Cooperative, Inc.,
Laurens*

Directors Emeriti:
Henry M. Faris
John P. Faris
Sam B. Fleming

3 7 0 4 0 8 7 2 9 1 4

EXHIBIT B

Advisory Boards

Laurens

Herbert Adams
President, United Agency, Inc.

Chester B. Aiken, Jr.
President, Carolins Milling Company, Inc.

David N. Bower
General Manager, St. Joe Container Company

Marcus Cook
Owner, Marcus Cook Farms

Robert Dominick
Owner, Laurens Furniture Company

Don G. Nelson
Owner, Don Nelson Classic Cars

T. D. Fischer
President, TFI

William Porter, Jr.
Executive Director, S.C. Regional Housing Authority, No. 1

Walter S. Ramage, Jr.
Sales Manager, Eastern Region Ball-Incon Corporation, President, The Men's Shop, Inc.

Thomas B. Smith
Vice President, Bargain Fair Inc., Laurens

Jerry S. Stoddard
General Manager, Piedmont Rural Telephone Cooperative, Inc.

Fountain Inn

Michael D. Bortolotti
President, Pretest, Inc.

James E. Cashion, Jr.
President, Holly Oak Chemical, Inc.

Ben H. Davis, Jr.
Mayor, Fountain Inn

David Tobe Garrett
President, Golden Scrip Transfer, Inc.

Stewart H. Garrett
Partner, Garrett & Garrett

Paul E. Gault, Sr.
Retired, Gault Clothiers

James M. Hendershot
President, Carolins Commercial Heat Treating, Inc.

S. Hunter Howard, Sr.
Magistrate

Simpsonville

Wallace Balcome
Owner, Balcome Farms

Jimmy Bayne
President, Bayne Machine Works, Inc.

Doris K. Chapman
Century 21, John Flynn Company

Jasper Moore
Retired, The Palmetto Bank

Jack E. Powers
Manager, Human Resources Cryovac Division, W. R. Grace & Company

J. Harlon Riggins
Riggins, Dingle & Company, C.P.A.

E. P. Riley, Jr.
Attorney—Nelson, Mullins, Riley & Scarborough, P.A.

Greenville

D. Denby Davenport, Jr.
Attorney—Davenport & Yacobi, P.A.

John A. Hagins, Jr.
Attorney—Brown & Hagins, P.A.

Vince J. Perone
Owner, Vince's Restaurant and Greenville City Club

Donald G. Preston
President, Total Shop, Inc.

Robert O. Taylor
Executive V.P., U.S. Shelter Corp

Francis L. Willis
Vice President, Secretary, Eastern Distribution, Inc.

Spartanburg

Richard W. Carr, Jr.
Vice President, Marketing, Spartan Mills

Lawrence E. Flynn, Jr.
Attorney—Perrin, Perrin, Mann & Patterson, P.A.

Marion R. Griffin
President, Marion R. Griffin and Co., Inc.

Charles B. Hanna, M.D.
Surgeon—Hanna, Hull, Green, Woods, McLeod, & Cochran

Caleb B. Jennings, III
Treasurer, Jennings Paint & Glass Company, Inc.

Leslie L. McMillan, Jr.
Partner—McMillan/Satterfield Architects

William S. Moore
Corporate Vice President, Reeves Brochers

Evelyn K. Young
Vice President & Co-owner of Reed & Young Realty, Inc. & Westchester Developers, Inc.

David G. White
Attorney—Ingalls & White

Thomas E. Hannah
President, Finished Apparel Division, Milliken and Co.

EXHIBIT B

Liz Patterson for Congress

I. RECEIPTS

- 11. CONTRIBUTIONS (other than loans) FROM:
 - (a) Individuals/Persons Other Than Political Committees \$0,041.55
 - State Entry Unrestricted @ 43,755.55
 - (b) Political Party Committees
 - (c) Other Political Committees
 - (d) The Candidate
 - (e) TOTAL CONTRIBUTIONS (other than loans) (add 11(a), 11(b), 11(c) and 11(d))
- 12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES
- 13. LOANS:
 - (a) Made or Guaranteed by the Candidate
 - (b) All Other Loans
 - (c) TOTAL LOANS (add 13 (a) and 13 (b))
- 14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Returns, etc.)
- 16. OTHER RECEIPTS (Dividends, Interest, etc.)
- 18. TOTAL RECEIPTS (add 11 (e), 12, 13 (c), 14 and 16)

Period Covered by the Report
From 7/1/86 To 9/30/86

COLLUM A COLLUM B
Total This Period Quarterly Year-to-Date

00,041.55	150,650.48	11 (e)
43,755.55	5,000.00	11 (b)
0-	52,662.08	11 (c)
0-	0-	11 (d)
118,291.55	222,312.66	11 (e)
0-	0-	12
70,200.00	72,250.00	13 (a)
0-	0-	13 (b)
70,200.00	72,250.00	13 (c)
0-	0-	14
41.23	336.38	16
118,532.78	225,339.04	18
149,842.57	254,038.78	17
0-	0-	18
0-	2,550.00	19 (a)
0-	0-	19 (b)
0-	2,550.00	19 (c)
0-	0-	20 (a)
0-	0-	20 (b)
0-	0-	20 (c)
0-	0-	20 (d)
0-	0-	21
149,842.57	254,038.78	22

III. CASH SUMMARY

- 23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD
- 24. TOTAL RECEIPTS THIS PERIOD (From Line 18)
- 25. SUBTOTAL (Add Line 23 and Line 24)
- 26. TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)
- 27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)

0-	0-	23
118,532.78	225,339.04	24
118,532.78	225,339.04	25
118,532.78	225,339.04	26
0-	0-	27

1. Name of Candidate or Party
Liz Patterson for Congress

179837 (06201327)

2. Address (Number and Street)
P O Box 5564

City, State and Zip Code
Spartanburg, SC 29304

3. TYPE OF REPORT

- April 15 Quarterly Report
- July 15 Quarterly Report
- October 15 Quarterly Report
- January 31 Year End Report
- July 31 Mid Year Report (See section 4 for Use)
- Initial Report (including 10-15-86)
- Report on Receipts
- Report on Disbursements
- Report on Other

4. This report contains activity for: Primary Election General Election Special Election Recall Election

1501321139

SUMMARY		COLLECTED IN This Period	COLLECTED IN Calendar Year to Date
5. Covering Period	10/1/86 through 10-15-86		
6. Net Contributions (other than loans)			
a. Total Contributions (other than loans) received		57,377.85	281,000.85
b. Total Contribution Refunds (from Line 2)		-0-	-0-
c. Net Contributions (other than loans) received		57,377.85	281,000.85
7. Net Operating Expenditures			
a. Total Operating Expenditures (from Line 2)		326,226.11	387,044.83
b. Total Offsets to Operating Expenditures (from Line 2)		-0-	-0-
c. Net Operating Expenditures (Subtract Line 2b from Line 2a)		326,226.11	387,044.83
8. Cash on Hand at Close of Reporting Period (from Line 2)		145.82	
9. Debts and Obligations Owed TO The Committee (Itemize on Schedule C or Schedule D)			
10. Debts and Obligations Owed BY The Committee (Itemize on Schedule C or Schedule D)		82,028.22	

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

For Further Information, contact:
Federal Election Commission
299 E Street, N.W.
Washington, D.C. 20543
Tel. (202) 456-6130
Telex 707 370 3125

Lawrence E. Flynn, Jr.
Type or Print Name of Treasurer

SIGNATURE OF TREASURER

10-15-86
Date

NOTE: Submission of false information or incomplete information is a violation of the Federal Election Campaign Act, 2 U.S.C. 20416.

All previous versions of FEC FORM 3 and FEC FORM 3-OR are obsolete and should no longer be used.

FEC FORM 3-OR

1501321139

Liz Patterson for Congress

Report covering the period
10/1/86 to **10/15/86**

I. RECEIPTS		COLLUM A Total This Period	COLLUM B Calendar Year-to-Date	
11. CONTRIBUTIONS (other than listed below):				
(a) Individuals/Persons Other Than Political Committees		19,062.80	164,980.47	11.6
State Entry Unassigned \$	21,260.00			
(b) Political Party Committees		73.00	79,708.30	11.6
(c) Other Political Committees		30,000.00	11,047.00	11.6
(d) The Candidate				11.6
(e) TOTAL CONTRIBUTIONS (other than items listed 11(a), 11(b), 11(c) and 11(d))		49,065.80	185,735.77	11.6
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES				12
12. LOANS:				
(a) Made or Guaranteed by the Candidate			14,260.76	12.6
(b) An Other Loan				12.6
(c) TOTAL LOANS (add 12 (a) and 12 (b))			14,260.76	12.6
14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Returns, etc.)				14
16. OTHER RECEIPTS (Donations, Interest, etc.)				16
16. TOTAL RECEIPTS (add 11 (a), 12, 13 (a), 14 and 16)		49,065.80	199,996.53	16
II. DISBURSEMENTS				
17. OPERATING EXPENDITURES				17
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES				18
19. LOAN REPAYMENTS				19
(a) Of Loans Made or Guaranteed by the Candidate				19.6
(b) Of An Other Loan				19.6
(c) TOTAL LOAN REPAYMENTS (add 19 (a) and 19 (b))				19.6
20. REFLUND OF CONTRIBUTIONS TO				20
(a) Individuals/Persons Other Than Political Committees				20.6
(b) Political Party Committees				20.6
(c) Other Political Committees				20.6
(d) TOTAL CONTRIBUTION RE-FLUNDS (add 20 (a), 20 (b), and 20 (c))				20.6
21. OTHER DISBURSEMENTS				21
22. TOTAL DISBURSEMENTS (add 17, 18, 19 (a), 19 (b), 20 (a), 20 (b), and 21)				22
III. CASH SUMMARY				
23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD		190.64		23
24. TOTAL RECEIPTS THIS PERIOD (From Line 16)		1,181.27		24
25. SUBTOTAL (add Line 23 and Line 24)		1,371.91		25
26. TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)		1,26,226.11		26
27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)		145.80		27

3 5 0 1 3 2 1 4 3 9 3

11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25
 26
 27

LETTER

General Committee on Part
 Mr. Patterson for Congress
 Address (Street and Street)
P O Box 5564
 City, State and Zip Code
Spartanburg, SC 29304

1) FEC Identification Number
117137 (C00201 271)

2) Is this Report an Amendment?
 YES NO

Check if address is different than previously reported

RECEIVED
 JUN 12 PM 2
 OFFICE OF THE
 CLERK OF THE
 HOUSE OF REPRESENTATIVES
 WASHINGTON, D.C.

4) TYPE OF REPORT

April 15 Quarterly Report
 July 15 Quarterly Report
 October 15 Quarterly Report
 January 31 Year End Report
 July 31 Mid Year Report (for election Year Only)

Twelve day report preceding General Election
 on or about 11/3/86 in the State of South Carolina

Thirteen day report following the General Election on _____ in the State of _____

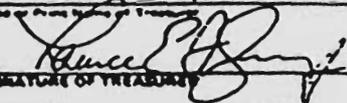
Termination Report

This report covers activity for: Primary Election General Election Special Election Runoff Election

SUBTOTAL	COLUMN A Total Paid	COLUMN B Candidate Paid-Only
5. Covering Period <u>10/1/86</u> through <u>10/15/86</u>		
6. Net Contributions (other than loans)		
(a) Total Contributions (other than loans) From Line 11 (all)	45,579.80	267,8992.46
(b) Total Contribution Refunds From Line 20 (all)	-0-	-0-
(c) Net Contributions (other than loans) Subject Line 6 (all) From 8 (all)	45,579.80	267,892.46
7. Net Operating Expenditures		
(a) Total Operating Expenditures From Line 171	80,226.03	334,264.31
(b) Total Offsets to Operating Expenditures From Line 141	-0-	-0-
(c) Net Operating Expenditures (Subtotal Line 7 (a) from 7 (all))	80,226.03	334,264.31
8. Cash on Hand at Close of Reporting Period From Line 271	56.69	
9. Debts and Obligations Owed TO The Committee (Itemize all on Schedule C or Schedule D)	-0-	
10. Debts and Obligations Owed BY The Committee (Itemize all on Schedule C or Schedule D)	79,317.46	

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

For further information, contact:
 Federal Election Commission
 435 E Street, N.E.
 Washington, D.C. 20460
 Tel. Area 202-454-4230
 Local 202-376-3130

Lawrence E Flynn, Jr
 Title or Print Name of Treasurer

 SIGNATURE OF TREASURER

Date
1/8/87

NOTE: Submission of false or misleading information may subject the person signing this Report to the penalties of 2 U.S.C. (423)

All previous versions of FEC FORM 3 and FEC FORM 3e are obsolete and should no longer be used

FEC FORM 3 (3-86)

670132858008

3204071

WILLIS PATTERSON FOR CONGRESS

Report Covering the Period
10/1/76 to 10/25/76

I. RECEIPTS		COLUMN A Total This Period	COLUMN B Balance Brought Forward
11. CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees		10,179.10	10,179.10
Memo Entry Unitemized \$	2,375.00		
(b) Political Party Committees		5,000.00	15,179.10
(c) Other Political Committees		10,400.00	25,579.10
(d) Taxpayers		-0-	25,579.10
(e) TOTAL CONTRIBUTIONS (other than loans) (add 11(a), 11(b), 11(c) and 11(d))		45,579.10	71,158.20
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES		-0-	71,158.20
13. LOANS:			
(a) Made or Guaranteed by the Candidate		13,800.00	84,958.20
(b) All Other Loans		-0-	84,958.20
(c) TOTAL LOANS (add 13(a) and 13(b))		13,800.00	98,758.20
14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Returns, etc.)		-0-	98,758.20
15. OTHER RECEIPTS (Dividends, Interest, etc.)		-0-	98,758.20
16. TOTAL RECEIPTS (add 11 (a), 12, 13 (a), 14 and 15)		79,379.80	178,138.00
II. DISBURSEMENTS			
17. OPERATING EXPENDITURES		80,226.03	98,111.97
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES		-0-	98,111.97
19. LOAN REPAYMENTS:			
(a) Of Loans Made or Guaranteed by the Candidate		37,907.34	60,204.63
(b) Of All Other Loans		-0-	60,204.63
(c) TOTAL LOAN REPAYMENTS (add 19(a) and 19(b))		37,907.34	98,111.97
20. REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees		-0-	98,111.97
(b) Political Party Committees		-0-	98,111.97
(c) Other Political Committees		-0-	98,111.97
(d) TOTAL CONTRIBUTION REFUNDS (add 20(a), 20(b), and 20(c))		-0-	98,111.97
21. OTHER DISBURSEMENTS			
22. TOTAL DISBURSEMENTS (add 17, 18, 19 (a), 20 (a) and 21)		118,133.37	380,233.05
III. CASH SUMMARY			
23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD	\$	38,810.26	23
24. TOTAL RECEIPTS THIS PERIOD (from Line 16)	\$	79,379.80	24
25. SUBTOTAL (Add Line 23 and Line 24)	\$	118,190.06	25
26. TOTAL DISBURSEMENTS THIS PERIOD (from Line 22)	\$	118,133.37	26
27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)	\$	56.69	27



SCHEDULE B

ITEMIZED DISBURSEMENTS

Use separate schedules for each category of the Detailed Summary Page

PAGE 1
FOR LINE NUMBER

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for fundraising purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)
Liz Patterson for Congress

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date Disbursed (m, d, y)	Amount of Each Disbursement This Period
Palmetto Bank L.S. R.R.E., 43c	Debit	11 1 84	17,907.34
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date Disbursed (m, d, y)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date Disbursed (m, d, y)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date Disbursed (m, d, y)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date Disbursed (m, d, y)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date Disbursed (m, d, y)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date Disbursed (m, d, y)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date Disbursed (m, d, y)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date Disbursed (m, d, y)	Amount of Each Disbursement This Period

SUBTOTAL of Disbursements This Page Reported	37,907.34
TOTAL This Period (Less page 01b line number 01)	37,907.34

1
2
3
4
5
6
7
8
9
0

Liz Patterson for Congress

10/16/86

12/31/86

I. RECEIPTS

	COLUMN A Total This Period	COLUMN B Calendar Year Total	
11. CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees Blank Entry Unintended \$ _____)	47,523.27	212,355.65	11 (a)
(b) Political Party Committees	-0-	10,000.00	11 (b)
(c) Other Political Committees	48,593.41	131,655.49	11 (c)
(d) The Candidate	-0-	-0-	11 (d)
(e) TOTAL CONTRIBUTIONS (other than loans) (add 11(a), 11(b), 11(c) and 11(d))	96,116.68	364,009.14	11 (e)
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES	-0-	-0-	12
13. LOANS:			
(a) Made or Guaranteed by the Candidate	131,203.44	237,753.44	13 (a)
(b) All Other Loans	-0-	-0-	13 (b)
(c) TOTAL LOANS (add 13 (a) and 13 (b))	131,203.44	237,753.44	13 (c)
14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	-0-	-0-	14
15. OTHER RECEIPTS (Dividends, Interest, etc.)	35.03	35.03	15
16. TOTAL RECEIPTS (add 11 (a), 12, 13 (c), 14 and 15)	227,355.15	602,011.91	16

II. DISBURSEMENTS

17. OPERATING EXPENDITURES	209,622.86	543,887.77	17
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES	-0-	-0-	18
19. LOAN REPAYMENTS:			
(a) Of Loans Made or Guaranteed by the Candidate	-0-	40,457.34	19 (a)
(b) Of All Other Loans	-0-	-0-	19 (b)
(c) TOTAL LOAN REPAYMENTS (add 19 (a) and 19 (b))	-0-	40,457.34	19 (c)
20. REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees			20 (a)
(b) Political Party Committees			20 (b)
(c) Other Political Committees			20 (c)
(d) TOTAL CONTRIBUTION REFUNDS (add 20 (a), 20 (b), and 20 (c))	-0-	-0-	20 (d)
21. OTHER DISBURSEMENTS	-0-	-0-	21
22. TOTAL DISBURSEMENTS (add 17, 18, 19 (c), 20 (d) and 21)	209,622.86	589,855.91	22

III. CASH SUMMARY

23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD	\$	56.69	23
24. TOTAL RECEIPTS THIS PERIOD (From Line 16)	\$	227,355.15	24
25. SUBTOTAL (Add Line 23 and Line 24)	\$	227,411.84	25
26. TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)	\$	209,622.86	26
27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)	\$	17,788.98	27

Name of Candidate (to be printed in full)
Liz Patterson

A. Full Name, Mailing Address and ZIP Code of Loan Source Palmetto Bank P O Box 49 Laurens, SC 29360	Original Amount of Loan 70,200.00	Completed Payments To Date 37,907.34	Balance Outstanding at Close of This Period 32,292.66
--	---	--	---

Interest Primary General Other (Specify):
 Terms: Date Insured **8-12-86** Date Due **2-12-87** Interest Rate **8 1/2** (Year) Secured

List All Lenders or Guarantors (if any) to Item A

1. Full Name, Mailing Address and ZIP Code Elizabeth Patterson P O Box 5564 Spartanburg, SC 29304	Name of Employer candidate	Amount Guaranteed Outstanding \$ 32,292.66
	Occupation	
	Name of Employer	
2. Full Name, Mailing Address and ZIP Code	Occupation	Amount Guaranteed Outstanding
	Name of Employer	
3. Full Name, Mailing Address and ZIP Code	Occupation	Amount Guaranteed Outstanding
	Name of Employer	

B. Full Name, Mailing Address and ZIP Code of Loan Source Palmetto Bank P O Box 49 Laurens, SC 29360	Original Amount of Loan 33,800.00	Completed Payments To Date -0-	Balance Outstanding at Close of This Period 33,800.00
--	---	--	---

Interest Primary General Other (Specify):
 Terms: Date Insured **10-3-86** Date Due **2-12-87** Interest Rate **8 1/2** (Year) Secured

List All Lenders or Guarantors (if any) to Item B

1. Full Name, Mailing Address and ZIP Code Elizabeth Patterson P O Box 5564 Spartanburg, SC 29304	Name of Employer candidate	Amount Guaranteed Outstanding \$ 33,800.00
	Occupation	
	Name of Employer	
2. Full Name, Mailing Address and ZIP Code	Occupation	Amount Guaranteed Outstanding
	Name of Employer	
3. Full Name, Mailing Address and ZIP Code	Occupation	Amount Guaranteed Outstanding
	Name of Employer	

SUBTOTALS This Period This Page (Include)	66,092.66
TOTALS This Period (Last page in this file only)	

Carry outstanding balance entry to LINE 8, Schedule D, for this box. If no Schedule D, carry forward to appropriate line of Summary.

Full Name, Mailing Address and ZIP Code of Loan Recipient Palmetto Bank P O Box 49 Laurens, SC 29360		Original Amount of Loan 16,500.00	Computation Payable To Date 0	Balance Outstanding at End of This Period 16,500.00
Station: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify): Term: Date Incurred 10-15-86 Date Due 2-12-87 Interest Rate 8 1/2 %				
List All Endorsers or Guarantors (if any) to Item A				
1. Full Name, Mailing Address and ZIP Code Elizabeth Patterson P O Box 5564 Spartanburg, SC 29304		Name of Employer candidate		
		Occupation 		
		Amount Guaranteed Outstanding 16,500.00		
2. Full Name, Mailing Address and ZIP Code 		Name of Employer 		
		Occupation 		
		Amount Guaranteed Outstanding 		
3. Full Name, Mailing Address and ZIP Code 		Name of Employer 		
		Occupation 		
		Amount Guaranteed Outstanding 		
Full Name, Mailing Address and ZIP Code of Loan Recipient Palmetto Bank P O Box 49		Original Amount of Loan 44,800.00	Computation Payable To Date 0	Balance Outstanding at End of This Period 44,800.00
Station: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify): Term: Date Incurred 10-17-86 Date Due 2-12-87 Interest Rate 8 1/2 %				
List All Endorsers or Guarantors (if any) to Item B				
1. Full Name, Mailing Address and ZIP Code Elizabeth Patterson P.O. Box 5564 Spartanburg, SC 29304		Name of Employer candidate		
		Occupation 		
		Amount Guaranteed Outstanding 44,800.00		
2. Full Name, Mailing Address and ZIP Code 		Name of Employer 		
		Occupation 		
		Amount Guaranteed Outstanding 		
3. Full Name, Mailing Address and ZIP Code 		Name of Employer 		
		Occupation 		
		Amount Guaranteed Outstanding 		
SUBTOTALS This Period This Page (Include)				59,300.00
TOTALS This Period (See page 1 in this line only)				
Carry outstanding balance only to LINE 2, Schedule D, for this box. If no Schedule D, carry forward to appropriate line of Summary.				

2020-4071-022

A. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Cumulative Payments To Date	Balance Outstanding at Close of This Period
Palmetto Bank P O Box 42 Laurens, SC 29360		71,903.44	-0-	71,903.44
Election: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (Specify)				
Term: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Insured <u>10-26-86</u> <input type="checkbox"/> Date Due <u>2-12-87</u> Interest Rate <u>12</u> <input type="checkbox"/> Month <input type="checkbox"/> Year <input type="checkbox"/> Secured				
List All Endorsers or Guarantors (if any) as Item A				
1. Full Name, Mailing Address and ZIP Code		Name of Employer		
Elizabeth Patterson P O Box 5566 Spartanburg, SC 29304		Candidate		
		Occupation		
		Amount Guaranteed Outstanding		
2. Full Name, Mailing Address and ZIP Code		Name of Employer		
		Occupation		
		Amount Guaranteed Outstanding		
3. Full Name, Mailing Address and ZIP Code		Name of Employer		
		Occupation		
		Amount Guaranteed Outstanding		
B. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Cumulative Payments To Date	Balance Outstanding at Close of This Period
Election: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (Specify)				
Term: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Insured _____ Date Due _____ Interest Rate _____ Year <input type="checkbox"/> Month <input type="checkbox"/> Year <input type="checkbox"/> Secured				
List All Endorsers or Guarantors (if any) as Item B				
1. Full Name, Mailing Address and ZIP Code		Name of Employer		
		Occupation		
		Amount Guaranteed Outstanding		
2. Full Name, Mailing Address and ZIP Code		Name of Employer		
		Occupation		
		Amount Guaranteed Outstanding		
3. Full Name, Mailing Address and ZIP Code		Name of Employer		
		Occupation		
		Amount Guaranteed Outstanding		
SUBTOTALS This Period This Page (Include)				71,903.44
TOTALS This Period (See page 1 of this form only)				97,296.40

Carry over (including balance only to LINE 2, Schedule D, for this form, if on Schedule D, carry forward to appropriate line of Summary.

OCT 16 1985
Patterson raises about \$300,000

The Patterson-for-Congress organization has raised about \$300,000 for 4th Congressional District campaign, and about 1,200 individuals have contributed.

Democratic state Sen. Liz Patterson of Spartanburg, running against Republican Greenville Mayor Bill Workman and American Party candidate Bob Wilson, said in the final report due today at the Federal Election Commission she is listing contributions of about \$300,000.

She said more funds are being donated to her campaign, and those will be reported to the FEC as required after the election.

"But the major contributions have come in, and they average about \$60," Mrs. Patterson said.

Mrs. Patterson said the campaign has borrowed about \$30,000. "I'm real pleased with the amount we've borrowed because it's not real significant. That shows our widespread base of financial support."

Theodore pre-files crack bill

State Sen. Nick Theodore, the Democratic candidate for lieutenant governor, has pre-filed legislation in the General Assem-



**CAMPAIGN
TRAILS**

bly to toughen the penalty for people who use and sell crack, a powerful and increasingly popular form of cocaine.

"What we're saying is we're going to keep crack out of South Carolina," Theodore said at a news conference Tuesday.

Crack is cheap, highly addictive and deadly, he said.

"It is the greatest threat to the young people of South Carolina," said Theodore, who faces Republican Congressman Tommy Hartnett in the Nov. 4 elections.

The legislation, which was pre-filed Monday, makes the first-time possession of one or more grams of crack with intent to distribute it a felony punishable by a sentence of not less than 10 years. The minimum sentence for a second offense would be 25 years, and a third offense would carry a minimum of 30 years. Probation and suspended sentences would be prohibited.

Also listed as sponsors are

state Sens. Verne Smith, D-Greenville; Isadore Lourie, D-Richland; Peden McLeod, D-Colleton; Liz Patterson, D-Spartanburg; and Nicki Setzler, D-Lexington.

The bill also makes distribution of crack to minors and distribution of crack within a half-mile of a school separate offenses, allowing for triple punishment in some cases, Theodore said.

On the campaign trail

Lt. Gov. Mike Daniel, Democratic candidate for governor, will campaign in Greenwood today.

Greenville Mayor Bill Workman, Republican candidate for Congress, will campaign today in Spartanburg, speaking to two government classes at USC-Spartanburg and attending a fundraiser later.

Theodore will attend a fundraiser in Columbia sponsored by the South Carolina Electric Cooperative.

U.S. Sens. John Heinz, R-Pa., Thad Cochran, R-Miss., and John Chafee, R-R.I., will campaign for Republican U.S. Senate candidate Henry McMaster in Columbia.

89040716927

Candidates mulling financial strategy

Patterson still owes
in 1986 campaign

MIKE SMITH
and RODRIGUEZ

In October 1986, Liz Patterson's congressional campaign was borrowing from a \$200,000 line of credit, and her opponent, Bill Orkman, was borrowing about \$60,000. This year, Mrs. Patterson and her Republican opponent for the 1th Congressional District seat, Knox White, again are considering such financing.

Karen Mitchell of Spartanburg, Mrs. Patterson's campaign manager, said the campaign is working on Federal Election Commission financial statements due Oct. 11.

"We'll be depositing money and totaling up in the next few days. At that point, we'll see what our situation is. We certainly don't want to borrow any money," she said.

"We've worked very hard in fund-raising so that we will not have to borrow money. We have to decide how to spend our money effectively, at the right time, in the right way. We're striving very hard to do that."

Bob Knight, White's campaign manager, said he does not know whether the White campaign will have to borrow money. White may put some personal money into the campaign as a donation or a loan.

White also has talked to some bankers about the possibility of a loan, Knight said, but that depends on how the campaign goes.

The last FEC reports, filed by the candidates on June 30, showed Mrs. Patterson's campaign with \$155,471 in cash on hand and White with \$46,118.

In the 1986 campaign, Mrs. Patterson arranged for a \$200,000 line of credit from the Palmetto Bank. Some of the funds borrowed on that line are still owed.

The debt was a source of confusion on the campaign's FEC disclosure forms. A December 1986 report did not list any debts owed by the campaign.

Details of the campaign's financial arrangements were not fully disclosed in financial statements to the FEC until an amended disclosure form filed Jan. 8.

The form listed the total debt at \$202,096.10. Of this amount, \$190,005.66 was money due on the Palmetto Bank loan. The rest was interest and small debts.

Mrs. Patterson also had not disclosed the debt in public statements. She was quoted in published reports on Oct. 15 and Oct. 16, 1986, as saying she was "particularly pleased that the campaign had to borrow only \$30,000 to

pay off some debts . . . We thought we might have to borrow more at one point."

However, in an FEC report dated Oct. 15, 1986, Patterson's campaign committee listed debts and obligations owed by the committee as \$82,028.22 for the period covering Oct. 1 through Oct. 15, 1986.

Lawrence Flynn, treasurer to the Patterson campaign committee, said in a recent interview there was no intention to mislead the public. "We did miss the boat" with the accurate figures, he acknowledged.

"I don't really apologize for that," Flynn said. "We did a pretty good job" working with the complicated campaign finance forms considering it was "our first time," he added.

Dwight Patterson, Mrs. Patterson's husband said in a recent interview, it was he who supplied the erroneous information to the congresswoman in mid-October. "Those were See CANDIDATES, page B4

EXHIBIT E

8 2 6 7 7 0 5 0 0 8

CANDIDATES

Continued from page B1
ballpark figures . . . we obviously were a little bit off," he said.

"It was just good politics" not to divulge the fact her campaign committee had been able to acquire what amounted to a substantial loan, Patterson said.

Patterson also denied there was any impropriety associated with either the line of credit or in the reporting of funds actually drawn from the Palmetto Bank loan account.

The Palmetto Bank is run by Leon L. Patterson, Dwight Patterson's brother, who is a member of the board of directors at the bank.

However, "in hindsight," said Patterson, "it probably would have

been better not to use the Palmetto Bank" to secure any types of loans for the 1986 race.

Mrs. Patterson insisted, though, that the loan was obtained in a proper and ethical way.

Mrs. Patterson said her 1986 campaign committee still owes the bank a substantial amount of money notwithstanding "our chipping away at it." The Patterson committee has repaid part of the loan, leaving a balance of \$146,500 including interest as of June 30, 1988, according to FEC reports and bank records.

Asked why the old debt wasn't retired since her separate 1988 campaign account shows a cash balance of \$155,471.46 as of June 30, 1988, Patterson said she was told not to do so by her advisers.

1986

NOTE 3 — Related Party Transactions

The Bank's directors and officers are also customers of the Bank; consequently, in the ordinary course of business, they are involved in a variety of transactions which are representative of people of their business and economic status. Terms and conditions of these transactions were comparable to those prevailing at the time for other customers of the Bank, with the exception of the Bank's policy (as approved by its Board of Directors) of granting a preferential interest rate for consumer loans to all full-time, salaried personnel of the Bank (except the Chairman and President who are considered executive officers of the Bank as defined by Federal Reserve Regulation "O").

NOTE 4 — Employee Benefit Plans

The Company's subsidiary has a non-contributory pension plan which covers all full-time employees who have at least twelve months continuous service and have attained age 21 but not 60. The plan is designed to produce a designated retirement benefit and is fully vested at ten years or more of service. No vesting occurs with less than ten years of service. The plan is trustee and administered by the Bank's Trust Department.

Due to the full funding limitations, both the maximum allowable contribution and the minimum required contribution for 1986, was -0-. The 1985 and 1984 contributions were \$16,096 and -0-, respectively. As of January 1986, the date of the latest actuarial valuation available, the present value of vested and non-vested plan benefits was \$496,324 and \$28,850 respectively, using an assumed interest rate of seven percent (7%). The plan's net assets available for benefits were \$1,085,323. The actuarial information for the plan year ended December 31, 1986, was unavailable for this report. It is expected to be available March 31, 1987.

The Board of Directors of the Company approved the establishment of a defined contribution employee stock ownership plan effective December 31, 1985. The plan covers the same employees and has the same vesting schedule as the pension plan. Contributions for the plan year ended December 31, 1986 and 1985 were \$73,050 and -0- respectively.

NOTE 5 — Income Taxes

The provision for income taxes consisted for the following components:

	1986	1985	1984
Current:			
Federal.....	\$ 85,274	\$228,641	\$41,066
State.....	39,726	54,568	35,554
	<u>125,000</u>	<u>283,209</u>	<u>(5,512)</u>
Deferred:			
Federal.....	-0-	-0-	-0-
State.....	-0-	-0-	-0-
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total.....	\$125,000	\$283,209	\$ (5,512)

The effective tax rate for 1986, 1985, and 1984, differs from the Federal statutory rate of 46% primarily because of tax-exempt interest, differences in book and tax depreciation, and the investment tax credit for the year.

NOTE 6 — Lease Commitments

On December 31, 1986, the Bank's subsidiary was obligated under a number of non-cancelable leases on certain property and equipment that had an initial term of more than one year. The scheduled payments under these leases are as follows:

	1986
1987	\$216,323
1988	192,149
1989	198,117
1990	193,112
1991	192,787

EXHIBIT F

3 3 0 4 0 7 / 2 2 3 0

Notes to Consolidated Financial Statements

NOTE 7—Continued

(b) The Company has an Employee Stock Ownership Plan (ESOP) established by the Board of Directors effective December 31, 1985. The ESOP covers the same employees and has the same vesting schedule as the pension plan. Based on profits, the Company contributes annually to a trust created to acquire shares of the Company's common stock for the exclusive benefit of the participants. During 1985, the trust borrowed \$1,000,000 from a bank and acquired 21,740 shares of the Company's common stock. These shares are pledged as collateral for the bank debt. In accordance with the requirements of the AICPA Statement of Position 76-3, the Company has presented the outstanding loan amount as a liability and as a reduction of shareholders' equity in the accompanying consolidated statements of financial condition. Accordingly, the loan balance of \$975,000 and \$925,000 at December 31, 1987 and 1986, respectively, is presented as a reduction of shareholders' equity. Principal repayment is due in annual installments of \$75,000, \$100,000 and \$150,000 at December 31, 1988, 1989 and 1990, respectively, and \$200,000 per year thereafter until repaid. Interest on the unpaid principal balance is due quarterly and is based on a fluctuating rate which approximates prime. The charges to income for the years ended December 31, 1987 and 1986 were \$95,973 and \$73,050, respectively.

NOTE 8 — Related Party Transactions

Certain of the Company's directors and executive officers are also customers of the Bank who, including their related interests, were indebted to the Bank in the approximate amounts of \$981,000 and \$954,000 at December 31, 1987 and 1986, respectively. From January 1 through December 31, 1987, these directors and executive officers and their related interests borrowed \$202,000 and repaid \$175,000. In the opinion of management, these loans do not involve more than the normal risk of collectibility, nor do they present other unfavorable features.

NOTE 9 — Commitments and Contingencies

On December 31, 1987, the Bank was obligated under a number of noncancelable operating leases on certain property and equipment that have initial terms of more than one year. The minimum scheduled payments under these leases are as follows:

1988	\$202,885
1989	201,766
1990	203,192
1991	194,423
1992	188,815
Subsequent years	662,359
	<u>\$1,653,440</u>

Rental expense on the above leases was \$232,260, \$248,765 and \$244,811 for the years ended December 31, 1987, 1986 and 1985, respectively.

In the normal course of business, the Company and subsidiary are periodically involved in litigation. In the opinion of management and counsel, none of these cases should have a material adverse effect on the Company's financial position.

NOTE 10 — Plan of Merger

On August 11, 1987, the Company entered into an agreement of reorganization and plan of merger with the Bank of Hodges, a Greenwood, South Carolina-based bank with assets totaling approximately \$19,000,000, whereby the Company would acquire all of the outstanding shares of the Bank of Hodges. The purchase price is to be paid by a combination of \$2,415,882 in cash and the issuance of 29,302 shares of Company stock with an approximate market value of \$55 per share. The Company has received a commitment from a bank for a \$2,500,000 loan to fund this acquisition which is subject to approval of shareholders owning at least two-thirds of the outstanding common stock of the Bank of Hodges and to the approval of the appropriate regulatory authorities.

Patterson, White

By Wayne Roper
News staff writer

State Republicans attacked U.S. Rep. Liz Patterson for what they called 1986 "sweetheart deal" campaign loans Tuesday, while the Patterson campaign launched television ads picturing Republican Knox White as the Greenville city councilman "who can't say no" to taxes and spending.

Van Hipp, chairman of the state Republican Party, criticized Mrs. Patterson's financing of her 1986 campaign, saying she obtained unusually favorable terms in getting nearly \$200,000 in campaign loans from Palmetto

Bank of Laurens, a bank with family ties to the Pattersons.

Mrs. Patterson and officials with her campaign, however, called the accusation a "low blow" and said the loans were more than adequately secured by collateral and weren't obtained under unusually favorable terms.

"No bank would put themselves on the line to do anything unethical or illegal and I certainly wouldn't," Mrs. Patterson said. "For them to question the integrity of a bank doing business in the 4th Congressional District and my integrity is a low blow and I resent it."

Meanwhile, the Patterson campaign accused White of voting as

a Greenville city councilman for every spending program since 1984 and of approving a property tax increase and a hike in fees for businesses.

"Mr. White should be known as Fort Knox the way he spends taxpayer money," Mrs. Patterson said in a press release.

The White campaign said he opposed a proposed 12-mill increase in property taxes before finally approving a revamped plan for a 4-mill increase. White has also opposed many spending proposals in committees before they came to votes, his campaign said.

Hipp, during a Spartanburg press conference, presented information taken from Federal

exchange salvos

Election Commission records filed by the Patterson campaign which showed that the campaign obtained \$197,182 in loans from Palmetto Bank in Laurens.

Mrs. Patterson's brother-in-law, Leon Patterson, is chairman of the board of Palmetto Bank, in which Mrs. Patterson's husband holds stock.

Hipp called the terms of obtaining the loan a "sweetheart deal" which provided a "substantial infusion of cash" for media prior to the November 1986 election, which "probably affected the outcome" of the race between Mrs. Patterson and Greenville Mayor Bill Workman.

"This has absolutely nothing to

do with the 4th Congressional District campaign because it was done according to bank laws," Mrs. Patterson said.

Hipp questioned the campaign receiving \$2,550 interest-free and an 8.5 percent rate of interest on the loans, which he claimed was "rarely given to preferred customers." He also questioned whether Mrs. Patterson's stock in Winn Dixie Inc. was adequate collateral for the line of credit.

"Palmetto Bank's loans were not made in the ordinary course of business because the value of the collateral was grossly less than that which a prudent bank in a normal loan would accept," Hipp said.

Bank officials, however, said the loan was handled under normal procedures with a three-person review committee and there was more than adequate collateral.

Dwight Patterson, Mrs. Patterson's husband, said Mrs. Patterson provided 4,000 shares of Winn Dixie Inc. stock, valued at the time at \$168,000, along with her personal guarantee based upon a financial statement which showed a net worth of about \$460,000 without the stock.

Mrs. Patterson's husband said the bank loaned 100 percent of the value of the stock because it was

See District 4, Page 3C

District 4

Continued from Page 1C

coupled with a personal guarantee which allows up to 10 percent of a person's net worth to be used for collateral. The two factors were more than sufficient for the loan, he said.

He also said the loan collateral only approached the maximum \$200,000 line of credit Oct. 24, 1986, with a last loan of \$71,903 which was repaid.

The 8.5 percent interest rate was a floating rate of 1 percent of interest plus the prime rate, which was "higher than we could have obtained at other banks, so I'm told," Dwight Patterson said. He said the interest rate on the outstanding loan now is near 11 percent.

The loan of \$2,550 which Republicans are calling interest-free was a loan by Mrs. Patterson to the campaign, he said.

Phil Phillips, senior vice president for Palmetto Bank, said the loan application from Mrs. Patterson went the standard route

and Leon Patterson was not involved in its approval. "Prime plus 1 percent is not a preferred rate. It is a good rate, but that goes back to the type of loan and customer," Phillips said. He said there was plenty of collateral for the loan.

Hipp said using election commission reports, Mrs. Patterson's net worth was less than \$400,000 in 1985, and the loan still was undercollateralized by about \$38,000.

"This whole thing goes back to her statement on Oct. 16, 1986 that she had only borrowed \$30,000 for her campaign, when in fact she had borrowed \$70,000 the same day," Hipp said.

Dwight Patterson said the statement about borrowing only \$30,000 came about because he had figured about \$70,000 in loans and subtracted about \$45,000 in cash on hand when providing Mrs. Patterson with the figure.

4 0 0 4 0 7 1 2 9 3 5



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 28, 1988

Van D. Hipp, Jr., Chairman
South Carolina Republican
Party
616 Harden Street
PO Box 5247
Columbia, SC 29250

Dear Mr. Hipp:

This is to acknowledge receipt of your letter, which we received on October 25, 1988. Your letter was not properly sworn to.

You must swear before a notary that the contents of your complaint are true to the best of your knowledge and the notary must represent as part of the jurat that such swearing occurred. A statement by the notary that the complaint was sworn to and subscribed before her will be sufficient. We are sorry for the inconvenience that these requirements may cause you, but we are not statutorily empowered to proceed with the handling of a compliance action unless all the statutory requirements are fulfilled. See 2 U.S.C. Section 437g.

If you have any questions concerning this matter, please contact Retha Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble =
General Counsel

By: Lois G. Lerner
Associate General Counsel

89040712934



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 28, 1988

Van D. Hipp, Jr., Chairman
South Carolina Republican
Party
616 Harden Street
PO Box 5247
Columbia, SC 29250

Dear Mr. Hipp:

This is to acknowledge receipt of your letter, which we received on October 25, 1988. Your letter was not properly sworn to.

You must swear before a notary that the contents of your complaint are true to the best of your knowledge and the notary must represent as part of the jurat that such swearing occurred. A statement by the notary that the complaint was sworn to and subscribed before her will be sufficient. We are sorry for the inconvenience that these requirements may cause you, but we are not statutorily empowered to proceed with the handling of a compliance action unless all the statutory requirements are fulfilled. See 2 U.S.C. Section 437g.

If you have any questions concerning this matter, please contact Retha Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble =
General Counsel

By: Lois G. Lerner
Associate General Counsel

890407/2933

misreporting as "primary" contributions certain contributions which in fact were general election contributions.

V. Prayer for Relief

Complainant respectfully requests that the Federal Election Commission investigate these violations and enforce the Federal Election Campaign Act and the Commissions's regulations.

Complainant further requests that the Commission seek the maximum fines for the violations set forth above, and that the Commission take all steps necessary to prevent Patterson and the Committees from continuing their illegal activities.

VI. Verifications.

The undersigned swears that the allegations and facts set forth in this complaint are true to the best of his knowledge, information and belief.

Van D. Wigg Jr.
Chairman, South Carolina
Republican Party

Sworn and subscribed before me this 31 day of October, 1988.

M Elizabeth Klappman
Notary Public for South Carolina
my commission expires 6/25/94

3
0
0
4
0
7
1
2
9
3
5
6

89 NOV -7 PM 2:15

FEDERAL ELECTION COMMISSION

plm



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 16, 1988

Van D. Hipp, Jr., Chairman
South Carolina Republican Party
616 Harden Street
PO Box 5247
Columbia, SC 29250

RE: MUR 2777

Dear Mr. Hipp:

This letter acknowledges receipt on November 7, 1988, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by the Honorable Elizabeth J. Patterson, Liz Patterson For Congress '86 and Lawrence E. Flynn, Jr., as treasurer, Liz Patterson For Congress 1988 and Lawrence E. Flynn, Jr., as treasurer, the Sabo For Congress Volunteer Committee and Doris A. Caranicas, as treasurer, the American Bankers Association BankPac and Brian M. Meyer, as treasurer, the Committee On Letter Carriers Political Education and Florence Johnson, as treasurer, the Bankers Trust PAC and Nancy C. O'Connor, as treasurer, the Dealers Election Action Committee and Anthony Ursomarso, as treasurer, the Food Marketing Institute PAC and Harry R. Sullivan, as treasurer, the CSX Transportation, Inc. PAC and Betty Ruth Jackson, as treasurer, the Hoechst Celanese Corporation PAC and Alban W. Schuele, as treasurer, the Palmetto Bank, Carroll L. Gilliam, John R. Guthrie, Frank S. Holleman, III, and Bradford W. Wyche. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints. If you have any questions, please contact Retha Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

39040712937



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

November 16, 1988

The Honorable Elizabeth J. Patterson
US House of Representatives
1641 Longworth HOB
Washington, DC 20515-4004

Re: MUR 2777
The Honorable Elizabeth
J. Patterson

Dear Ms. Patterson:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

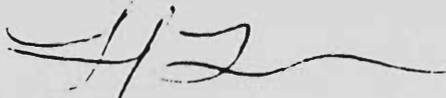
This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

290407 / 2938

If you have any questions, please contact Sandra Robinson, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

3 2 0 4 0 7 / 2 9 3 9



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 16, 1988

Lawrence E. Flynn, Jr., Treasurer
Liz Patterson For Congress 1988
200 Library Street
PO Box 5564
Spartanburg, SC 29304

RE: MUR 2777
Liz Patterson For Congress
1988 and Lawrence E.
Flynn, Jr., as treasurer

Dear Mr. Flynn:

The Federal Election Commission received a complaint which alleges that Liz Patterson For Congress 1988 and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and Liz Patterson For Congress 1988 in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

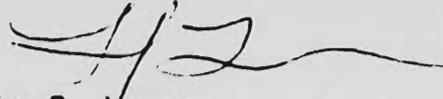
This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

39040712940

If you have any questions, please contact Sandra Robinson, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

9 9 0 4 0 7 / 1 2 9 4 1



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

November 16, 1988

Lawrence E. Flynn, Jr., Treasurer
Liz Patterson For Congress '86
PO Box 5564
Spartanburg, SC 29304

RE: MUR 2777
Liz Patterson For Congress
'86 and Lawrence E.
Flynn, Jr., as treasurer

Dear Mr. Flynn:

The Federal Election Commission received a complaint which alleges that Liz Patterson For Congress '86 and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and Liz Patterson For Congress '86 in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

89040712942

If you have any questions, please contact Sandra Robinson, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

39040712945



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 16, 1988

Doris A. Caranicas, Treasurer
Sabo For Congress Volunteer
Committee
2425 E. Franklin Street
#301
Minneapolis, MN 55406

RE: MUR 2777
Sabo For Congress
Volunteer Committee and
Doris A. Caranicas, as
treasurer

Dear Ms. Caranicas:

The Federal Election Commission received a complaint which alleges that the Sabo For Congress Volunteer Committee and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the Sabo For Congress Volunteer Committee in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

89040712944

If you have any questions, please contact Sandra Robinson, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

390407 / 2945



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

November 16, 1988

Brian M. Meyer, Treasurer
American Bankers Association
BankPac
1120 Connecticut Avenue, NW
Suite 851
Washington, DC 20036

RE: MUR 2777
American Bankers
Association BankPac and
Brian M. Meyer, as
treasurer

Dear Mr. Meyer:

The Federal Election Commission received a complaint which alleges that the American Bankers Association BankPAC and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the American Bankers Association BankPAC in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

39040712940

If you have any questions, please contact Sandra Robinson, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

39040712997



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

November 16, 1988

Florence Johnson, Treasurer
Committee On Letter Carriers
Political Education
100 Indiana Avenue, NW
Washington, DC 20001

RE: MUR 2777
Committee On Letter
Carriers Political
Education and Florence
Johnson, as treasurer

Dear Ms. Johnson:

The Federal Election Commission received a complaint which alleges that the Committee On Letter Carriers Political Education and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the Committee On Letter Carriers Political Education in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

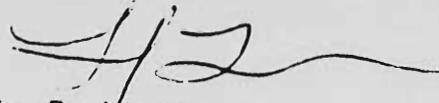
This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

87040772948

If you have any questions, please contact Sandra Robinson, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

37040712949



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

November 16, 1988

Alban W. Schuele, Treasurer
Hoechst Celanese Corporation
PAC
Route 202-206 North
Somerville, NJ 08876

RE: MUR 2777
Hoechst Celanese
Corporation PAC and
Alban W. Schuele, as
treasurer

Dear Mr. Schuele:

The Federal Election Commission received a complaint which alleges that the Hoechst Celanese Corporation PAC and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the Hoechst Celanese Corporation PAC in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9 3 0 4 0 7 7 2 9 5 0

If you have any questions, please contact Sandra Robinson, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

3 9 0 4 0 7 / 2 9 5 1



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 16, 1988

Anthony Ursomarso, Treasurer
Dealers Election Action
Committee
8400 Westpark Drive
McLean, VA 22102

RE: MUR 2777
Dealers Election Action
Committee and Anthony
Ursomarso, as treasurer

Dear Mr. Ursomarso:

The Federal Election Commission received a complaint which alleges that the Dealers Election Action Committee and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the Dealers Election Action Committee in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

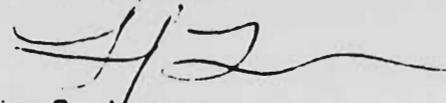
This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

99040772952

If you have any questions, please contact Sandra Robinson, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

990407/2955



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

November 16, 1988

Harry R. Sullivan, Treasurer
Food Marketing Institute PAC
1750 K Street, NW
Suite 700
Washington, DC 20006

RE: MUR 2777
Food Marketing Institute
PAC and Harry R.
Sullivan, as treasurer

Dear Mr. Sullivan:

The Federal Election Commission received a complaint which alleges that the Food Marketing Institute PAC and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the Food Marketing Institute PAC in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

37040712954

If you have any questions, please contact Sandra Robinson, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

3 7 0 4 0 7 / 2 9 5 5



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

November 16, 1988

Ms. Carroll L. Gilliam
1730 M Street, NW
#501
Washington, DC 20036

RE: MUR 2777
Carroll L. Gilliam

Dear Ms. Gilliam:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

390407 / 2950

If you have any questions, please contact Sandra Robinson, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

89040712957



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 16, 1988

Mr. John R. Guthrie
216 Beachwood Drive
Spartanburg, SC 29302

RE: MUR 2777
John R. Guthrie

Dear Mr. Guthrie:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

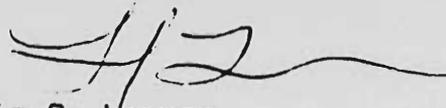
This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

8 0 0 4 0 7 / 2 9 5 8

If you have any questions, please contact Sandra Robinson, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

890407 / 2959



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

November 16, 1988

Mr. Frank S. Holleman, III
52 E. Tallulah Drive
Greenville, SC 29605

RE: MUR 2777
Frank S. Holleman, III

Dear Mr. Holleman:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

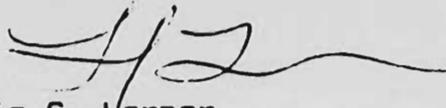
This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9 9 0 4 0 7 1 2 9 5 0

If you have any questions, please contact Sandra Robinson, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

370407/2951



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 16, 1988

Mr. Bradford W. Wyche
312 Raven Road
Greenville, SC 29615

RE: MUR 2777
Bradford W. Wyche

Dear Mr. Wyche:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

3 9 0 9 0 7 1 2 9 6 2

If you have any questions, please contact Sandra Robinson, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

R 9 0 4 0 7 / 2 9 5 5



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

November 16, 1988

L. Leon Patterson, Chairman
Palmetto Bank
PO Box 49
Laurens, SC 29360

RE: MUR 2777
Palmetto Bank

Dear Mr. Patterson:

The Federal Election Commission received a complaint which alleges that Palmetto Bank may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against Palmetto Bank in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

990407 / 2954

If you have any questions, please contact Sandra Robinson, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

8 0 0 4 0 7 / 2 9 6 5



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

November 16, 1988

Nancy C. O'Connor, Treasurer
Bankers Trust PAC
280 Park Avenue
New York, NY 10017

RE: MUR 2777
Bankers Trust PAC and
Nancy C. O'Connor, as
treasurer

Dear Ms. O'Connor:

The Federal Election Commission received a complaint which alleges that the Bankers Trust PAC and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the Bankers Trust PAC in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

89040712966

If you have any questions, please contact Sandra Robinson, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

80040712967



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

November 16, 1988

Betty Ruth Jackson, Treasurer
CSX Transportaion, Inc. PAC
1331 Pennsylvania Avenue, NW
Suite 560
Washington, DC 20004

RE: MUR 2777
CSX Transportation, Inc.
PAC and Betty Ruth
Jackson, as treasurer

Dear Ms. Jackson:

The Federal Election Commission received a complaint which alleges that the CSX Transportation, Inc. PAC and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2777. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the CSX Transportation, Inc. PAC in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

8 7 0 4 0 7 / 2 9 5 8

If you have any questions, please contact Sandra Robinson, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

290407 / 2969



Bankers Trust Company

280 Park Avenue, New York, New York 10015

Doc # 1154

Nancy C. O'Connor
Assistant Vice President
Government Relations Division
Telephone: 212-850-3535

Mailing Address:
P.O. Box 318, Church Street Station
New York, New York 10015

November 22, 1988

Sandra Robinson, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

Re: MUR 2777

Dear Ms. Robinson:

As a follow-up to our conversation today, I am responding in writing to the recent inquiry by the Federal Election Commission regarding the \$1500 contribution made by the Bankers Trust Political Action Committee in June to Representative Elizabeth Patterson's campaign committee.

Enclosed for your review is a copy of the summary page and page 3 of Schedule B (Itemized Disbursements) of the July 15th Quarterly Report of the Bankers Trust PAC which was submitted to the FEC on July 12th. As you will note, because the contribution to the Patterson campaign committee was made subsequent to the June 14th primary in South Carolina, the disbursement was designated for general election purposes as required under FEC regulation.

I trust this material will assist you in the resolution of this matter and hope you will contact me should you have any additional questions.

Sincerely,

Nancy C. O'Connor
Treasurer, Bankers Trust
Political Action Committee

NOC: jpm

Encl.

B
9
0
4
0
7
1
2
9
7
0

RECEIVED
FEDERAL ELECTION COMMISSION
88 NOV 23 PM 1:46

REPORT OF RECEIPTS AND DISBURSEMENTS

For Other Than An Authorized Committee
(Summary Page)

USE FEC MAILING LABEL
OR
TYPE OR PRINT

1. NAME OF COMMITTEE (in full) Bankers Trust Political Action Committee	2. FEC IDENTIFICATION NUMBER C 00097089
ADDRESS (number and street) <input type="checkbox"/> Check if different than previously reported 280 Park Avenue	3. <input type="checkbox"/> This committee qualified as a multicandidate committee DURING THIS Reporting Period on _____ (date).
CITY, STATE and ZIP CODE New York, New York 10015	

4. TYPE OF REPORT

- | | |
|---|--|
| (a) <input type="checkbox"/> April 15 Quarterly Report
<input checked="" type="checkbox"/> July 15 Quarterly Report
<input type="checkbox"/> October 15 Quarterly Report
<input type="checkbox"/> January 31 Year End Report
<input type="checkbox"/> July 31 Mid Year Report (Non-election Year Only)

<input type="checkbox"/> Termination Report | Monthly Report Due On:
<input type="checkbox"/> February 20 <input type="checkbox"/> June 20 <input type="checkbox"/> October 20
<input type="checkbox"/> March 20 <input type="checkbox"/> July 20 <input type="checkbox"/> November 20
<input type="checkbox"/> April 20 <input type="checkbox"/> August 20 <input type="checkbox"/> December 20
<input type="checkbox"/> May 20 <input type="checkbox"/> September 20 <input type="checkbox"/> January 31

<input type="checkbox"/> Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____

<input type="checkbox"/> Thirtieth day report following the General Election on _____ in the State of _____ |
|---|--|
- (b) Is this Report an Amendment? YES NO

SUMMARY	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period <u>4/1/88</u> through <u>6/30/88</u>		
6. (a) Cash on Hand January 1, 19 <u>88</u>		\$ 35,355.10
(b) Cash on Hand at Beginning of Reporting Period	\$ 46,867.94	
(c) Total Receipts (from Line 18)	\$ 40,915.00	\$ 98,927.84
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	\$ 87,782.94	\$ 34,282.94
7. Total Disbursements (from Line 28)	\$ 47,000.00	\$ 93,500.00
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	\$ 40,782.94	\$ 40,782.94
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	\$ -0-	For further information contact: Federal Election Commission 999 E Street, NW Washington, DC 20463 Toll Free 800-424-9530 Local 202-376-3120
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	\$ -0-	

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

Type or Print Name of Treasurer

Nancy C. O'Leary

Signature of Treasurer

Nancy C. O'Leary

Date

July 12, 1988

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

--	--	--	--	--	--	--	--	--	--

FEC FORM 3X
(revised 4/87)

3 9 0 4 0 7 / 2 9 7 1

BANKERS TRUST POLITICAL ACTION COMMITTEE

I. RECEIPTS

11. CONTRIBUTIONS (other than loans) FROM:

- (a) Individuals/Persons Other Than Political Committees
 - (i) Itemized (use Schedule A)
 - (ii) Unitemized
 - (iii) Total of contributions from individuals
- (b) Political Party Committees
- (c) Other Political Committees (such as PACs)
- (d) TOTAL CONTRIBUTIONS (add 11(a)(iii), (b), and (c))

COLUMN A Total This Period	COLUMN B Calendar Year-To-Date
-------------------------------	-----------------------------------

12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES

13. ALL LOANS RECEIVED

14. LOAN REPAYMENTS RECEIVED

15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)

16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES

17. OTHER RECEIPTS (Dividends, Interest, etc.)

18. TOTAL RECEIPTS (add 11(d), 12, 13, 14, 15, 16 and 17)

II. DISBURSEMENTS

19. OPERATING EXPENDITURES

20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES

21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES

22. INDEPENDENT EXPENDITURES (use Schedule E)

23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. 441a(d)) (use Schedule F)

24. LOAN REPAYMENTS MADE

25. LOANS MADE

26. REFUNDS OF CONTRIBUTIONS TO:

- (a) Individuals/Persons Other Than Political Committees
- (b) Political Party Committees
- (c) Other Political Committees (such as PACs)
- (d) TOTAL CONTRIBUTION REFUNDS (add 26(a), (b), and (c))

27. OTHER DISBURSEMENTS

28. TOTAL DISBURSEMENTS (add 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)

III. NET CONTRIBUTIONS/OPERATING EXPENDITURES

29. TOTAL CONTRIBUTIONS (other than loans) (from Line 11(d))

30. TOTAL CONTRIBUTION REFUNDS (from Line 26(d))

31. NET CONTRIBUTIONS (other than loans) (subtract Line 30 from 29)

32. TOTAL OPERATING EXPENDITURES (from Line 19)

33. OFFSETS TO OPERATING EXPENDITURES (from Line 15)

34. NET OPERATING EXPENDITURES (subtract Line 33 from 32)

11(a)
11(a)
11(a)
11(b)
11(c)
11(c)
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34

9 2 0 4 0 7 / 2 9 7 2

ITEMIZED DISBURSEMENTS

(CONTRIBUTIONS TO FEDERAL CANDIDATES)

SCHEDULE B

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full): BANKERS TRUST POLITICAL ACTION COMMITTEE

A. Full Name and Mailing Address	Purpose of Disbursement:	Date	Amount
MARTIN FROST CAMPAIGN COMMITTEE PO BOX 4219 DALLAS, TX 75208	GENERAL FUNDING D-TX-24TH	04/06/88	1,000.00
Disbursement For: GENERAL 1988			
B. Full Name and Mailing Address	Purpose of Disbursement:	Date	Amount
BART GORDON FOR CONGRESS COMMITTEE PO BOX 2884 WASHINGTON, D.C. 20013	GENERAL FUNDING D-TN-6TH	05/12/88	1,000.00
Disbursement For: GENERAL 1988			
C. Full Name and Mailing Address	Purpose of Disbursement:	Date	Amount
HILER FOR CONGRESS 5650 NO. 8TH ST. ARLINGTON, VA 22205	GENERAL FUNDING R-IN-36D	06/20/88	3,000.00
Disbursement For: GENERAL 1988			
D. Full Name and Mailing Address	Purpose of Disbursement:	Date	Amount
FRIENDS OF SENATOR DAVID KARNES 626 NORTH 10TH PLAZA OMAHA, NEB 68154	GENERAL FUNDING R-NE-SENATE	06/20/88	5,000.00
Disbursement For: GENERAL 1988			
E. Full Name and Mailing Address	Purpose of Disbursement:	Date	Amount
BARBARA KENNELLY FOR CONGRESS 7864 COLONIAL VILLAGE RD ANNADALE, VA 22003	GENERAL FUNDING D-CT-1ST	06/15/88	500.00
Disbursement For: GENERAL 1988			
F. Full Name and Mailing Address	Purpose of Disbursement:	Date	Amount
MC MILLAN '88 COMMITTEE PO BOX 221766 CHARLOTTE, NC 28222	GENERAL FUNDING R-NC-9TH	05/12/88	1,000.00
Disbursement For: GENERAL 1988			
G. Full Name and Mailing Address	Purpose of Disbursement:	Date	Amount
LIZ PATTERSON FOR CONGRESS PO BOX 2884 WASHINGTON, DC 20013	GENERAL FUNDING D-SC-4TH	06/20/88	1,500.00
Disbursement For: GENERAL 1988			

SUBTOTAL of Disbursements This Page.....13,000.00

TOTAL This Period (last page this line number only).....:

30040712970

LIZ PATTERSON
for Congress

06C1159
RECORDED
FEDERAL ELECTION COMMISSION
MAIL ROOM

88 NOV 23 AM 9:49

November 21, 1988

Federal Election Commission
Washington, DC 20463
Attn: Sandra Robinson

Re: MUR 2777
Liz Patterson for Congress 1988 and
Lawrence E. Flynn, Jr. as Treasurer

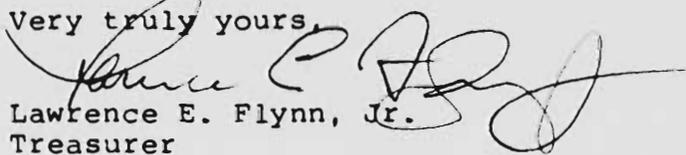
88 NOV 23 PM 1:45

Dear Ms. Robinson:

On November 21, 1988, we received copies of the Complaint in the above captioned matter. As we understand it, we have fifteen (15) days from today's date to submit a response. By our calculation the response will be due on December 6, 1988, and we anticipate that our response will be timely filed.

We look forward to a speedy resolution of this matter.

Very truly yours,


Lawrence E. Flynn, Jr.
Treasurer

LEF/sh

890407/2974

P. O. Box 1403
Greenville, S. C. 29602
803-235-1770

P. O. Box 1219
Union, S. C. 29379

P. O. Box 5564
Spartanburg, S. C. 29304
803-591-1051

OGC# 1188

RECEIVED

WYCHE, BURGESS, FREEMAN & PARHAM, FEDERAL ELECTION COMMISSION

ATTORNEYS AT LAW

44 EAST CAMPERDOWN WAY

POST OFFICE BOX 10207

GREENVILLE, SOUTH CAROLINA 29603

88 NOV 28 AM 11:02

C. GRANVILLE WYCHE
1890-1988

TELECOPIER 803-235-8900

TELEPHONE 803-242-3131

ALFRED F. BURGESS
C. THOMAS WYCHE
DAVID L. FREEMAN
JAMES C. PARHAM, JR.
JAMES M. SHOEMAKER, JR.
WILLIAM W. KEHL
CHARLES W. WOFFORD
LARRY D. ESTRIDGE
D. ALLEN GRUMBINE
CARY H. HALL, JR.
CARL F. MULLEN
HENRY L. PARR, JR.
BRADFORD W. WYCHE
ERIC B. AMSTUTZ
FRANK S. HOLLEMAN III
MARSHALL WINN
WALLACE K. LIGHTSEY

November 23, 1988

General Counsel
Federal Election Commission
Attn: Sandra Robinson
Washington, D. C. 20463

Re: MUR 2777
Frank S. Holleman, III

Dear Ms. Robinson:

This letter is in response to yours of November 16, 1988. As I demonstrate below, there is no basis for taking any action against me in this matter, and, furthermore, I do not believe the complainant intended to make any allegation against me.

1. The complaint itself makes no claim against me. In the first paragraph of the complaint, the complainant states that the complaint is made against Elizabeth J. Patterson, Liz Patterson for Congress '86, Liz Patterson for Congress '88, and The Palmetto Bank. Further, in the prayer for relief, the complainant seeks no relief as to me, but rather only as to Mrs. Patterson and the committees. Therefore, I do not believe that this complaint makes any claim that I may have violated the Federal Election Campaign Act of 1971.

2. In addition, the only mention of me in the complaint is at page 11, where the complaint references a \$20 contribution I made. According to the complaint, the contributions listed therein were designated as "primary" contributions by the 1988 campaign. Of course, I had no role whatsoever in filling out the FEC form for the 1988 campaign and therefore had no role whatsoever in designating the contributions as primary contributions or general election contributions. Therefore, if any clerical error was made in categorizing the contribution, I certainly did not make it.

3704071075

NOV 23 11:21

Federal Election Commission

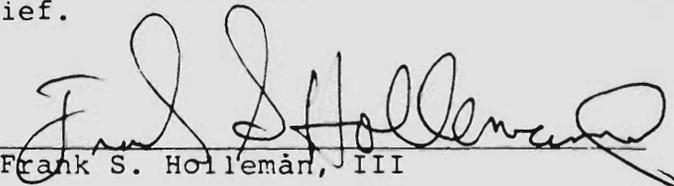
November 23, 1988

Page Two

3. Of course, it would be extremely unlikely that categorization of my small \$20 contribution would have any effect on the \$1,000 contribution limitation referred to in the complaint. For your information, however, I have reviewed my bank records, and they indicate that, including the referenced \$20 contribution, all my contributions following June 14, 1988, total \$440. Thus, even including the referenced \$20 contribution, I did not come close to exceeding the \$1,000 limitation for general election contributions referred to in the complaint.

For these reasons, I believe that this matter should be ended as to me with the Commission finding that I have committed no violation of the Act and that the complaint made no such claim against me.

I swear that the facts set forth above are true to the best of my knowledge, information, and belief.


Frank S. Hollemar, III

SWORN to before me this

23rd day of November, 1988.

 (LS)
Notary Public for South Carolina

My Commission Expires: 3-26-91

30040712976



Martin
Olav
Sabo

For Congress Volunteer Committee

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

88 NOV 29 AM 10:52

06CH1199

November 23, 1988

Lawrence M. Noble, General Counsel
Office of the General Counsel
Federal Election Commission
Washington, DC 20463

RE: MUR 2777

88 NOV 29 AM 11:14

Dear Mr. Noble:

I received copies of the complaint referred to as MUR 2777 on Saturday, November 19, 1988. In reviewing our records regarding the contribution to Liz Patterson for Congress I made copies of the relevant page of our report to the FEC for activity through the end of June and of the canceled check, both sides.

We made no additional contributions to Liz Patterson for Congress during 1988. If you have any further questions regarding our contribution contact me at 2425 E. Franklin Ave., #301, Minneapolis, MN 55406.

Sincerely,

Doris A. Caranicas

Doris A. Caranicas
Treasurer
Sabo for Congress Volunteer Committee

8 9 0 4 0 7 1 2 9 7 7



SCHEDULE B

ITEMIZED DISBURSEMENTS

Use separate schedule(s) for each category of the Detailed Summary Page

PAGE 3 OF 3
FOR LINE NUMBER 21

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Martin Olav Sabo for Congress Volunteer Committee

3 0 0 4 0 7 1 2 7 8

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Kostmeyer for Congress P.O. Box 1351 Doylestown, PA 18901	Transfer - PA, Dist. 8 Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/20/88	1000.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Liz Patterson for Congress P.O. Box 5564 Spartanburg, SC 29304	Transfer - SC, Dist. 4 Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/20/88	1000.00
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Tim Johnson for South Dakota P.O. Box 88113 Sioux Falls, SD 57101	Transfer - SD, Congress at large Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/20/88	1000.00
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Comm. to Elect Bill Sarpalius for Congress P.O. Box 7926 Amarillo, TX 79114	Transfer - TX, Dist. 13 Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/25/88	500.00
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
McKay for Congress P.O. Box 1988 Ogden, UT 84402	Transfer - UT, Dist. 1 Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/25/88	500.00
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		

SUBTOTAL of Disbursements This Page (optional) 1000.00

TOTAL This Period (last page this line number only) 18500.00

Martin Olav Sabo
For Congress - Volunteers
2425 E. Franklin, No. 301
Minneapolis, Mn 55406

30-JUN-1988 21213662

2425

Pay to the
Order of

Liz Patterson for Congress

\$ 1000⁰⁰

One Thousand Only

Dollars



Norwest Bank Minnesota, N.A.
48th & Chicago Office
4712 Chicago Avenue South
Minneapolis, MN 55479

Don A. Caranicas

Memo

⑆091000019⑆

5366802⑈ 2425

⑆0000100000⑆

3 9 0 4 0 7 1 2 9 7 9

FOR DEPOSIT ONLY



BY ANY BANK PEG 070188
0630089118 PEG 30-JUN-1988 31
18 04 07-01-88 1007 070403120

06-30-88 PALM JY '89 01

PAY ANY BANK PEG
NORWEST BANK MINNAPOLIS, MN
0630089118

0630089118 PEG 053207186

31213662

070403120

06C#1191

FEDERAL ELECTION COMMISSION
MAIL ROOM

STATEMENT OF DESIGNATION OF COUNSEL

NOV 28 AM 11:15

MUR 2777

NAME OF COUNSEL: Jan W. Baran

ADDRESS: Wiley, Rein & Fielding

1776 K Street, N.W.

Washington, D.C. 20006

TELEPHONE: 429-7000

NOV 29 AM 11:21

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

Nov. 23, 1988
Date

Betty Ruth Jackson
Signature

RESPONDENT'S NAME: CSX Transportation, Inc. PAC and

ADDRESS: Betty Ruth Jackson, as treasurer

1331 Pennsylvania Ave., N.W., Suite 560

Washington, D.C. 20004

HOME PHONE: (703) 522-2978

BUSINESS PHONE: (202) 783-8124

3 9 0 4 0 7 2 0 8

060# 1210
RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION
SUITE 1000
88 NOV 29 PM 3:36
1000 VENTURA BOULEVARD
ENCL. 1000
(213) 872-2202

LEONARD A. JASKIEWICZ
CARROLL L. GILLIAM
RONALD N. COBERT
EDWARD J. KILEY
ROBERT L. COPE
CRAIG W. HULVEY
JAMES A. CALDERWOOD
J. PAUL DOUGLAS
JON L. BRUNENKANT
JOSEPH M. ROBERTS
KEVIN M. SWEENEY
SHERMAN DOCTROW*
RICHARD J. BILLIK, JR.*
RICHARD A. DROM*
ANDREW M. DANAS
PETER G. HIRST
GEORGE C. GARIKES*
BRUCE D. ENSOR
J. BRADFORD RAMSAY*

LAW OFFICES
GROVE, JASKIEWICZ, GILLIAM AND COBERT

SUITE 501
1730 M STREET, NORTHWEST
WASHINGTON, D. C. 20036-4579
(202) 296-2900

TELECOPIER (202) 296-1370
TELEX 904089WSH
CABLE "AMERICANLAW"

SUITE 716
7 SOUTH DEARBORN STREET
CHICAGO, ILLINOIS 60603
(312) 372-0972

SUITE 800
400 EAST PRATT STREET
BALTIMORE, MARYLAND 21208
(301) 727-7010

OF COUNSEL
WILLIAM J. GROVE
LAWRENCE E. DUBÉ, JR.
TAX COUNSEL
JAMES K. JEANBLANC

* ADMITTED IN CALIFORNIA ONLY
* ADMITTED IN CALIFORNIA AND MASSACHUSETTS ONLY
* ADMITTED IN ALABAMA ONLY
* ADMITTED IN LOUISIANA ONLY
* ALSO ADMITTED IN ILLINOIS

November 29, 1988

DELIVERY BY MESSENGER

Honorable Lawrence M. Noble
General Counsel
Federal Election Commission
999 E Street, N.W.
Room 657
Washington, D.C.

Re: FEC Matter No. MUR-2777

Dear Sir:

As directed by your letter of November 16, 1988, transmitting to me a Complaint filed with your office by the South Carolina Republican Party ("SCREPA") and SCREPA's Chairman Van D. Hipp, Jr., I herewith file with your office:

(1) Your Form of "Statement of Designation of Counsel" stating that Carroll L. Gilliam of the above firm and address appears pro se as attorney for Respondent Mr. Carroll L. Gilliam; and

(2) The original and six copies of a responsive pleading, which includes a Motion to Dismiss as to Respondent Carroll L. Gilliam, with prejudice to the Complainants; a Motion as to reimbursement of attorney fees and costs; requests for other relief; affidavit; exhibits; and Certificate of Service.

Any further communications concerning this matter should be addressed to Mr. Carroll L. Gilliam, Attorney Pro Se, at the above address.

Very truly yours,

Carroll L. Gilliam

cc: All Persons Listed in Certificate of Service in Pleading by Methods of Service There Shown

1867 / 2090668

08 NOV 30 AM 9:55

STATEMENT OF DESIGNATION OF COUNSEL

PRO SE RECEIVED
FEDERAL ELECTRICITY COMMISSION
ADMINISTRATIVE DIVISION
NOV 29 1988
MR. CARROLL L. GILLIAM

MUR MUR-2779

NAME OF COUNSEL: MR. CARROLL L. GILLIAM

ADDRESS: GROVE, JASKIEWICZ, GILLIAM AND COBERT
1730 M ST NW

WASHINGTON, D.C. 20036

TELEPHONE: 202-296-2900 (OFFICE)
301-652-5450 (HOME)

The above-named individual is hereby designated as my OWN
PRO SE counsel and is authorized to receive any notifications and other
communications from the Commission and to act PRO SE on my behalf before
the Commission.

November 29, 1988
Date

Carroll L. Gilliam
Signature

RESPONDENT'S NAME: MR. CARROLL L. GILLIAM
ADDRESS: GROVE, JASKIEWICZ, GILLIAM, AND
1730 M ST N.W. COBERT

WASHINGTON, D.C. 20036

HOME PHONE: 301-652-5450*

BUSINESS PHONE: 202-296-2900

*No harassment at home, please!

Carroll L. Gilliam

8 2 0 4 0 7 1 6 9 8 2

NOV 30 AM 9:55

ORIGINAL

RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION

88 NOV 29 PH 3: 37

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ELECTION COMMISSION

THE SOUTH CAROLINA REPUBLICAN PARTY)
AND ITS CHAIRMAN, VAN D. HIPPI, JR.,)

Complainants,)

v.)

THE HONORABLE ELIZABETH JOHNSTON)
PATTERSON, MEMBER OF CONGRESS,)
(REPRESENTATIVE FOR THE FOURTH)
CONGRESSIONAL DISTRICT OF THE STATE)
OF SOUTH CAROLINA); THE PALMETTO BANK;)
THE AMERICAN BANKERS ASSOCIATION PAC;)
THE LETTER CARRIERS PAC; DEALERS)
ELECTION ACTION PAC; BANKERS TRUST)
PAC; FOOD MARKETING INSTITUTE PAC; CSI)
TRANSPORTATION PAC; HOESCHT-CELANESE)
PAC; SABO FOR CONGRESS PAC; CARROLL L.)
GILLIAM (LISTED BY COMPLAINANTS ON)
PAGES 2 AND 11 OF COMPLAINT AS)
"CARROLL WILLIAM"); JOHN BATHRIA;)
FRANK HOLLEMAN; AND BRAD WYCHE,)

FEC MATTER MUR-2777

Respondents.)

**MOTION OF RESPONDENT CARROLL L. GILLIAM TO DISMISS AS A
RESPONDENT OR, ALTERNATIVELY, MOTION OF RESPONDENT
CARROLL L. GILLIAM FOR (1) SEVERANCE, (2) ADJUDICATORY
"ON-THE-RECORD" HEARING WITH RIGHTS TO CROSS-EXAMINE
WITNESSES FOR COMPLAINANTS, (3) DENIAL OF RELIEF SOUGHT BY
COMPLAINANTS ON MERITS, AND (4) RELIEF AND SANCTIONS AGAINST
COMPLAINANTS AND IN FAVOR OF RESPONDENTS; AND, IN ANY EVENT,
MOTION FOR ORDER DIRECTING COMPLAINANTS TO REIMBURSE
RESPONDENT CARROLL L. GILLIAM FOR COSTS OF LOST TIME FROM
PRACTICE OF LAW AND ALL OTHER COSTS, OR, ALTERNATIVELY, FOR
SUCH REIMBURSEMENT BY THE UNITED STATES GOVERNMENT
UNDER AUTHORITY OF FEDERAL STATUTES, AND
ANSWER OF RESPONDENT CARROLL L. GILLIAM TO COMPLAINT**

Respondent Carroll L. Gilliam ("Gilliam") pro se, having
been served with a copy of the Complaint filed in this proceeding
by letter dated November 16, 1988, hereby: (1) moves for the
relief against the Complainants set forth in the Title and in the
Conclusion of these Motions and Answer by entry of an Order or

88 NOV 29 7 40 00

88 NOV 30 AM 9:55

FEDERAL ELECTION COMMISSION

Orders by the Federal Election Commission ("FEC") directing and such relief in favor of Gilliam against Complainants South Carolina Republican Party ("SCREPA") and SCREPA's Chairman Van D. Hipp, Jr. ("Hipp"); and (2) submits Gilliam's Answer to the allegations and unfounded charges, misleading and inaccurate statements as to facts, erroneous conclusions of law, and unwarranted prayers for relief set forth in the Complaint, as written, sworn to and filed by Hipp apparently on behalf of both Hipp individually and of SCREPA officially.

In support of such Motions and in full Answer to the Complaint, Gilliam states and submits:

I. STATEMENT OF FACTS

1. Gilliam denies that he is female and states that the addressing of the letter transmitting of the Complainants' charges against "Ms. Carroll L. Gilliam" is not accurate or correct; and, in answer, Gilliam states that Gilliam is male, and, as proof thereof, appends hereto a copy of Gilliam's Birth Certificate issued by the State of South Carolina (Exhibit 1 hereto) and a copy of Gilliam's current Driver's License issued by the State of Maryland (Exhibit 2 hereto); and, in further answer and correction, Gilliam states that if further proof that Gilliam is male is relevant, material, and demanded by SCREPA and Hipp, Gilliam can provide such further proof.^{1/}

^{1/} Apparently, SCREPA and Hipp must have advised FEC to so type and address the erroneous appellation of Respondent Carroll L. Gilliam as "Ms." because the family or surname "Carroll" is Gilliam's first name. If that is so, Gilliam then must assume
(footnote continued)

89040712084

2. Gilliam states that his correct name is Carroll L. Gilliam; denies that his name is "Carroll William;" denies that Gilliam ever is correctly or accurately named or listed in the Complaint by SCREPA and Hipp, wherein Gilliam apparently is twice referred to by them as "Carroll William" (see Complaint, pages 2 and 11).

3. Gilliam assumes that the FEC served a copy of SCREPA's and Hipp's Complaint upon Gilliam only because Mr. Carroll L. Gilliam did, in fact, make certain contributions to the successful 1988 campaign for reelection of the Honorable Elizabeth Johnston Patterson, Member of Congress, Representative for the Fourth Congressional District of the State of South Carolina ("Congresswoman Patterson").

4. Gilliam states that Gilliam was born in Union, South Carolina; and that Union County is one of the counties comprising the Fourth Congressional District of South Carolina.

5. Gilliam states that his late father, D. Few Gilliam, of Union, South Carolina, was an official of the South Carolina Highway Department during administrations of that Department by the late Honorable Olin D. Johnston, who was Congresswoman Patterson's father, a Governor of the State of South Carolina, and later a United States Senator for South Carolina (D.-S.C.) for many years.

(footnote continued from previous page)

that SCREPA and Hipp also address former Representative Carroll Campbell (R.-S.C.), now South Carolina's Governor Carroll Campbell, as "Ms. Carroll Campbell." Gilliam also respectfully refers the addressers and Hipp to the Signers of the Declaration of Independence and to the Signers of the Constitution of the United States where Hipp will find on both documents Signers with the surname "Carroll" for and on behalf of the State of Maryland.

890407/2985

6. Gilliam states that Gilliam is a graduate of the University of South Carolina (A.B., cum laude, 1949; M.A., magna cum laude, 1950); but that Gilliam has not been a legal resident of the State of South Carolina since Gilliam's release in December, 1953, from active duty as an officer in the United States Air Force during the Korean War, and Gilliam's removal shortly thereafter to Washington, D.C., in January, 1954, to enter law school at The National Law Center of The George Washington University, Washington, D.C.

7. Gilliam has owned for some time and currently does now own, and on occasion occupies, a second-home residence in South Carolina, (Mariners II 5-B, Wild Dunes Resort, Isle of Palms, Charleston County, South Carolina); and Gilliam, as a native South Carolinian, continuously has had and has an active interest in political events, political candidates, governmental functioning, taxation, family, relations and friends, property owned, public and social events, The Alumni Association of The University of South Carolina and several other South Carolina societies and organizations in which Gilliam has been, over the years, and still is a member, such as the South Carolina Historical Society, the Preservation Society of Charleston, and the South Carolina Genealogical Society.

8. Gilliam states that Gilliam now is an attorney in the private practice of law and a partner in the law firm of Grove, Jaskiewicz, Gilliam and Cobert, with principal offices at 1730 M Street, N.W., Washington, D.C. 20036; is a legal resident of the State of Maryland; and maintains his primary residence at 4101

8 3 0 4 0 7 1 2 9 8 5

Aspen Street, Chevy Chase, Maryland 20815; and that other facts as to Gilliam are truly and accurately set forth in the copies of the current entries for Gilliam in "Who's Who in America" and "Who's Who in American Law" attached hereto as Exhibit 3.

9. Gilliam states that he is not now and never has been a member of SCREPA; and that in view of the listing of Gilliam in the Complaint filed in this proceeding and of the nature and substance of that Complaint, Gilliam never will be a member of SCREPA and will never vote for any person nominated or endorsed by SCREPA for any public office as long as Hipp is Chairman of SCREPA, which has permitted Hipp, on behalf of SCREPA, to so list Gilliam in such a SCREPA-Hipp Complaint and thereby to impose unnecessary, unwarranted, burdensome, and wholly unjustifiable concern, diversion of time from the practice of law, expenses, efforts, and costs upon an individual in preparing and submitting his "defense" against such a Complaint filed with an official agency of the Government of the United States.

10. Gilliam states that he is not now and never has been either a "PAC" of any kind or a member of or contributor to any "PAC" of any kind; and that Gilliam's contributions to the successful 1988 campaign for reelection by Congresswoman Patterson were from Gilliam's own private, personal funds and bank accounts.

11. Gilliam states that on June 7, 1988, The National Capital Area Chapter of The Alumni Association of The University of South Carolina held a Reception and Dinner "roast" to honor Congresswoman Patterson at the Capitol Hill Club, Washington, D.C.; that during the Reception immediately preceding the Dinner,

8 9 0 4 0 7 1 2 9 8 7

Gilliam had a partially private and primarily social conversation with Congresswoman Patterson, including talk about our late fathers, political and public events in South Carolina during the 1930s, 1940s and 1950s, families and acquaintances, 1988 political campaigns in general, high costs of TV advertising, the availability of a biography of her late father, Senator Olin D. Johnston, and a planned fall trip by my wife and me to our residence on the Isle of Palms, South Carolina, on or about the date of the national general election.

12. Gilliam states that near the end of that conversation on June 7, 1988, Gilliam made an unsolicited commitment to send a modest, personal contribution to Congresswoman Patterson's campaign for reelection; and that our conversation ended just before the Dinner commenced, during which Congresswoman Patterson was honored and praised by Senator Strom Thurmond (R.-S.C.) and Representative H. Martin Lancaster (R.-N.C.). See Exhibit 4 hereto (copy of Program of June 7, 1988, U.S.C. "Roast."

13. Gilliam states that on June 15, 1988, Gilliam made the contribution promised on June 7, 1988, to the successful campaign of Congresswoman Patterson, by mailing to her Washington, D.C., Capitol Hill offices, a check in the amount of \$500 dated June 15, 1988, drawn on Gilliam's personal checking account at The Madison National Bank, Washington, D.C. (see Exhibit 5 hereto); and that by letter dated July 8, 1988, Congresswoman Patterson acknowledged receipt of, and expressed appreciation for, this contribution (see Exhibit 6 hereto).

8 9 0 4 0 7 7 2 9 9 8

14. Gilliam states that on August 3, 1988, Gilliam made a contribution in the amount of \$500 to the successful campaign of Congresswoman Patterson by check drawn on Gilliam's personal account with Dreyfus Liquid Assets, Inc. (administered by the Bank of New York); that to the best of his recollection, this contribution was mailed to Congresswoman Patterson's Washington, D.C., Capitol Hill offices under cover of only a stapled, handwritten note, as this contribution was made on the eve of Gilliam's departure from Washington, D.C., to attend the American Bar Association's Annual Meeting in August, 1988, at Toronto, Canada (see Exhibit 7).

15. Gilliam states that later he received by mail an invitation to a Reception in honor of Congresswoman Patterson to be held on September 7, 1988, at The National Democratic Club, Washington, D.C., at which invitees were requested to make a \$500 contribution (see Exhibit 8); and states that he turned down the invitation as he was unable to attend because of a then-expected scheduling conflict.

16. Gilliam states that because of his inability to attend that Reception, he mailed a contribution to the successful campaign of Congresswoman Patterson for reelection on September 16, 1988, addressed to her Washington, D.C., Capitol Hill offices; and that such contribution, in the amount of \$300, was made by check dated September 16, 1988, drawn upon Gilliam's personal bank account at the Madison National Bank, Washington, D.C. (see Exhibit 9).

17. Gilliam states that by letters dated October 10, 1988, October 14, 1988, and November 3, 1988, Congresswoman Patterson acknowledged receipt of the latter two contributions and expressed her appreciation (see Exhibits 10, 11 and 12).

18. Gilliam states, with reference to the specific statements, allegations, charges and prayers for relief in the Complaint filed with the FEC by SCREPA and Hipp which Gilliam received ^{2/}; that:

A. Gilliam is not now and never has been a member of, or had or has any duties or functions for, any of the Committees listed and described on page one of the Complaint; does not now and never has had any responsibility for reporting by any such Committee (including the filing of any and all Federal, State or Local reports that may be required by statutes or regulations); Gilliam denies any and all knowledge of the same; and Gilliam further states that the allegations of SCREPA and Hipp neither demonstrate nor show any correct, accurate, or probative direct relevance, materiality, or evidentiary value as to Gilliam, any of Gilliam's responsibilities as to or for any such reports or reporting, as to Gilliam's contributions in

^{2/} Apparently, one version of the Complaint was signed and sworn to by Hipp on October 24, 1988, and still another was signed and sworn to by Hipp on October 31, 1988 (???). The FEC General Counsel's letter dated November 16, 1988, mailed to this Respondent has appended thereto only: (1) the last page of an October 31, 1988, Complaint filed by SCREPA and Hipp; and (2) a letter (Complaint?) addressed to the General Counsel of the FEC dated October 24, 1988, on the letterhead of SCREPA, signed and sworn to by Hipp before a Notary Public on October 24, 1988, and consisting of twelve double-spaced pages, with attached "exhibits."

1988 to Congresswoman Patterson's successful campaign for reelection, or as to any alleged "duties" of Gilliam, as to "Reports" or otherwise.

B. Gilliam denies that he has performed, or participated in performance of any acts, reporting, filings or any other actions of any kind whatsoever that were, have been or are violative of any of the Federal statutes and/or regulations cited, discussed and relied upon by Complainants SCREPA and Hipp or any statutes or regulations otherwise applicable to Federal campaigns and elections of members of The Congress of the United States.

C. Gilliam calls the specific attention of the FEC to the facts that:

(1) nowhere in their Complaint do SCREPA and/or Hipp directly, and, with any claim of proof whatsoever, assert, allege, claim, conclude or otherwise state that Gilliam has, in any way whatsoever, so violated any such statutes or regulations (see the entirety of the Complaint, pages 1 through 12, and each page of each of the exhibits to the Complaint filed by SCREPA and Hipp).

(2) SCREPA and Hipp do not allege any violations by Gilliam; do not seek any action as to Gilliam nor order by the FEC against Gilliam whatsoever, by "investigation," "fines," injunctive-type order, or whatever (see "IV. Conclusion," pages 11 and 12, and "V. Prayer for Relief," page 12; BUT,

8 9 0 4 0 7 7 2 9 7 1

(3) Because of their poorly-drawn, rambling, obtuse and ambiguous Complaint, SCREPA and/or Hipp have, nevertheless, willfully imposed upon Gilliam the burden, expense, loss of time from private practice of law, and costs of filing responsive motions and an Answer to such a Complaint filed by SCREPA and Hipp.

D. Gilliam admits only:

(1) that he knows and is acquainted with Congresswoman Patterson, and, as shown and precisely stated supra, he made contributions in 1988 to her successful 1988 campaign for reelection;

(2) that he had heard of a Palmetto Bank, but that until his reading of the SCREPA-Hipp Complaint, he was not aware of, and had no knowledge of that bank's location, officers, stockholders, or of any of its transactions or alleged transactions whatsoever; and,

(3) that he had heard of, and has been aware of the existence of, the American Bankers Association, a "Letter Carriers" Union, the Food Marketing Institute, a Bankers Trust, and Hoescht-Celanese.

E. Gilliam denies:

(1) that he had and now has any other knowledge whatsoever as to any "PAC," political activities, contributions, transactions, loans, or any other activities of any of the entities listed

8 0 0 4 0 7 / 2 9 9 2

supra, or of any other organizations, Committees, corporations, "PACs," or other individuals named or listed by SCREPA and Hipp in their Complaint.

(2) that until reading the SCREPA-Hipp Complaint, he knew of or had any knowledge, of any other organizations, individuals, contributions, loans, transactions, or other activities described in any of the allegations set forth on pages 1 through 12 of the SCREPA-Hipp Complaint and/or any of the exhibits thereto.

3 3 0 4 0 7 / 2 9 9 3
F. Gilliam, therefore, as to Gilliam, for lack of knowledge, therefore necessarily must deny each and every other allegation, statement, claim, charge, or conclusion, whatsoever, set forth in the Complaint of SCREPA and Hipp; and, as to the "exhibits" to the Complaint submitted by SCREPA and Hipp, Gilliam denies that he had ever seen or heard of any of them before seeing them (some of which are illegible copies of documents) attached as exhibits to the SCREPA-Hipp Complaint.

II. ANSWER

1. Except as specifically admitted supra, by Gilliam, Gilliam, for lack of knowledge, information, and belief, therefore, must deny and does deny each and every allegation and any knowledge of any and of the "facts" alleged by SCREPA and Hipp in their Complaint.

2. Gilliam further denies that he has engaged in, is engaged in, or is about to engage in any act of any kind whatsoever that was, has been, is, or will be violative of any Federal statute or regulation applicable to federal campaigns and elections of the Members of The Congress of The United States, and again points out that SCREPA and Hipp, in fact, do not allege, claim, or so conclude anywhere in their irresponsible, poorly-drawn and unfounded Complaint and exhibits as to Respondent Carroll L. Gilliam.

3. Complainants SCREPA and Hipp have failed to and do not state or even assert or claim any legitimate "cause of action" against Gilliam, a violation of anything by Gilliam, or even seek from FEC any relief whatsoever as to Gilliam (see Complaint, pages 1 through 12).

III. MOTION TO DISMISS

For the foregoing reasons, Gilliam hereby respectfully moves the FEC to enter and issue an Order, forthwith and immediately, dismissing Gilliam as a Respondent in this proceeding, with prejudice to the Complainants SCREPA and Hipp.

IV. ALTERNATIVE MOTION

In the event such Order of dismissal with prejudice to the Complainants SCREPA and Hipp is not entered and issued forthwith, Gilliam respectfully moves, in the alternative, for:

1. Severance of any further proceedings as to Gilliam from any and all further proceedings, if any, as to each of and all the

4
9
9
7
7
4
0
0
4
0
0
4

other Respondents listed or named by SCREPA and Hipp in their Complaint.

2. Thereafter, the initiation by FEC of a formal adjudicatory on-the record hearing in accordance with the procedures for such adjudicatory hearings prescribed by the Administrative Procedure Act of 1946, as amended (60 Stat. 237 (1946), et seq., and 5 U.S.C. §§ 551, et seq.), with full rights to be accorded to Gilliam to (1) cross-examine witnesses that must be produced and presented by SCREPA and Hipp (who, as the Complainants, have the burdens of going forward, of persuasion and of ultimate proof), (2) to call and/or subpoena witnesses, (3) to obtain subpoenae duces tecum, (4) to discovery (including, without limitation, discovery as to all 1988 PAC contributions to SCREPA, and candidates nominated, endorsed, or supported by SCREPA), and (5) to have such adjudicatory hearing at the FEC offices in Washington, D.C., the forum conveniens for Respondent Gilliam and for FEC.

3. Thereafter, the scheduling of opportunity for submission of proposed findings of fact and conclusions of law and of briefs on the merits.

4. Thereafter, a decision by FEC on the substantive merits in favor of Gilliam and against SCREPA and Hipp.

5. Thereafter, referral by FEC to the Department of Justice, for further investigation by it of any matter, document, statement, allegation, or assertion from which it may appear that SCREPA and Hipp may have submitted false, misleading, or otherwise unlawful statements, allegations, charges, data, or information in

870407 / 2995

such an FEC proceeding, in possible violation of any applicable provisions and sections of Title 18 of the United States Code.

6. Thereafter, the granting by FEC of any and all relief herein sought by Gilliam and the denial, as to Gilliam, of any and all relief sought by SCREPA and Hipp as to Gilliam, with prejudice to SCREPA and Hipp.

7. Thereafter, an Order providing for complete, full, and final termination of this proceeding as to Gilliam.

V. MOTION FOR REIMBURSEMENT OF ATTORNEY'S COSTS, EXPENSES AND ALL OTHER COSTS AND FOR SANCTIONS

In any event, Gilliam hereby respectfully moves the FEC to enter an Order or Orders directing SCREPA and Hipp to pay to Gilliam, within fourteen (14) days after submission of Gilliam's Bill of Costs, reimbursement to Gilliam of and for:

1. Lost time, at Gilliam's highest per diem fee rate, from the private practice of law resulting from their naming of Gilliam in their Complaint, service of the Complaint upon Gilliam, and resultant requirements imposed upon Gilliam to review the Complaint, facts, statutes, regulations, and Complainants' allegations, and to prepare and file an answer, pleadings, and otherwise participate in this proceeding.

2. All out-of-pocket costs, including, without limitation, costs of reproduction, postage, secretarial expenses, etc.

3. As sanctions against SCREPA and Hipp for so drawing and filing such a poorly written and ambiguous Complaint, so imposing such burdens upon a private individual (who was and is merely a

8 3 0 4 0 7 / 2 9 9 0

personal contributor of modest personal funds to a political campaign) and so compelling such an individual to so expend time and money here participating, entry of an Order by the FEC directing payment by SCREPA and/or Hipp to Gilliam of \$100,000.

4. Alternatively, in the event the FEC does not so order the reimbursement to Gilliam set out in subparagraphs 1 and 2 immediately supra, reimbursement to Gilliam from the funds of the Government of the United States under the Equal Access to Justice Act or any other statute, Executive Order or regulation empowering FEC to so order such reimbursement.

VI. CONCLUSION

Having fully answered SCREPA and Hipp on the merits, Respondent Gilliam respectfully moves for:

1. Dismissal with prejudice against SCREPA and Hipp on the terms and conditions set forth supra; or,

2. In the alternative, and only if such immediate and forthwith dismissal is not ordered, the alternative relief stated in the alternative Motion, supra; and,

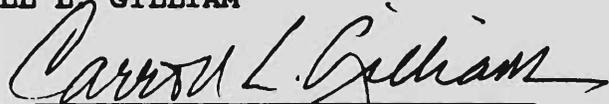
3. In any event, reimbursements and payments to Gilliam as set forth supra, and termination of this proceeding as to Respon-

8 2 0 4 0 7 / 1 9 9 7

dent Carroll L. Gilliam with prejudice against Complainants SCREPA and Hipp.

Respectfully submitted,

CARROLL L. GILLIAM

By: 

Carroll L. Gilliam
Attorney, Pro Se
Grove, Jaskiewicz, Gilliam
and Cobert
1730 M Street, N.W.
Suite 501
Washington, D.C. 20036
(D.C. Bar No. 4945)

Dated at
Washington, D.C.
November 29, 1988

Attachments

Affidavit
Exhibits 1 through 11
Certificate of Service

8 9 0 4 0 7 / 2 9 9 8

99040772999

EXHIBIT 1
Birth Certificate

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
Division of Vital Records - Columbia, S.C.

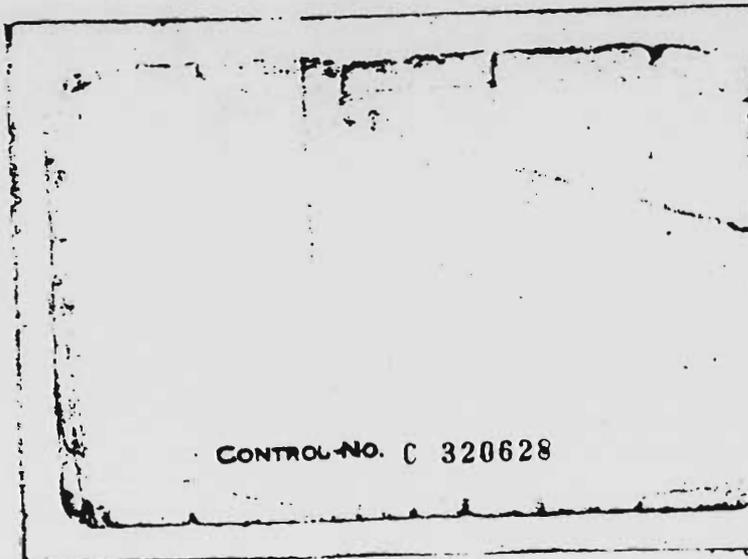
DATE ISSUED	BIRTH NO.
Jan 29 1979	138- 29-027275
CARROLL	
BIRTH DATE	BIRTH PLACE-COUNTY
Sep 25 1929	Union
Oct 10 1929	

This is a true certification of name and birth facts recorded in this office.

Albert J. Rowland, M.D. REGISTER AND STATE REGISTRAR

Max L. Poter DEPUTY REGISTRAR

Union COUNTY



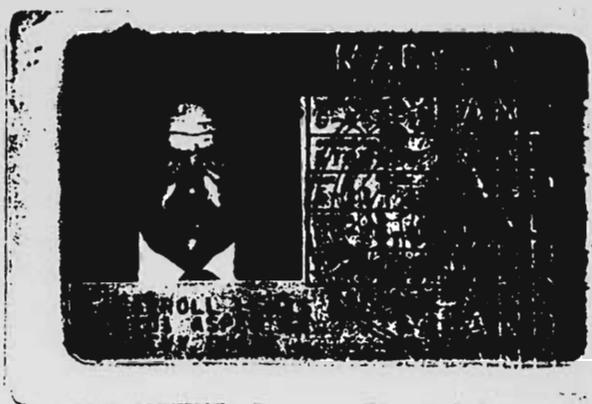
8904071000

3 7 0 4 0 7 / 0 0 0 1

EXHIBIT 2
Driver's License

97040710002

①



Maryland Department of Transportation
MOTOR VEHICLE ADMINISTRATION
 6591 FITCHE HERRICK, N.E.
 GLEN BURNE, MARYLAND 21738

<p>LICENSE CLASS CODES</p> <ul style="list-style-type: none"> A—All vehicles except motorcycles. B—Buses & combination vehicles with GVW over 26,000 lbs. except combination Class F (tractor) & Class G (trailer) & motorcycles. C—All other vehicles under Class D (truck). D—All vehicles & combination vehicles except those under Class A-B-C & E. E—Motorcycle. <p>SPECIAL CODES</p> <ul style="list-style-type: none"> 1—Hearing Impairment 2—Vision Impairment 3—Blindness & Speech Impairment 	<p>RESTRICTION CODES</p> <ul style="list-style-type: none"> 1—Glasses or Contact Lenses 2—Outside Rear View Mirror 3—Valid in Maryland Only 4—Automatic Transmission 5—Directional Signal 6—Daylight Driving Only 7—Limited to Certain Vehicles Only 8—Class Restriction Code 9—Other (See Restriction Code) 0—Alcohol <p style="text-align: right;"><i>Mark H. ...</i> Mark H. ... Motor Vehicle Administration</p>
--	---

R 9 0 4 0 7 / 0 0 0 0

EXHIBIT 3

**Who's Who in America and
Who's Who in American Law Entries**

8 9 0 4 0 7 / 3 0 0 4

GILLIAM, CARROLL LEWIS, lawyer; b. Union, S.C., Sept. 25, 1929; s. D. Few and Cynthia Carolyn (Stone) G.; m. Margaret Clark Eagan, May 7, 1960; 1 dau., Cynthia Clark. A.B. cum laude, U. S.C., 1949, M.A. magna cum laude, 1950; J.D. with highest honors, George Washington U., 1957. Bar: D.C. 1957. Practice law Washington, 1957—; partner Grove, Jaskiewicz, Gilliam & Cobert, 1964—; mem. adv. com. on revision of rules Fed. Energy Regulatory Comm., 1978-81; mem. U.S. Dept. Edn. Appeal Bd., 1976-82. Served with USAF, 1950-53. Recipient Benulfort Watts Ball award U. S.C., 1949; John Bell Larner award George Washington U., 1957. Mem. Fed. Power Bar Assn. (pres. 1975-76), Am. Bar Assn. (com. on specialization 1987—, chmn. natural resources law sect. 1977-78 and chmn. standing com. environ. law 1978-80, ho. of delis. 1980-87, council adminstr. law sect. 1974-75), D.C. Bar Assn., Blue Key, Phi Beta Kappa, Delta Theta Phi, Order of the Coif. Democrat. Episcopalian Clubs: University (Washington); Wild Dunes Country (Isles of Palms, S.C.); Causeway (Southwest Harbor, Maine). Home: 4101 Aspen St Chevy Chase MD 20015 Office: 1730 M St NW Washington DC 20036

GILLIAM, CARROLL LEWIS, lawyer; b. Union, S.C., Sept. 25, 1929; s. D. Few and Cynthia Carolyn (Stone) G.; m. Margaret Clark Eagan, May 7, 1960; 1 dau., Cynthia Clark. A.B. cum laude, U. S.C., 1949, M.A. magna cum laude, 1950; J.D. with highest honors, George Washington U., 1957. Bar: D.C. 1957. Practice law Washington, 1957—; partner Grove, Jaskiewicz, Gilliam & Cobert, 1964—; mem. adv. com. on revision of rules Fed. Energy Regulatory Comm., 1978-81; mem. U.S. Dept. Edn. Appeal Bd., 1976-82. Served with USAF, 1950-53. Recipient Benulfort Watts Ball award U. S.C., 1949; John Bell Larner award George Washington U., 1957. Mem. Fed. Power Bar Assn. (pres. 1975-76), Am. Bar Assn. (chmn. natural resources law sect. 1977-78, chmn. standing com. environ. law 1978-80, ho. of delis. 1980—, council adminstr. law sect. 1974-75), D.C. Bar Assn., Blue Key, Phi Beta Kappa, Delta Theta Phi, Order of the Coif. Democrat. Episcopalian Clubs: University (Washington); Beach and Racquet (Isles of Palms, S.C.). Administrative and regulatory, FERC practice. Home: 4101 Aspen St Chevy Chase MD 20015 Office: 1730 M St NW Washington DC 20036

890407 / 3009

EXHIBIT 4

Program of June 7, 1988, Roast

①

②

*University of South Carolina
Alumni National Capital Area*



Roast
of
The Honorable Liz Patterson
United States
House of Representatives

Tuesday Evening
June 7, 1988

The Capitol Hill Club
Washington, D.C.

890407130006

PROGRAM ^②

WELCOME *William D. Wilson*
President Emeritus

RECOGNITIONS *Divver Martin*
President

MESSAGE *from Dr. James Holderman*
President USC
Brought by Stephen Beckham

invocation *Reverend William M. Shand, III*

DINNER

ROAST

Roastmaster *William D. Wilson*

Roasters *The Honorable Strom Thurmond*
United States Senate

The Honorable H. Martin Lancaster
United States House of Representatives

RESPONSE *The Honorable Liz Patterson*

CLOSING REMARKS *Trez Lee*

ALMA MATER

3 2 0 4 0 7 / 3 0 0 7

OUR CORPORATE SPONSORS

South Carolina Bankers Association

Hoechst Celanese Corporation

Fluor Corporation

Michelin Corporation

Chem Nuclear Systems, Inc.

Rockwell International

Lockheed Corporation

Georgia-Pacific Corporation

Flowers courtesy of Paul's Wholesale

Florist, Inc.

Washington, D.C.

...

Alma Mater

We hail thee, Carolina
And sing thy high praise
With loyal devotion
Remembering the days
When proudly we sought thee
Thy children to be
Here's a health, Carolina
Forever to thee.

3 9 0 4 0 7 / 0 0 0 9

EXHIBIT 5

**Evidence of June 15, 1988, Contribution
to Congresswoman Patterson's Campaign**

CARROLL L. GILLIAM

802

PAID

15 June 1988

000210094

15-125
540 01

PAY TO THE
ORDER OF

Campaign Committee - Patterson for Congress (S.C. 4th) \$ 500.00

Five hundred & 00/100

DOLLARS

Madison

NATIONAL BANK
WASHINGTON, D. C.

U.S. House 9 Reps -
4th Dist S.C.

MEMO

1988 Campaign -

Carroll L. Gilliam

⑆054001259⑆

⑆339⑆⑆710⑆⑆6⑆

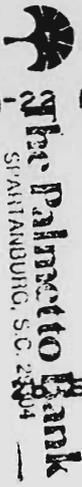
0802

⑆0000050000⑆

89040773010

8 9 0 4 0 7 1 0 0 1 1

FOR DEPOSIT ONLY



PEG SCNB 28-JUN-1988 26

7-27 PAYSONY BANK N.E. 7-27
06-24-88 004 02 004 004 2600 2600
06413591

06-28-88 PALMETTO BANK LAURENS SC

0628065092 PEG 053201186

061705628

42 41701878

2022
15038

3 9 0 4 0 7 7 3 0 1 2

EXHIBIT 6

**Acknowledgment of Receipt of Contribution
from Congresswoman Patterson**



HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

LIZ J. PATTERSON
FOURTH DISTRICT
SOUTH CAROLINA

July 8, 1988

Carroll L. Gilliam
Grove, Jaskiewicz, Gilliam & Cobert
1730 M Street, NW #501
Washington, D.C. 20036

Dear Carroll:

Thank you for your generous contribution to my re-election campaign. Political campaigns are enormously expensive and only with good friends like you is it possible to run for the United States Congress.

Again, my sincere thanks for your support. If I may be of service to you, please do not hesitate to contact me.

Cordially,

Elizabeth J. Patterson
Member of Congress

EJP/kgd

3
1
3
7
7
4
0
4
0
7
3

890407 / 0014

EXHIBIT 7

**Evidence of August 3, 1988, Contribution
to Congresswoman Patterson's Campaign**

89040773015

MICR DATA SYSTEMS NEW YORK NY



The Dreyfus Family of Funds

30 AUG 1988 22604057

DREYFUS LIQUID ASSETS, INC.

34

THE BANK OF NEW YORK WHITE PLAINS, NEW YORK

50-235/219

DATE 3 August 1988

PAY TO THE ORDER OF Liz Patterson for Congress

\$500⁰⁰

Five hundred & 00/100

DOLLARS

MINIMUM OF \$500

CARROLL L GILLIAM
1730 M ST N W SUITE 501
WASHINGTON D C 20036

Carroll L Gilliam

Political Contribution - PERSONAL

⑆021902352⑆0039⑆013063250⑆0034⑆0000050000⑆

3 9 0 4 0 7 7 3 0 1 6

FOR DEPOSIT ONLY
117 N. ...

SE '83' 01
FRB NY
JERICO OFFICE
BAYBANK INC
0214-0950-9

SE 01
[REDACTED]

SE '88' 01
PAID
THE BANK OF
NEW YORK
HARRISON, NY

PALMETTO BANK

0532011066

222504657

LAURENS, SC 089118

08/20/88
212030398

000116020

[Faint mirrored text at the bottom of the page]

890407 / 3017

EXHIBIT 8

**Invitation to September 7, 1988, Reception
for Congresswoman Patterson**

8 9 0 4 0 7 7 3 0 1 8



**Liz
Patterson**

Congresswoman Liz Patterson

Fourth District of South Carolina

Banking, Finance and Urban Affairs

Veterans' Affairs

Select Committee on Hunger

9 3 0 4 0 7 7 3 0 1 9

You are invited to attend

A Reception in Honor of

Congresswoman Liz Patterson

Wednesday, September 7, 1988

5:30 - 7:30 p.m.

R.S.V.P. card enclosed

No. 511
sent ck-

National Democratic Club

30 Ivy Street, S.E.

Washington, D.C.

\$500 Contribution

EXHIBIT 9

Evidence of September 16, 1988, Contribution
to Congresswoman Patterson's Campaign

8 7 0 4 0 7 7 0 2 0

CARROLL L. GILLIAM

927

PAID 092988 000340012

16 Sep 88

15-125-01
540

PAY TO THE
ORDER OF

Congresswoman Elizabeth H. Johnson for Congress Committee \$300.00

Three hundred & 00/100

DOLLARS

Madison NATIONAL BANK
WASHINGTON, D. C.

MEMO *Contrib. Gen. Elect. Camp 1988*

Carroll L. Gilliam

⑆054001259⑆ ⑆339⑆710⑆6⑆ 0927

⑆0000030000⑆

870407/3021

390407 / 3023

EXHIBIT 10

**Acknowledgment of Receipt of Contribution
from Congresswoman Patterson**

LIZ PATTERSON
for Congress

October 10, 1988

Carroll L. Gilliam, Esquire
Grove, Jaskiewicz, Gilliam and Cobert
1730 M Street, N.W., Suite 501
Washington, D.C. 20036-4579

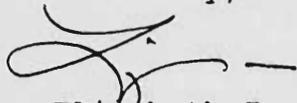
Dear Carroll:

I received your nice note and the contribution for our campaign. We are pleased with how the campaign is going, but know that there is much more to do before the polls close.

I hope that you and your wife will be able to hear the results of our election on the Charleston television station. We hope that our results will be reported early so that our friends will know if their support and help paid off.

Again, thank you for your help.

Cordially,



Elizabeth J. Patterson

EJP:msw

89040710024

390407/0025

EXHIBIT 11

**Acknowledgment of Receipt of Contribution
from Congresswoman Patterson**

LIZ PATTERSON
for Congress

October 14, 1988

Carroll L. Gilliam
#501, 1730 M. Street, NW
Washington, DC 20036-4579

Dear Carroll:

Thank you for your generous contribution to my re-election campaign. Political campaigns are enormously expensive and only with good friends like you is it possible to run for the United States Congress.

Again, my sincere thanks for your support. If I may be of service to you, please do not hesitate to contact me.

Cordially,



Elizabeth J. Patterson
Member of Congress

EJP:bp

a formal thank you.

890407 / 3026

89040715027

EXHIBIT 12

**Acknowledgment of Receipt of Contribution
from Congresswoman Patterson**

M

LIZ PATTERSON
for Congress

November 3, 1988

Mr. Carroll L. Gilliam
1730 M Street, N.W. #501
Washington, D.C. 20036

Dear Carroll:

Thank you for your generous contribution to my re-election campaign. Political campaigns are enormously expensive and only with good friends like you is it possible to run for the United States Congress.

Again, my sincere thanks for your support. If I may be of service to you, please do not hesitate to contact me.

Cordially,

Liz -

Elizabeth J. Patterson
Member of Congress

EJP/kgd

8
2
0
3
7
4
0
9

Subscribed and sworn to before me, a notary public, this 29th day
of November, 1988.

Notary Public

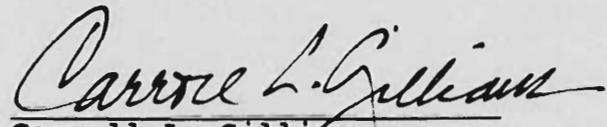
My Commission expires: _____.

890407/3029

DISTRICT OF COLUMBIA)
WASHINGTON)

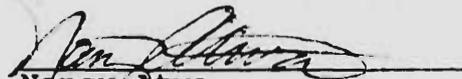
AFFIDAVIT OF CARROLL L. GILLIAM

Carroll L. Gilliam, being first sworn, on oath deposes and says that he caused the foregoing document to be prepared, and that the statements contained therein are true and correct to the best of his knowledge, information and belief, and that he is authorized to make the same to the Federal Election Commission.


Carroll L. Gilliam
Attorney Pro Se

My Commission Expires:

Subscribed and sworn to before me, a notary public, this 29th day of November, 1988.


Nancy Atwa
Notary Public

My Commission expires: My Commission Expires on May 14, 1989.

37040713030

CERTIFICATE OF SERVICE

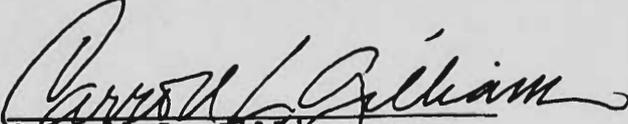
This is to certify that I have this day served a copy of the foregoing document upon the following by the methods shown:

- | | | |
|-----|--|-------------------------------|
| 1. | Federal Election Commission
Lawrence M. Noble, General Counsel
Lois G. Lerner, Associate General Counsel
Sandra Robinson
Federal Election Commission
999 E Street, N.W., Room 657
Washington, D.C. | Messenger
Delivery |
| 2. | South Carolina Republican Party
Van D. Hipp, Jr.
Chairman, South Carolina Republican Party
616 Harden Street
P.O. Box 5247
Columbia, SC 29250 | Regular United
States Mail |
| 3. | Complainant Van D. Hipp, Jr.
Chairman, South Carolina Republican Party
616 Harden Street
P.O. Box 5247
Columbia, SC 29250 | Regular United
States Mail |
| 4. | Respondents: | |
| (1) | Hon. Elizabeth Johnston Patterson
Member, House of Representatives of
the United States for the Fourth
Congressional District of South Carolina
1641 Longworth House Office Building
Washington, D.C. 20515 | Messenger
Delivery |
| (2) | Liz Patterson for Congress '86
Liz Patterson for Congress '88
P.O. Box 5564
Spartanburg, SC 29304 | Regular United
States Mail |
| (3) | Palmetto Bank
P.O. Box 49
Laurens, SC 29360 | Regular United
States Mail |

I hereby further certify that I have not made service upon other Respondent named in Complainants' Complaint because

8 2 0 4 0 7 / 3 0 3 1

Complainants have not provided names or addresses for such service.


Carroll L. Gilliam
Attorney Pro Se

November 29, 1988

8 9 0 4 0 7 / 3 0 3 2

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

AMERICAN
BANKERS
ASSOCIATION

1120 Connecticut Avenue, N.W.
Washington, D.C.
20036

GENERAL COUNSEL

John J. Gill
202/663-5026

88 DEC -1 AM 11:25

88 DEC -1 PM 1:04

November 28, 1988

Mr. Lawrence M. Noble
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Mr. Noble:

RE: MUR 2777

This is in response to a complaint filed by the Republican Party of South Carolina concerning contributions by the American Bankers Association BankPac to the Patterson for Congress '88 Committee.

I. Primary Contribution

ABA BankPac made and reported a \$5,000 1988 primary contribution on July 7, 1987 (Enclosure 1) to the Patterson for Congress Committee. The Patterson Committee reported receipt of this contribution July 13, 1987 (Enclosure 2).

II. General Contribution

ABA BankPac made and reported a \$5000 1988 general election contribution to the Patterson Committee on March 4, 1988 (Enclosure 3). In addition, this was clearly designated as a general election contribution on the "For" section of the check (Enclosure 4). The Patterson Committee incorrectly reported this contribution as a 1988 primary contribution (Enclosure 5).

The discussion above and the enclosed documents make it clear that ABA BankPac has not made an improper contribution.

88040710035



SHEET NO. 2

I hope this information is helpful to you in resolving this matter. Should you have any questions, feel free to contact me.

Sincerely,

John S. Gill

Enclosures

89040710035

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2777

NAME OF COUNSEL: John J. Gill
ADDRESS: American Bankers Association
1120 Connecticut Ave, N.W.
Washington, D.C. 20036

TELEPHONE: (202) 663-5026

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

11/28/88
Date


Signature

RESPONDENT'S NAME: Brian M. Meyer

ADDRESS: American Bankers Association BankPac
1120 Connecticut Avenue, N.W.
Washington, D.C. 20036

HOME PHONE: 301-774-0529

BUSINESS PHONE: 202-663-5114

3 9 0 4 0 7 1 0 0 3 5

AMERICAN

ITEMIZED DISBURSEMENTS

Any information covered from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full)			
AMERICAN SAILOR ASSOCIATION - BANKPAC			
A. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
SAN COAST FOR CONGRESS P.O. BOX 100 ANAHEIM, CA 92714	COATS, DANIEL REP 4 IN	01-JUL-87	\$ 1333 500.00
Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988			
B. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
LIZ PATTERSON FOR CONGRESS P.O. BOX 5524 SPARTENBURG, SC 29334	PATTERSON, LIZ SEN 4 SC	07-JUL-87	\$ 1333 5,000.00
Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988			
C. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
THE BRUCE FOR CONGRESS COMMITTEE P.O. BOX 1241 WACO, TX 76787	RIDGE, THOMAS REP 01 TX	08-JUL-87	\$ 1334 5,000.00
Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988			
D. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
COMMITTEE TO RE-ELECT LAFALCE P.O. BOX 100 HOUSTON, TX 77201	LAFALCE, JOHN REP 01 TX	14-JUL-87	\$ 1336 2,000.00
Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988			
E. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
COMMITTEE TO RE-ELECT P.O. BOX 100 HOUSTON, TX 77201	BOFAUX, JOHN REP 1 TX	21-JUL-87	\$ 1337 5,000.00
Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988			
F. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
COMMITTEE FOR CONGRESS COMMITTEE P.O. BOX 1500, NEW FEDERAL BLDG., HOUSTON, TX 77201	WYLIE, CHALMERS REP 15 OH	21-JUL-87	\$ 1338 2,000.00
Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988			
G. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
BOTH SENATE COMMITTEE P.O. BOX 100 WILMINGTON, DE 19899	ROTH, WILLIAM REP 0 DE	21-JUL-87	\$ 1339 500.00
Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988			
H. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
CITIZENS TO RE-ELECT CONG BILL LOWERY 1000 THIRD AVENUE, SUITE 700 SAN DIEGO, CA 92101	LOWERY, WILLIAM REP 41 CA	21-JUL-87	\$ 1340 500.00
Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988			
I. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
COMMITTEE TO RE-ELECT TOM FOLEY P.O. BOX 100 SAN DIEGO, CA 92101	FOLEY, THOMAS CON 0 WA	27-JUL-87	\$ 1342 2,000.00
Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988			
SUBTOTAL OF Disbursements This Page (optional)			22,500.00

Any information derived from such reports and documents are not to be used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.
Name-Address/Employer-Occupation/Year to Date/Date of Receipt/Amount
For the period 03-01-67 thru 12-31-67 Over 9999 770 7700 6 000: ALL ALL ALL

ADMS Civic Action Com. 12-01-67 300.00 Primary
1233 New Hampshire Ave. NW
Washington DC 20005-

POL. ACTION COM.
Year to date: 6300.00

Ambassador Corp. PAC 12-08-67 1,000.00 Primary
500 Library Street
San Fernando CA 91340-

POL. ACTION COM.
Year to date: 01,000.00

Amer. Bankers Assn. PAC 07-13-67 5,000.00 Primary
1120 Connecticut Avenue
Washington DC 20036-

POL. ACTION COM.
Year to date: 05,000.00

Amer. Hospital Assn. PAC 12-16-67 500.00 Primary
840 N. Lake Shore Drive
Chicago IL 60611-

POL. ACTION COM.
Year to date: 0500.00

Amer. Postal Workers PAC 12-01-67 300.00 Primary
1300 L Street, N.W.
Washington DC 20005-

POL. ACTION COM.
Year to date: 6300.00

American Medical PAC 12-01-67 300.00 Primary
1101 Vermont Avenue, N.W.
Washington DC 20005-

POL. ACTION COM.
Year to date: 6300.00

American Sugarbeet 12-01-67 300.00 Primary
1156 - 15th St., N.W.
Washington DC 20005-

POL. ACTION COM.
Year to date: 6300.00

American Textile Industry Committee For Good Gov't. 12-01-67 500.00 Primary
1101 Connecticut Ave. NW
Washington DC 20036-

POL. ACTION COM.
Year to date: 0500.00

Page 1 of 5 for
LINE NUMBER 21
(use separate schedule(s) for each
category of the Detailed
Summary Page)

ITEMIZED DISBURSEMENTS

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full)			
AMERICAN BANKERS ASSOCIATION - BABBPAC			
A. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
LIZ PATTERSON FOR CONGRESS P.O. BOX 5544 SPARTENBURG, SC 29304	PATTERSON, LIZ SEN 4 SC Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): 1986 BEST	02-MAR-88	\$ 1477 5,000.00
B. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
CARPER FOR CONGRESS 1205 KING STREET WILMINGTON, DE 19801	CARPER, THOMAS SEN 0 DE Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988	02-MAR-88	\$ 1478 4,500.00
C. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
CARPER FOR CONGRESS 1205 KING STREET WILMINGTON, DE 19801	CARPER, THOMAS SEN 0 DE Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988	02-MAR-88	\$ 1479 5,000.00
D. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
LIZ PATTERSON FOR CONGRESS P.O. BOX 5544 SPARTENBURG, SC 29304	PATTERSON, LIZ SEN 4 SC Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988	04-MAR-88	\$ 1480 5,000.00
E. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
FRIENDS OF LES AUCCOIN 1001 SW FIFTH AVE SUITE 2000 PORTLAND, OR 97204	AUCCOIN, LES SEN 1 OR Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988	10-MAR-88	\$ 1481 2,000.00
F. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
MICHEL FOR CONGRESS COMMITTEE 1029 NORTH GLENWOOD PEORIA, IL 61606	MICHEL, ROBERT REP 18 IL Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988	10-MAR-88	\$ 1482 5,000.00
G. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
COSTELLO FOR CONGRESS COMMITTEE P.O. BOX 8250 BELLEVILLE, IL 62222	COSTELLO, JERRY SEN 21 IL Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988	10-MAR-88	\$ 1483 1,000.00
H. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
MARTIN FOR CONGRESS COMMITTEE PO BOX 206 ROCKFORD, IL 61105	MARTIN, LYNN REP 16 IL Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988	10-MAR-88	\$ 1484 1,000.00
I. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
HARRIS FAMELL CONGRESS CNTE PO BOX 946 MAPERVILLE, IL 60566	FAMELL, HARRIS REP 13 IL Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): 1988	10-MAR-88	\$ 1485 1,000.00
SUBTOTAL of Disbursements This Page (optional)			29,500.00



The Palmetto Bank

PEG SCNB 2460

2460

7-28 1988 PALMETTO BANK P.E. G... 052000278

03-24-88 PALMETTO BANK LAURENS SC

324081132 PEG 053201186

26 21 07 207

42 30601978

THE PALMETTO BANK
LAURENS, SC

3 3 3 3 3 9 1 0 5

BankFec

AMERICAN BANKERS ASSOCIATION

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

1480

March 4, 19 88

15-52
540

PAY TO THE ORDER OF LIZ PATTERSON FOR CONGRESS

\$ **5,000.00**

Five Thousand and 00/100 DOLLARS

NS&T BANK
WASHINGTON, D.C. 20005

Barbara A. Huntley

FOR D-04 SC; '88 General

00 1480 054000522 05 2021145

TWO SIGNATURES REQUIRED
OVER \$500.00

4 3 0 7 1 5 0 3 7

any information copied from such Reports and Statements are not to sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.
Name-Address/Employer-Occupation/Year to Date/Date of Receipt/Amount
For the period 01-01-68 thru 03-31-68 over \$200 118 TYPE: CAT: ALL ALL ALL

ACTON PAC 01 19 68 100.00 Primary
805 - 16th St., N.E.
Washington DC 20002

POL. ACTION COM.
Year to date: 0.100.00

American Business Assn 03 28 68 5,000.00 Primary
1225 Connecticut Ave NW
Washington DC 20002

POL. ACTION COM.
Year to date: 05,000.00

American Physical Therapy 03 31 68 100.00 Primary
1111 N. Polefax Street
Alexandria VA 22304

POL. ACTION COM.
Year to date: 0500.00

American Textile PAC 03 31 68 100.00 Primary
1104 Connecticut Ave. NW
Washington DC 20002

POL. ACTION COM.
Year to date: 0500.00

Assn. of Trial Lawyers 03 28 68 100.00 Primary
2225 24th Street NW
Washington DC 20007

POL. ACTION COM.
Year to date: 0500.00

Associated Milk Prod. PAC 01 19 68 100.00 Primary
P.O. Box 702227
San Antonio TX 78202-0227

POL. ACTION COM.
Year to date: 0500.00

Chamber of Commerce PAC 02 05 68 100.00 Primary
202 Vermont Circle
Washington DC 20002

POL. ACTION COM.
Year to date: 0300.00

Children Trust PAC Federal 03 29 68 2,000.00 Primary
200 Park Avenue
New York NY 10002

POL. ACTION COM.
Year to date: 02,000.00

D O P E R I 2 1 0 0

OCC 1243

**Collier, Shannon, Rill & Scott
Attorneys-at-Law**

**1055 Thomas Jefferson Street, N. W.
Washington, D. C. 20007**

Telephone: (202) 342-8400
Telecopier: (202) 338-5534
Telex: 440665 CSRS UI
Writer's Direct Dial Number

(202) 342-8583

December 2, 1988

Robert L. Meuser
Judith L. Oldham
Patrick B. Fazzone
Jeanne M. Forch
Laurence J. Lasoff
Christopher J. MacAvoy
Kathleen Weaver Cannon
Patrick J. Coyne
Daniel J. Harrold
Gary L. Melampy
T. Michael Jankowski
Carol A. Mitchell
Frederick D. Baker
K. Michael O'Connell
Mark D. Dopp
Mary T. Staley
Robert M. Huber
R. Randal Black
J. Keith Ausbrook
Gerard P. Fox
Rosanne A. Hurwitz
Lawrence I. Sperling
Robin H. Gilbert
A. Abigail Payne
Lisa A. Hallee
William M. Guerry, Jr.
Marcy M. Rehberger

Robert A. Collier (1917-1984)
Thomas F. Shannon
James F. Rill
William W. Scott
David A. Hartquist
Richard S. Silverman
R. Timothy Columbus
Lauren R. Howard
Paul D. Cullen
Kathleen E. McDermott
Michael D. Sherman
Mark L. Austrian
Jeffrey W. King
Joel Yohalem
John B. Williams
Paul C. Rosenthal
Gary Jay Kushner
James R. Loftis, III
John L. Wittenborn
Jeffrey L. Letter
Michael R. Kershow
Jeffrey S. Beckington

of Counsel
Michael R. McLeod
Alexander J. Pires, Jr.

Ms. Sandra Robinson
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

**Re: MUR 2777
Food Marketing Institute PAC
and Harry R. Sullivan, as treasurer**

Dear Ms. Robinson:

This letter responds to the Federal Election Commission's ("Commission") November 16, 1988 letter concerning the above-referenced matter which erroneously states that it received a Complaint that alleged that the Food Marketing Institute PAC ("FoodPAC") and Harry R. Sullivan, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended, ("Act") with respect to its June 28, 1988 contribution of \$300 to the Liz Patterson for Congress. The Complaint makes no such allegations. Rather, the Complaint alleges that Liz Patterson for Congress misallocated certain contributions, including FoodPAC's, to the primary rather than the general election in violation of 11 C.F.R. § 110.1(a) (1988). Complaint at 11. The Complaint then states that the contributors would have made illegal contributions if the amount of the misallocated contribution added to contributions properly allocated to the general election exceeded \$1,000 for an individual and \$5,000 for a PAC.

FoodPAC respectfully requests that no further action be taken in this matter because its contributions for the general election to Liz Patterson for Congress did not exceed the \$5,000 limit, even when its \$300 contribution is included. FoodPAC did not authorize allocation of this contribution to the primary election. In fact, FoodPAC made the contribution on June 28, 1988, well after the June 14, 1988 primary election date, and reported the contribution as a contribution to the general election on its July 15, 1988 quarterly report to the Commission. This contribution was the only contribution by FoodPAC to Liz Patterson for Congress and did not cause FoodPAC to exceed the

88 DEC -2 PM 4:46

1
5
0
7
7
0
4
0
3

Ms. Sandra Robinson
December 2, 1988
Page 2

Collier, Shannon, Rill & Scott

contribution limitations imposed by the Act. Accordingly, no further action should be taken against FoodPAC and Harry R. Sullivan, as treasurer, in this matter.

If the Commission needs additional information, please do not hesitate to contact me.

Sincerely,



J. Keith Ausbrook

Counsel for FoodPAC
and Harry R. Sullivan, Treasurer

JKA/sn

cc: Liz Patterson for Congress
P. O. Box 2884
Washington, D.C. 20013

9 0 0 4 0 7 / 1 0 4 2

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

06C#1246
Hoechst Celanese

88 DEC -2 AM 9:28

Office of General Counsel

Hoechst Celanese Corporation
Route 202-206 North
Somerville, NJ 08876
201 231 2000
Telex 833 449
Fax 201 231 3225

November 28, 1988
JKC-342-88

Lois G. Lerner
Associate General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2777 Hoechst Celanese Corporation PAC and
Alban W. Schuele, as treasurer

Dear Ms. Lerner:

Your letter dated November 16, 1988 to Mr. Schuele, Treasurer of the Hoechst Celanese Corporation Political Action Committee ("HCC PAC"), has been referred to me for review. In that letter you refer to the complaint that has been filed against Elizabeth J. Patterson in the matter labelled "MUR 2777".

The above-referenced complaint on page 10 refers to contributions made to Ms. Patterson's 1988 campaign after the primary election date of June 14, 1988. In a discussion on page 11, the complaint states that contributions received after the primary election date must be allocated to the general election and that various contributors would have made illegal contributions if the amount of contributions listed on pages 10 and 11 together with any new contributions exceeds \$1,000 for an individual or \$5,000 for a PAC. HCC PAC is one of the contributors listed at page 10. The complaint alleges that Ms. Patterson labelled in a report an HCC PAC contribution of \$300 and other contributions as "primary contributions by the 1988 campaign".

A review of our records indicates that the only contributions sent to Elizabeth J. Patterson by the HCC PAC were two checks, each for \$500, one dated June 15, 1988 and the other dated October 19, 1988. Copies of each check are attached. Further, a copy of the quarterly report covering the period April 1, 1988 through June 30, 1988 indicates on page 3 of 4 (at Item G) that the June 15 contribution was for Ms. Patterson's general election. The quarterly report for July 1, 1988 through September 30, 1988 will indicate the same intention although it has not yet been filed with the Federal Election Commission. The HCC PAC was not aware of, nor

Hoechst 

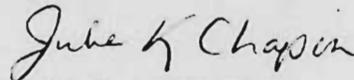
Associate General Counsel
Federal Election Commission
November 28, 1988
Page Two

in any way involved in, the preparation of Ms. Patterson's report wherein contributions are labelled as "primary contributions".

In view of these facts and reviewing the complaint, there is no reason to believe a possible violation of the Federal Election Commission Act of 1971 exists with respect to the HCC PAC or Mr. Schuele and accordingly, we respectfully submit that the Federal Election Commission should close the file on this matter with respect to these parties.

If you have any questions or need any further information, please feel free to call me at 201-231-2689.

Sincerely,



Julie K. Chapin
Secretary and Legal Advisor to
Hoechst Celanese Corporation
Political Action Committee

JKC/klw

cc: D. R. Greeley
A. W. Schuele

3 9 0 4 0 7 / 3 0 4 4

HOECHST CELANESE CORPORATION
POLITICAL ACTION COMMITTEE

1047

BOX 2500
SOMERVILLE, NJ 08876

88-1/212

June 15 19 88

PAY TO THE ORDER OF Liz Patterson for Congress

\$ 500.00

Five Hundred and 00/100

DOLLARS

MIDLANTIC

Midlantic National Bank
Somerville Office, Raritan, NJ 08888

HOECHST CEL-PAC

FOR



⑈001047⑈ ⑆021200012⑆ ⑆0104⑈01339⑈ ⑆0000050000⑆

FOR DEPOSIT ONLY
The Palmetto Bank
Spartanburg, SC 29583
205 500 1

JE 8 29
FED NY
CRANFORD OFFICE
PAY ANY BANK
0212-0400-50
SORTER #3
PEG SCNB 28-JUN-88

06-28-88 PALMETTO BANK LAURENS 38129

0628065091 PEG 053201186

PROCESSED
88-1 55-1

51705627

14 41701677

DEPOSITED
THE PALMETTO BANK
LAURENS, SC

2222 15037



**HOECHST CELANESE CORPORATION
POLITICAL ACTION COMMITTEE**

1082

BOX 2500
SOMERVILLE, NJ 08876

October 19 1988

88-1/212

AY
OTHE
RDER OF Liz Patterson for Congress

\$ 500.00

Five Hundred and 00/100

DOLLARS

MIDLANTIC
Midlantic National Bank
Somerville Office, Raritan, NJ 08869

HOECHST CEL-PAC

FOR _____



⑈001082⑈ ⑈021200012⑈ ⑈0104⑈01339⑈

3 1 0 4 0 7 / 5 0 4 6

Hoechst CEL-PAC

Hoechst Celanese Corporation
Political Action Committee
Route 202-206 Fern
Somerville, NJ 08876

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

July 8, 1988

Federal Election Commission
999 E Street, NW
Washington, DC 20463

Gentlemen:

Re: Identification Number C-00084871

Enclosed is our quarterly report covering the period April 1,
1988 through June 30, 1988.

Sincerely,



Alban W. Schuele
Treasurer

enclosures

cc: w/enc. to the states in the attached list in which
Hoechst Celanese Corporation Political Action Committee
has made contributions to, or expenditures on behalf of,
a federal candidate.

PAC3-88

890040710001

cc to:

Elections Division
Office of the Secretary of State
State House, Room 218
Providence, RI 02903

Elections Division
Department of State
CN 304 107 West State Street
Trenton, NJ 08625-0304

Campaign Reporting Office
State Board of Elections
P.O. Box 1934
Raleigh, NC 27602

State Board of Elections
101 Ninth Street Office Building
Richmond, VA 23219

Elections Division
Office of the Secretary of State
Room 21, State House
11 Union Street
Montgomery, AL 36130

Political Reform Division
Office of the Secretary of State
P.O. Box 1467
Sacramento, CA 95807

Elections Division
Campaign Finance Unit
Office of the Secretary of State
30 Trinity Street, Room 115
Hartford, CT 06106

Elections Division
Office of the Secretary of State
State Capitol, Room 110
Atlanta, GA 30334

Registry of Election Finance
1604 Louisville Road
Frankfort, KY 40601

State Board of Elections
P.O. Box 4
Albany, NY 12260

300407/3098

Office of the Secretary of State
State Capitol, First Floor
Bismarck, ND 58505

Office of the Secretary of State
30 East Broad Street, 14th Floor
Columbus, OH 43266-0418

Bureau of Commissions,
Elections & Legislation
305 North Office Building
Harrisburg, PA 17120

State Election Commission
P.O. Box 5987
Columbia, SC 29250

Disclosure Filing Division
Office of the Secretary of State
P.O. Box 12070
Austin, TX 78711

3 2 0 3 0 7 / 0 0 4 9

REPORT OF RECEIPTS AND DISBURSEMENTS

For Other Than An Authorized Committee

(Summary Page)

TYPE OR PRINT

1. N	C00084871 P 227 060568 ALBAN W SCHUELE HOECHST CELANESE CORPORATION P OLITICAL ACTION COMMITTEE ROUTE 202-206 NORTH SOMERVILLE NJ 08376	2. FEC IDENTIFICATION NUMBER C-00084871 3. <input type="checkbox"/> This committee qualified as a multicandidate committee DURING THIS Reporting Period on _____ (date).
------	---	--

4. TYPE OF REPORT

- (a) April 15 Quarterly Report
- July 15 Quarterly Report
- October 15 Quarterly Report
- January 31 Year End Report
- July 31 Mid Year Report (Non-election Year Only)
- Termination Report
- Monthly Report Due On:
- | | | |
|--------------------------------------|---------------------------------------|--------------------------------------|
| <input type="checkbox"/> February 20 | <input type="checkbox"/> June 20 | <input type="checkbox"/> October 20 |
| <input type="checkbox"/> March 20 | <input type="checkbox"/> July 20 | <input type="checkbox"/> November 20 |
| <input type="checkbox"/> April 20 | <input type="checkbox"/> August 20 | <input type="checkbox"/> December 20 |
| <input type="checkbox"/> May 20 | <input type="checkbox"/> September 20 | <input type="checkbox"/> January 31 |
- Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____
- Thirtieth day report following the General Election on _____ in the State of _____
- (b) Is this Report an Amendment? YES NO

30040713050

SUMMARY	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period <u>April 1, 1988</u> through <u>June 30, 1988</u>		
6. (a) Cash on Hand January 1, 19 <u>88</u>		\$ 11,961.76
(b) Cash on Hand at Beginning of Reporting Period	\$ 17,184.78	
(c) Total Receipts (from Line 18)	\$ 10,774.77	\$ 19,497.79
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	\$ 27,959.55	\$ 31,459.55
7. Total Disbursements (from Line 28)	\$ 19,000.00	\$ 22,500.00
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	\$ 8,959.55	\$ 8,959.55
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	\$ none	For further information contact: Federal Election Commission 999 E Street, NW Washington, DC 20463 Toll Free 800-424-9530 Local 202-376-3120
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	\$ none	

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

Type or Print Name of Treasurer a Alban W. Schuele	
Signature of Treasurer 	Date 7/7/88

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

--	--	--	--	--	--	--	--	--	--

DETAILED SUMMARY PAGE

of Receipts and Disbursements
(Page 2, FEC FORM 3X)

Name of Committee (in full)	Report Covering the Period		
Hoechst Celanese Corporation Political Action Committee	From: 4/1/88	To: 6/30/88	
I. RECEIPTS	COLUMN A Total This Period	COLUMN B Calendar Year-To-Date	
11. CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees			
(i) Itemized (use Schedule A)	1,558.00	2,858.00	11(a)(i)
(ii) Unitemized	9,216.77	16,639.79	11(a)(ii)
(iii) Total of contributions from individuals	10,774.77	19,497.79	11(a)(iii)
(b) Political Party Committees			11(b)
(c) Other Political Committees (such as PACs)			11(c)
(d) TOTAL CONTRIBUTIONS (add 11(a)(iii), (b), and (c)).	10,774.77	19,497.79	11(d)
12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES			12
13. ALL LOANS RECEIVED			13
14. LOAN REPAYMENTS RECEIVED			14
15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)			15
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES			16
17. OTHER RECEIPTS (Dividends, Interest, etc.)			17
18. TOTAL RECEIPTS (add 11(d), 12, 13, 14, 15, 16 and 17)	10,774.77	19,497.79	18
II. DISBURSEMENTS			
19. OPERATING EXPENDITURES			19
20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES			20
21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	19,000.00	22,500.00	21
22. INDEPENDENT EXPENDITURES (use Schedule E)			22
23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. 441a(d)) (use Schedule F)			23
24. LOAN REPAYMENTS MADE			24
25. LOANS MADE			25
26. REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees			26(a)
(b) Political Party Committees			26(b)
(c) Other Political Committees (such as PACs)			26(c)
(d) TOTAL CONTRIBUTION REFUNDS (add 26(a), (b), and (c))			26(d)
27. OTHER DISBURSEMENTS			27
28. TOTAL DISBURSEMENTS (add 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)	19,000.00	22,500.00	28
III. NET CONTRIBUTIONS/OPERATING EXPENDITURES			
29. TOTAL CONTRIBUTIONS (other than loans) (from Line 11(d))			29
30. TOTAL CONTRIBUTION REFUNDS (from Line 26(d))			30
31. NET CONTRIBUTIONS (other than loans) (subtract Line 30 from 29)			31
32. TOTAL OPERATING EXPENDITURES (from Line 19)			32
33. OFFSETS TO OPERATING EXPENDITURES (from Line 15)			33
34. NET OPERATING EXPENDITURES (subtract Line 33 from 32)			34

3304071305

Information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Hoechst Celanese Corporation Political Action Committee

39040773032

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Thomas F. Kennedy 5809 Flintshire Dallas, TX 75252	Hoechst Celanese Corporation	5/3/88	1,000.00
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation EVP, Chemical Group Aggregate Year-to-Date > \$ 1,000.00		
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation Aggregate Year-to-Date > \$		
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation Aggregate Year-to-Date > \$		
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation Aggregate Year-to-Date > \$		
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation Aggregate Year-to-Date > \$		
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation Aggregate Year-to-Date > \$		
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation Aggregate Year-to-Date > \$		
SUBTOTAL of Receipts This Page (optional)			1,000.00
TOTAL This Period (last page this line number only)			

Information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Hoechst Celanese Corporation Political Action Committee

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Richard M. Clarke 63 Turkey Hill Rd. South Westport, CT 06880	Hoechst Celanese Corporation	Monthly Payroll Deduction	\$450.00 (\$150 per pay period)
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation: Sr. Exec. V.P.	Aggregate Year-to-Date > \$ 900.00	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Donald H. Phillips 54 Hillside Avenue Short Hills, NJ 07078	Hoechst Celanese Corporation Advanced Tech. Group	Monthly Payroll Deduction	\$108.00 (\$18.00 per pay period)
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation: Dir. of Licensing	Aggregate Year-to-Date > \$ 216.00	
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	

SUBTOTAL of Receipts This Page (optional) 558.00

TOTAL This Period (last page this line number only) 1,558.00

370407 / 3053

CHEDULE B

ITEMIZED DISBURSEMENTS

Use separate schedule for each category of the Data Summary Page

1	4
FOR LINE NUMBER	
21	

any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Hoechst Celanese Corporation Political Action Committee

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Boucher for Congress P.O. Box 1988 Abingdon, VA 24210	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/28/88	500.00
B. Full Name, Mailing Address and ZIP Code Callahan for Congress P.O. Box 7641 Mobile, AL 36607	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/28/88	250.00
C. Full Name, Mailing Address and ZIP Code Lehigh Valley Citizens for Don Ritter P.O. Box 2412 Lehigh Valley, PA 18001	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/28/88	300.00
D. Full Name, Mailing Address and ZIP Code Committee to Reelect Frank J. Guarini Box 2884 Washington, DC 20003	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/28/88	500.00
E. Full Name, Mailing Address and ZIP Code Romano L. Mazzoli Campaign Fund P.O. Box 17212 Louisville, KY 40217	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/28/88	500.00
F. Full Name, Mailing Address and ZIP Code Gallo for Congress Committee 101 Gibraltar Drive, Suite 2E1 Morris Plains, NJ 07950	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/28/88	250.00
G. Full Name, Mailing Address and ZIP Code Ballinger for Congress P.O. Box 2800 Hickory, NC 28603	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/28/88	500.00
H. Full Name, Mailing Address and ZIP Code Lent for Congress Committee P.O. Box 2305 Arlington, VA 22202	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/28/88	500.00
I. Full Name, Mailing Address and ZIP Code The John H. Chafee Committee P.O. Box 623 Providence, RI 02901	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/28/88	2,000.00

SUBTOTAL of Disbursements This Page (optional) 5,300.00

TOTAL This Period (last page this line number only)

8309070054

SCHEDULE B

ITEMIZED DISBURSEMENTS

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Hoechst Celanese Corporation Political Action Committee

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Burdick Campaign Committee P.O. Box 75162 Washington, DC 20013-5162	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/28/88	1,000.00
B. Full Name, Mailing Address and ZIP Code Citizens Committee for Ernest F. Hollings P.O. Box 65271 Washington, DC 20036	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/28/88	1,000.00
C. Full Name, Mailing Address and ZIP Code Weicker '88 7 Benedict Place Greenwick, CT 06830	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/28/88	1,000.00
D. Full Name, Mailing Address and ZIP Code The Committee to Reelect Congressman Duncan Hunter 9340 Fuerte Drive, Suite 203 LaMesa, CA 92041	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/28/88	250.00
E. Full Name, Mailing Address and ZIP Code The Lautenberg Committee 313-3rd Street, NE Washington, DC 20002	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/28/88	1,000.00
F. Full Name, Mailing Address and ZIP Code Friends of Voinovich 1422 Euclid Avenue Cleveland, OH 44115	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/28/88	1,000.00
G. Full Name, Mailing Address and ZIP Code Linda Arey for Congress P.O. Box 531 Danville, VA 24543	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	4/28/88	500.00
H. Full Name, Mailing Address and ZIP Code Friends of Dick Arney P.O. Box 85 Louisville, TX 75067	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	250.00
I. Full Name, Mailing Address and ZIP Code Citizens for Bunning 1707 Dixie Highway, Suite 304 Whiteplaines, NY 10605	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	300.00

SUBTOTAL of Disbursements This Page (optional)	6,300.00
TOTAL This Period (last page this line number only)	

any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Hoechst Celanese Corporation Political Action Committee

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Chapman for Congress P.O. Box 388 Sulphur Springs, TX 75482	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	500.00
B. Full Name, Mailing Address and ZIP Code People for DioGuardi 305 C Street, NE, Suite 305 Washington, DC 20002	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	300.00
C. Full Name, Mailing Address and ZIP Code Fields for Congress P.O. Drawer 2406 Humble, TX 77347	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	300.00
D. Full Name, Mailing Address and ZIP Code Ed Jenkins for Congress Committee PO Box 70 Jasper, GA 30743-0070	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	500.00
E. Full Name, Mailing Address and ZIP Code People for John Heinz Committee 122 C Street, NW, Suite 650 Washington, DC 20001	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	1,000.00
F. Full Name, Mailing Address and ZIP Code McMillan for Congress 2135 Defense Highway #9 Crofton Depot, Crofton, MD 21114	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	500.00
G. Full Name, Mailing Address and ZIP Code Liz Patterson for Congress PO Box 5564 Spartanburg, SC 29304	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	500.00
H. Full Name, Mailing Address and ZIP Code David Price for Congress PO Box 1986 Raleigh, NC 27602	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	250.00
I. Full Name, Mailing Address and ZIP Code Rinaldo for Congress Committee 1961 Morris Avenue Union, NJ 07083	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	300.00

SUBTOTAL of Disbursements This Page (optional) 4,150.00

TOTAL This Period (last page this line number only)

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Hoechst Celanese Corporation Political Action Committee

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Committee to Re-Elect Claudine PO Box 1632 Providence, RI 02910	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	300.00
B. Full Name, Mailing Address and ZIP Code Sisisky for Congress PO Box 2062 Petersburg, VA 23804	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	350.00
C. Full Name, Mailing Address and ZIP Code Spence for Congress PO Box 1475 Columbia, SC 29202	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	500.00
D. Full Name, Mailing Address and ZIP Code Spratt for Congress Committee PO Box 830 York, SC 29645	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	500.00
E. Full Name, Mailing Address and ZIP Code Texans for Sweeney PO Box 1297 Roundrock, TX 78680	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	300.00
F. Full Name, Mailing Address and ZIP Code Tallon for Congress Committee 305 C Street, NE, Suite 305 Washington, DC 20002	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	300.00
G. Full Name, Mailing Address and ZIP Code Robb for U.S. Senate PO Box 9903 McLean, VA 22102	Contribution of funds to campaign Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6/15/88	1,000.00
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period

SUBTOTAL of Disbursements This Page (optional)

3,250.00

TOTAL This Period (last page this line number only)

19,000.00

061 #1271
HAND DELIVERED
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

PERRIN, PERRIN, MANN & PATTERSON
ATTORNEYS AT LAW
200 LIBRARY STREET
SPARTANBURG, SOUTH CAROLINA

88 DEC -5 PM 10:44
TELEPHONE 803-582-5461
TELEFAX 803-583-5235
MAILING ADDRESS:
P. O. BOX 1655
SPARTANBURG, S. C. 29304

L. W. PERRIN (1918-1980)
EDWARD P. PERRIN
FRANKLIN M. MANN
DWIGHT F. PATTERSON, JR.
LAWRENCE E. FLYNN, JR.
JUDSON K. CHAPIN, III
WILLIAM O. PRESSLEY, JR.
SHEILA R. YOUNG

December 2, 1988

FEDERAL EXPRESS

Federal Election Commission
999 E Street, NW
Washington, DC 20463
Attn: Sandra Robinson

Re: MUR 2777
Liz Patterson for Congress 1988 and
Lawrence E. Flynn, Jr. as Treasurer

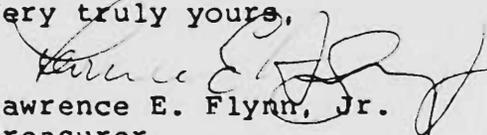
88 DEC -5 AM 4:26
FEDERAL ELECTION COMMISSION

3 3 0 4 0 7 7 0 5 5

Dear Ms. Robinson:

As a follow-up to our telephone conversation of this date, this is to formally request a ten (10) day extension of time to respond to the Complaint in the above captioned matter. This request is made because it will not be possible for us to obtain all of the information which we need within the fifteen (15) day period allowed.

Please review this request and contact us immediately so that we will be able to adequately respond to this Complaint. If we need to supply additional information to support this request, please do not hesitate to contact me.

Very truly yours,

Lawrence E. Flynn, Jr.
Treasurer

LEF/sh

066 1265
HAND DELIVERED
RECEIVED
FEDERAL ELECTION COMMISSION

The Palmetto Bank

88 DEC -2 PM 5:07

November 30, 1988

Lawrence M. Noble, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Re: MUR 2777
Palmetto Bank

Dear Mr. Noble:

The Palmetto Bank has received your letter dated November 16 regarding a complaint filed with your office by the South Carolina Republican Party. We believe the allegations contained in this complaint to be malicious and without substance. The following statements are made on behalf of The Palmetto Bank.

I. The Palmetto Bank Loan

Facts. The Palmetto Bank, a South Carolina state chartered bank, was founded in 1906 and presently has \$190 million total assets and \$122 million total loans. The Patterson family did not found the bank and no individual owns as much as 10% of its holding company stock. The Palmetto Bank is neither family owned nor operated. In 1986 Elizabeth J. Patterson owned 1,000 shares of the 221,740 shares outstanding of Palmetto Bancshares, Inc., parent company of The Palmetto Bank. These shares represent less than one-half of 1% of the outstanding shares and therefore Mrs. Patterson would not be considered a major shareholder. Mrs. Patterson's husband, Mr. Dwight F. Patterson, Jr., owned 7,071 shares which constitutes 3.19% of the total. Mr. Patterson was not a party to the loan. Federal Reserve Board Regulation O defines "principal shareholder" as an "individual or a company that directly or indirectly, or acting in concert with one or more person, owns controls, or has the power to vote more than 10 percent of any class of voting securities of a member bank or company." Mrs. Patterson, neither singly nor jointly with Mr. Patterson, has the ownership of sufficient shares to meet this requirement. Reference Page 8 of the complaint Mrs. Patterson has no "financial ties" to The Palmetto Bank. Mrs. Patterson has been a valued customer of The Palmetto Bank for over 20 years.

Mr. Lawrence E. Flynn, Jr. is a member of The Palmetto Bank's Spartanburg office advisory board which position is defined by Federal Reserve Board Regulation O as follows:

"An advisory director is not considered a director if the advisory director (1) is not elected by the shareholders of the company or bank (2) is not authorized to vote on matters before the board of directors, and (3) provides solely general policy advice to the board of directors."

LAURENS • FOUNTAIN INN • SIMPSONVILLE • GREENVILLE • SPARTANBURG • DUNCAN • GREENWOOD

88 DEC -5 AM 4:26

3 0 0 4 7 0 0 1 5 5 4

All advisory board positions of The Palmetto bank meet these qualifications. Mr. Leon Patterson was Chairman and Chief Executive Officer of The Palmetto Bank. However, Mr. Paul W. Stringer, was President of the Bank.

On August 4, 1986 the Loan Committee of The Palmetto Bank received from its Spartanburg office a request for a \$200,000.00 credit accommodation to be made to Liz Patterson for Congress with stock offered as collateral. The policy of The Palmetto Bank requires that three members of the four member Loan Committee review and approve any request over \$125,000.00. This request was reviewed and approved by Paul W. Stringer, President and Chief Operating Officer; Mr. Curtis A. Tyner, Executive Vice President and Greenville County Executive; and Mr. David E. Burgess, Senior Vice President and Chief Credit officer.

This loan was consumated on August 12, 1986 with the note and security agreement being drawn in the face amount of \$200,020.01. The statement made by the S. C. Republican Party about the interest rate is in error. This note called for an interest rate to float at 1% above the prime lending rate of The Palmetto Bank. Although the note was drawn in the face amount of \$200,020.01, funds were disbursed over a period of time with the first draw being made 8-12-86 and the final draw being made 10-24-86. A schedule of draws and payments on the original note is as follows:

<u>Date</u>	<u>Amount</u>		<u>Balance</u>
8/12/86	2,700.28	Draw	2,700.28
8/20/86	2,000.21	Draw	4,700.49
8/29/86	15,001.51	Draw	19,702.00
9/05/86	18,001.81	Draw	37,703.81
9/15/86	35,203.53	Draw	72,907.34
10/01/86	37,907.34	Prin. Pymt.	35,000.00
10/03/86	11,001.11	Draw	46,001.11
10/09/86	19,001.91	Draw	65,003.02
10/13/86	3,300.34	Draw	68,303.36
10/15/86	500.06	Draw	68,803.42
10/16/86	14,501.46	Draw	83,304.88
10/17/86	44,804.49	Draw	128,109.37
10/24/86	71,910.64	Draw	200,020.01

In addition Complainant's Exhibit A-1 refers to a \$50.00 loan and a \$2,500.00 loan made 1-125-86. This was not made by The Palmetto Bank and we have no knowledge of it.

The loan as consumated by the Bank on August 17, 1986 was secured by 4,000 shares of Winn-Dixie stock registered in the name of Elizabeth J. Patterson. The market value on that date was \$193,000.00. In the opinion of the Bank's Loan Committee it was not an undue risk to consider a portion of the line of credit unsecured with Mrs. Patterson's personal guarantee of final repayment. Mrs. Patterson's stock in Palmetto Bancshares, Inc. could have been pledged if the bank felt it necessary and was valued at \$46,000.00. In addition Mrs. Patterson

890407150

provided to the bank a personal financial statement which supports our credit decision. Excluding the Winn-Dixie shares Mrs. Patterson's statement shows unencumbered assets totaling \$460,000.00. We do not feel the S. C. Republican Party to be qualified to make statements that a prudent bank would loan only 10% of net worth on an unsecured basis" and deem this to have no basis in fact. Several mentions are made regarding the collateral based on principal and interest. If this were the normal course of business very few people would qualify for a mortgage loan. In our opinion Mrs. Patterson did qualify for a portion of the credit unsecured and we do not believe the S. C. Republican Party to have any basis for its claim that this loan was grossly undercollateralized.

The allegation that the loan was made at a preferential rate is without basis in fact. An analysis of business loans presently on our books reveals that 31% of the total commercial loan portfolio is at the rate of Palmetto Bank Prime Plus One Percent.

The statements in the complaint which refer to the Bank's 1986 and 1987 annual reports are gross misinterpretations of the facts. The change in the format was due solely to a change of accounting firms from year end 1986 to year end 1987. The "Related Party Transactions" section of the 1987 annual report (Plaintiff's Exhibit G) in no way includes any loan to Mrs. Patterson. FRB Reg O states in section 215.4 that "no member bank may extend to any of its executive officers, directors, or principal shareholders or to any related interest of that person" except under the same basic forms as other loans. A loan to Liz Patterson for congress does not meet the definition of a related party transaction as defined in Sec 215.2 of FRB Reg O. In summary we believe that:

- (1) The loan to Liz Patterson for Congress was made by The Palmetto Bank to a long standing customer in the ordinary course of business at a market interest rate. The borrowers' financial statement certainly warranted an extension of unsecured credit and the amount of risk taken by the Bank on that basis was normal. Market value of the collateral on 8-12-86 was \$193,000.00 Additional unencumbered assets were \$460,000.00.
- (2) Mrs. Elizabeth J. Patterson is not a major stockholder of The Palmetto Bank. Her brother-in-law who is Chairman was not involved in the decision of the Bank's Loan Committee to extend the requested credit accommodation.
- (3) The assertion by the S. C. Republican Party that the loan was not prudent certainly has already proven to be in error. Mrs. Patterson has reduced the loan balance to \$145,655.90. This balance could be, at Mrs. Patterson's discretion, paid in full by sale of the collateral which has a market value of \$180,480.00.

37040716061

I trust that this response will satisfy your inquiry. If there are further questions or any classifications that are needed, please contact the undersigned. Please inform us as soon as possible of your determination in this matter.

Sincerely,



David E. Burgess
Senior Vice President and
Chief Credit Officer

DEB/tc

890407 / 5052

plm



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

December 6, 1988

Lawrence E. Flynn, Jr., Treasurer
Liz Patterson for Congress 1988
c/o Perrin, Perrin, Mann & Patterson
P.O. Box 1655
Spartanburg, South Carolina 29304

RE: MUR 2777
Liz Patterson for
Congress 1988 and
Lawrence E. Flynn,
Jr., as treasurer

Dear Mr. Flynn:

This is in response to your letter dated December 2, 1988, which we received on December 5, 1988, requesting an extension of 10 days to respond to the complaint in the above captioned matter. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on December 16, 1988.

If you have any questions, please contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

3 9 0 4 0 7 7 5 0 6 5

OGC 1297

FEDERAL RECEIVED
ELECTION COMMISSION

WILEY, REIN & FIELDING 88 DEC -7 PM 5:00

1776 K STREET, N.W.
WASHINGTON, D. C. 20006
(202) 429-7000

JAN W. BARAN
(202) 429-7330

December 7, 1988

TELECOPIER
(202) 429-7049
TELEX 248349 WYRN UR

Lawrence M. Noble, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Sandra Robinson

Re: MUR 2777

Dear Mr. Noble:

This Response is submitted on behalf of CSX Transportation Inc. PAC and Betty Ruth Jackson, as Treasurer ("Respondents"), in reply to a complaint filed by Van D. Hipp, Jr., Chairman of the South Carolina Republican Party, and designated Matter Under Review 2777. For the reasons set forth herein, the Federal Election Commission should find no reason to believe that Respondents violated any provisions of the Federal Election Campaign Act of 1971, as amended ("the Act").

The Complaint

The complaint in this matter only peripherally deals with CSX Transportation Inc. PAC. Rather, the complaint alleges that Elizabeth J. Patterson ("Patterson") and her campaign committee "improperly reported as 'primary' contributions the following general election contributions of

270407 / 0055

Lawrence M. Noble, Esquire
December 7, 1988
Page 2

the following contributors: . . . CSI Transportation PAC."¹
Complaint at p. 2. See also Complaint at p. 10. The
Complaint suggests that because the contributions were
allegedly misreported, the contributor may have made an
illegal contribution in the general election if the aggregate
contribution in the general election exceeded \$5,000.

Response

Under 2 U.S.C. § 441a(a)(2) "[n]o multicandidate
political committee shall make contributions - (A) to any
candidate and his authorized political committees with
respect to any election for Federal office which, in the
aggregate, exceed \$5000." As a multicandidate committee, CSX
Transportation Inc. PAC ("CSX PAC") is thereby permitted to
contribute up to \$5000 per election to Elizabeth Patterson's
campaign for reelection to the U.S. House of Representatives.
The \$250 contribution made to the Liz Patterson for Congress
Committee at issue in this matter represents one of only two
contributions totaling \$450 to that committee by CSX PAC in
the 1987-1988 election cycle. Thus, CSX PAC did not violate
section 441a of the Act. Rather, it made a contribution well
within its legal limits.

¹ While the complaint says CSI Transportation, we
assume this is a typographical error and that complainant
meant CSX Transportation.

870407 / 3055

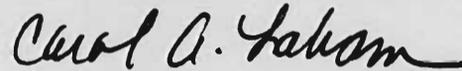
Lawrence M. Noble, Esquire
December 7, 1988
Page 3

Accordingly, the Commission should find no reason to believe that CSX Transportation Inc. PAC and Betty Ruth Jackson, as Treasurer violated the Act.

Sincerely,



Jan W. Baran



Carol A. Laham

Counsel for CSX
Transportation Inc. PAC
and Betty Ruth Jackson, as
Treasurer

JWB/CAL:co

cc: Betty Ruth Jackson

37040713056

06C1308

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

COHEN, WEISS AND SIMON

COUNSELLORS AT LAW

**330 WEST 42ND STREET
NEW YORK, N.Y. 10036-6901**

(212) 563-4100

TELECOPIER (212) 695-5436

88 DEC -8 AM 11:41

**BABETTE CECCOTTI
ANN E. O'SHEA
CHRISTOPHER N. SOURIS
JOHN S. BISHOP, II
STEPHEN PRESSER
SOPHIA E. DAVIS
MARGARET CANY
MARY E. VOGEL
MICHAEL WINNTON**

* D.C. ONLY

**BRUCE H. SIMON
STANLEY M. BERMAN
ROBERT S. SAVELSON
STEPHEN B. MOLDOF
MICHAEL E. ABRAM
KEITH E. SECULAR
RICHARD N. GILBERG
PETER HERMAN
RICHARD M. SELTZER
JAMES L. LINSEY**

December 7, 1988

**COUNSEL
HENRY WEISS
SAMUEL J. COHEN**

**Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
Washington, D.C. 20463**

Re: MUR 2777

Dear Mr. Noble:

This office is counsel to the Committee on Letter Carriers Political Education ("COLCPE"), a separate segregated fund established by the National Association of Letter Carriers, AFL-CIO. This letter constitutes COLCPE's response to your letter dated November 16, 1988, transmitting a copy of the complaint in the above matter. A duly executed statement by COLCPE designating us as counsel in this matter is enclosed.

The complaint alleges that COLCPE made contributions to candidate Elizabeth J. Patterson's 1988 campaign in South Carolina for the United States House of Representatives which exceeded the monetary ceiling for contributions with respect to any election for federal office provided by the Federal Election Campaign Act, 2 U.S.C. §441a(a)(2)(A).

Our preliminary investigation of the facts indicates that the following took place. On or about June 16, 1987, COLCPE prepared and transmitted to the Patterson campaign a check for \$2,500 (Attachment 1) which should have been designated for the 1988 primary. Unfortunately, as the result of an apparent clerical error, the check stub designated this contribution to the 1986 primary. The check was posted in COLCPE's computer as a contribution for the 1986 primary.

COLCPE subsequently made four additional contributions to the Patterson campaign in connection with the 1988 primary: a \$250 contribution, dated September 16, 1987 (Attachment 2); a \$2,250 contribution, dated December 2, 1987 (Attachment 3); a \$1,000 contribution, dated March 31, 1988 (Attachment 4); and a \$225 contribution, dated May 2, 1988 (Attachment 5). Obviously,

3 2 0 9 0 7 7 3 0 5 7

88 DEC -8 PM 4:03



COHEN, WEISS AND SIMON

the last two contributions caused COLCPE to exceed the \$5,000 maximum by \$1,225. However, COLCPE officials were not aware of this because, as noted above, the original \$2,500 contribution in June, 1987, had not been entered in COLCPE's computer records as a contribution for the 1988 primary.

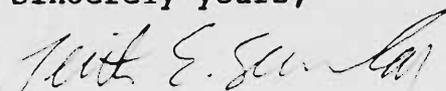
Since receipt of the complaint, COLCPE has advised the Patterson campaign of the foregoing. The Patterson campaign has informed COLCPE that it will make a complete refund of the \$2,500 June 16, 1987 contribution to COLCPE. When this refund is received, it will be deposited in COLCPE's account and reported to the Commission.

Finally, we note that the complaint, at page 9, cites five contributions to the Patterson 1988 primary campaign which it attributes to the "Letter Carrier PAC". COLCPE has no records which reflect the second and third contributions cited in the complaint -- i.e. \$500 on October 2, 1987, and \$2,500 on December 16, 1987. The first, fourth, and fifth contributions cited in the complaint are consistent with COLCPE records, as described above.

Based on the foregoing, COLCPE respectfully requests that the Commission take no action against it. If the Commission decides to proceed further, COLCPE requests the opportunity to enter into voluntary conciliation.

Please feel free to contact me if we can be of any further assistance.

Sincerely yours,



Keith E. Secular

KES/brd

3 3 0 4 0 7 7 3 0 6 3



STATEMENT OF DESIGNATION OF COUNSEL

MUR 2777

NAME OF COUNSEL: Keith E. Secular

ADDRESS: Cchen, Weiss and Simon

330 West 42nd Street

New York, NY 10036-6901

TELEPHONE: (212) 563-4100

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

December 7, 1988
Date


Signature National Director, COLCPE

RESPONDENT'S NAME: COLCPE

ADDRESS: 100 Indiana Avenue, NW

Washington, D.C. 20001

HOME PHONE: N/A

BUSINESS PHONE: (202) 662-2878

8 9 0 4 0 7 / 3 0 5 9

COMMITTEE ON LETTER CARRIERS POLITICAL EDUCATION
100 INDIANA AVE., N.W.
WASHINGTON, D.C. 20001

NS&T BANK
WASHINGTON, D.C.

15-52
540

No. 004148

FEC # C-0023580

DATE 6/16/87

TWO THOUSAND FIVE HUNDRED AND 00/100ths DOLLARS -----

AMOUNT
\$2,500.00

PAY
TO THE
ORDER OF

Re-Elect Liz Patterson
to Congress
P.O. Box 5564
Spartanburg, SC 29304

Walt Coulter

NATIONAL DIRECTOR

NOT NEGOTIABLE

NATIONAL SECRETARY TREASURER OR MEMBER

63879

54783

COMMITTEE ON LETTER CARRIERS
POLITICAL EDUCATION
100 INDIANA AVE., N.W. • WASHINGTON, D.C. 20001

Phone
(202) 393-3695

The attached check is in payment of items described below
If not correct, please notify us promptly. No receipt desired.

DATE	DESCRIPTION	AMOUNT
6/16/87	Re-Elect Liz Patterson to Congress SC04.7102.Primary 1986	\$2,500.00

GENERAL ELECTION
 PRIMARY ELECTION 1986
 DEBT RETIREMENT
 OTHER

ATTACHMENT 1

COMMITTEE ON LETTER CARRIERS POLITICAL EDUCATION
100 INDIANA AVE., N.W.
WASHINGTON, D.C. 20001

NS&T BANK
WASHINGTON, D.C.

15-52
540

No. 004265

FEC # C-0023580

DATE 8/16/87

TWO HUNDRED FIFTY AND 00/100ths DOLLARS -----

AMOUNT
\$250.00

PAY
TO THE
ORDER OF

Liz Patterson for Congress Committee
Post Office Box 17896
Greenville, SC 29606

Walt Condit
NATIONAL DIRECTOR

NOT NEGOTIABLE

NATIONAL SECRETARY TREASURER OR MEMBER

COMMITTEE ON LETTER CARRIERS
POLITICAL EDUCATION
100 INDIANA AVE., N.W. • WASHINGTON, D.C. 20001

Phone
(202) 393-3695

The attached check is in payment of items described below
If not correct, please notify us promptly. No receipt desired

DATE	DESCRIPTION	AMOUNT
9/16/87	Liz Patterson for Congress Committee SC04.7102.Primary 1988	\$250.00
	<input type="checkbox"/> GENERAL ELECTION <input checked="" type="checkbox"/> PRIMARY ELECTION <input type="checkbox"/> DEBT RETIREMENT <input type="checkbox"/> OTHER	1988

COMMITTEE ON LETTER CARRIERS POLITICAL EDUCATION
 100 INDIANA AVE., N.W.
 WASHINGTON, D.C. 20001

NS&T BANK
 WASHINGTON D C

15-52
 540

No. 004387

FEC # C-0023580

DATE 12/2/87

TWO THOUSAND TWO HUNDRED FIFTY DOLLARS AND 00/100th-----

AMOUNT
 \$2,250.00

PAY
 TO THE
 ORDER OF

Liz Patterson for Congress
 Post Office Box 2884
 Washington, D.C. 20013

Walt Conillard
 NATIONAL DIRECTOR

NOT NEGOTIABLE

NATIONAL SECRETARY TREASURER OR MEMBER

15072

63529

6479

COMMITTEE ON LETTER CARRIERS
 POLITICAL EDUCATION
 100 INDIANA AVE., N.W. • WASHINGTON, D.C. 20001

Phone
 (202) 393-3695

The attached check is in payment of items described below
 If not correct, please notify us promptly. No receipt desired

DATE	DESCRIPTION	AMOUNT
12/2/87	Liz Patterson for Congress SC04.7102. PRI 1988	\$2,250.00
	<input type="checkbox"/> GENERAL ELECTION <input checked="" type="checkbox"/> PRIMARY ELECTION 1988 <input type="checkbox"/> DEBT RETIREMENT <input type="checkbox"/> OTHER	

COMMITTEE ON LETTER CARRIERS POLITICAL EDUCATION
100 INDIANA AVE., N.W.
WASHINGTON, D.C. 20001

NS&T BANK
WASHINGTON D.C.

15-52
540

No. 004649

FEC # C-0023580

DATE 3/31/88

ONE THOUSAND DOLLARS AND 00/100ths

AMOUNT
\$1,000.00

PAY
TO THE
ORDER OF

Liz Patterson for Congress
PO Box 2884
Washington, DC 20013

W. G. Crullard
NATIONAL DIRECTOR

NOT NEGOTIABLE

NATIONAL SECRETARY TREASURER OR MEMBER

63879

65983

COMMITTEE ON LETTER CARRIERS
POLITICAL EDUCATION

100 INDIANA AVE. N.W. • WASHINGTON, D.C. 20001

Phone:
(202) 393-3695

The attached check is in payment of items described below
if not correct, please notify us promptly. No receipt desired

DATE	DESCRIPTION	AMOUNT
3/31/88	Liz Patterson for Congress SC04.7102.PRI	\$1,000.00

GENERAL ELECTION
 PRIMARY ELECTION '88
 DEBT RETIREMENT
 OTHER

COMMITTEE ON LETTER CARRIERS POLITICAL EDUCATION
 100 INDIANA AVE., N.W.
 WASHINGTON, D.C. 20001

FEDERAL RESERVE BANK
 WASHINGTON, D.C.

15-52
 540

No. 004733

FEC # C-0023580

DATE 5/2/88

TWO HUNDRED TWENTY-FIVE AND 00/100ths

AMOUNT
 \$225.00

PAY TO THE ORDER OF

Liz Patterson for Congress '88
 PO Box 5564
 Spartanburg, SC 29304

NATIONAL DIRECTOR

NOT NEGOTIABLE

NATIONAL SECRETARY TREASURER OR MEMBER

63529

67009

COMMITTEE ON LETTER CARRIERS
 POLITICAL EDUCATION

100 INDIANA AVE. N.W. • WASHINGTON, D.C. 20001

Phone (202) 393-3695

The attached check is in payment of items described below
 If not correct, please notify us promptly. No receipt desired

DATE	DESCRIPTION	AMOUNT
5/2/88	Liz Patterson for Congress '88 SC04.7102.PRI	\$225.00
	<input type="checkbox"/> GENERAL ELECTION <input checked="" type="checkbox"/> PRIMARY ELECTION '88 <input type="checkbox"/> DEBT RETIREMENT <input type="checkbox"/> OTHER	

WYCHE, BURGESS, FREEMAN & PARHAM, P.A.

ATTORNEYS AT LAW
44 EAST CAMPERDOWN WAY
POST OFFICE BOX 10207

GREENVILLE, SOUTH CAROLINA 29603

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

06C1343

88 DEC 12 AM 11:28

ALFRED F. BURGESS
C. THOMAS WYCHE
DAVID L. FREEMAN
JAMES C. PARHAM, JR.
JAMES M. SHOEMAKER, JR.
WILLIAM W. KEHL
CHARLES W. WOFFORD
LARRY D. ESTRIDGE
D. ALLEN GRUMBINE
CARY H. HALL, JR.
CARL F. MULLER
HENRY L. PARR, JR.
BRADFORD W. WYCHE
ERIC B. AMSTUTZ
FRANK S. HOLLEMAN III
MARSHALL WINN
WALLACE K. LIGHTSEY

C. GRANVILLE WYCHE
1890-1988
TELECOPIER 803-235-8900
TELEPHONE 803-242-3131

December 7, 1988

General Counsel
Federal Election Commission
Washington, D.C. 20463

Attention: Sandra Robinson

Re: MUR 2777
Bradford W. Wyche

Dear Ms. Robinson:

This letter is in response to yours of November 16, 1988. As I demonstrate below, there is no basis for taking any action against me in this matter, and, furthermore, I do not believe the complainant intended to make any allegation against me.

1. The complaint itself makes no claim against me. In the first paragraph of the complaint, the complainant states that the complaint is made against Elizabeth J. Patterson, Liz Patterson for Congress '86, Liz Patterson for Congress '88 and The Palmetto Bank. Further, in the prayer for relief, the complainant seeks no relief as to me, but rather only as to Mrs. Patterson and the committees. Therefore, I do not believe that this complaint makes any claim that I may have violated the Federal Election Campaign Act of 1971.

2. In addition, the only mention of me in the complaint is at page 11, where the complaint references a \$300 contribution I made. According to the complaint, the contributions listed therein were designated as "primary" contributions by the 1988 campaign. Of course, I had no role whatsoever in filling out the FEC form for the 1988 campaign and therefore in designating the contributions as primary contributions or general election contributions. Therefore, if any clerical error was made in categorizing my contribution, I certainly did not make it.

5904071005

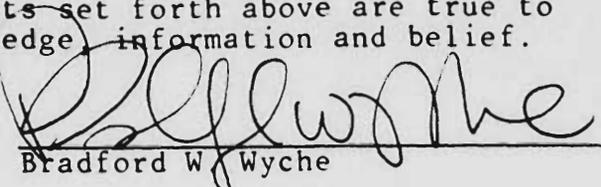
88 DEC 12 PM 3:01

General Counsel
December 7, 1988
Page Two

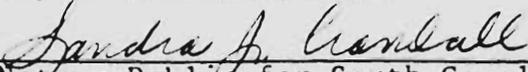
3. I have reviewed my records, and they indicate that I made two contributions to Liz Patterson for Congress -- a \$300 contribution on June 20, 1988 and a \$100 contribution on October 4, 1988. Thus, my total contribution to her campaign was \$400. Obviously I did not even come close to exceeding the \$1,000 limitation for general election contributions referred to in the complaint.

For these reasons, I believe that this matter should be ended as to me with the Commission finding that I have committed no violation of the Act and that the complaint made no claim against me.

I swear that the facts set forth above are true to the best of my knowledge, information and belief.


Bradford W. Wyche

SWORN TO before me this 7th
day of December, 1988.


Notary Public for South Carolina
My commission expires: 4/24/94

30040710070

LIZ PATTERSON

for Congress

88 DEC 16 AM 11:21

OGC 804052
1396

December 15, 1988

Federal Election Commission
999 E Street, NW
Washington, DC 20463
Attn: Sandra Robinson

Dear Ms. Robinson:

Re: MUR 2777
Liz Patterson for Congress 1988 and
Lawrence E. Flynn, Jr. as Treasurer

The South Carolina Republican Party ("S.C.R.P.") has filed a complaint against Elizabeth J. Patterson, and the Liz Patterson for Congress Committee which is totally without foundation and was done for the purpose of harassment. Each issue raised by the S.C.R.P. in its complaint is addressed as follows:

- 1) The S.C.R.P. questions the loan by the 1986 campaign from The Palmetto Bank. The details surrounding this loan are fully set forth in the response of The Palmetto Bank which is attached hereto as Exhibit A and made a part hereof.

The S.C.R.P. attempts to support its outrageous claim that somehow the bank loan was improper by a convoluted analysis that is without any evidenciary support. The response filed by The Palmetto Bank unequivocally demonstrates that the loan was handled in the regular course of business and complies with the provisions of 11 C.F.R. Section 100.7 (a)(1) and (a)(11). See the affidavit of John Poole attached hereto as Exhibit B and made a part hereof.

By way of further response it should be noted that the S.C.R.P. incorrectly stated that two personal loans made by the candidate to the 1986 campaign were from The Palmetto Bank. Loans in the amounts of \$50.00 and \$2,500.00 were properly reflected on the FEC Reports as being loans from the candidate and they were repaid by the Committee to the candidate.

P. O. Box 1403
Greenville, S. C. 29602
803-235-1770

P. O. Box 1219
Union, S. C. 29379

P. O. Box 5564
Spartanburg, S. C. 29304
803-591-1051

39040713077

88 DEC 19 PM 1:42

- 2)(a) As to the American Bankers Association contribution, the necessary correction has been made to properly reflect the nature of this donation. The American Bankers contribution of March 24, 1988, was a general election contribution and not applied to the primary election as first reported. An amended FEC Report will be filed to note this change. No refund is necessary.
- (b) As to the Letter Carriers PAC contributions, a refund was required. The contributions to the Patterson Campaign by the Letter Carriers PAC for the 1988 primary were: \$2,500.00 on July 7, 1987; \$250.00 on October 2, 1987; \$2,250.00 on December 16, 1987; \$1,000.00 on May 6, 1988 and \$225.00 on May 25, 1988.

The sum of \$2,500.00 has been refunded to the 1986 campaign and in turn a refund will be made to the Letter Carriers PAC from the 1986 Campaign. This refund was necessary because the 1988 primary account had received an excess contribution which had not been discovered by the Patterson campaign or by the Letter Carriers PAC. A refund has been made to the 1986 campaign in order to comply with the original instructions of the Letter Carriers PAC which designated this \$2,500.00 for the 1986 Primary. Through error, this contribution was applied to the 1988 Primary account. Because the contribution was received in 1987, it was not carried forward by the record keeping system and so an excess contribution in the amount of \$1,225.00 was applied to the 1988 Campaign and not discovered. The Patterson campaign has now instituted a procedure to assure that such an oversight will no occur in the future.

- 3) As to the contributions reported as "Primary Contributions" but made after the date of the Primary Election, corrections have been made to reflect these as General Election contributions and no refund is necessary. As to the specific changes made see Exhibit C which is attached hereto and made a part hereof.

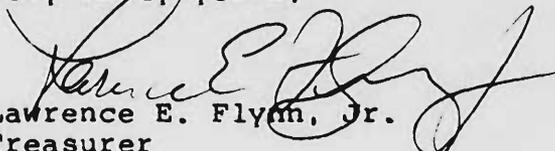
3 9 0 4 0 7 / 0 0 7 8

Federal Election Commission
December 15, 1988
Page 3

These contributions were incorrectly listed as "primary" contributions by the data entry operator and as stated above have now been correctly identified.

The Patterson Campaign has not violated the Federal Election Campaign Act of 1971 as amended. The claims of the S.C.R.P. are without merit and should be dismissed and the S.C.R.P. should be required to pay the costs (including attorney's fees) incurred by the Patterson Campaign in responding to these groundless charges.

Very truly yours,


Lawrence E. Flynn, Jr.
Treasurer

LEF/sh

3 9 0 4 0 7 / 5 0 7 9



A

890407/3020



The Palmetto Bank

November 30, 1988

Lawrence M. Noble, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Re: MUR 2777
Palmetto Bank

Dear Mr. Noble:

The Palmetto Bank has received your letter dated November 16, regarding a complaint filed with your office by the South Carolina Republican Party. We believe the allegations contained in this complaint to be malicious and without substance. The following statements are made on behalf of The Palmetto Bank.

I. The Palmetto Bank Loan

Facts. The Palmetto Bank, a South Carolina state chartered bank, was founded in 1906 and presently has \$190 million total assets and \$122 million total loans. The Patterson family did not found the bank and no individual owns as much as 10% of its holding company stock. The Palmetto Bank is neither family owned nor operated. In 1986 Elizabeth J. Patterson owned 1,000 shares of the 221,740 shares outstanding of Palmetto Bancshares, Inc., parent company of The Palmetto Bank. These shares represent less than one-half of 1% of the outstanding shares and therefore Mrs. Patterson would not be considered a major shareholder. Mrs. Patterson's husband, Mr. Dwight F. Patterson, Jr., owned 7,071 shares which constitutes 3.19% of the total. Mr. Patterson was not a party to the loan. Federal Reserve Board Regulation O defines "principal shareholder" as an "individual or a company that directly or indirectly, or acting in concert with one or more person, owns controls, or has the power to vote more than 10 percent of any class of voting securities of a member bank or company." Mrs. Patterson, neither singly nor jointly with Mr. Patterson, has the ownership of sufficient shares to meet this requirement. Reference Page 8 of the complaint Mrs. Patterson has no "financial ties" to The Palmetto Bank. Mrs. Patterson has been a valued customer of The Palmetto Bank for over 20 years.

Mr. Lawrence E. Flynn, Jr. is a member of The Palmetto Bank's Spartanburg office advisory board which position is defined by Federal Reserve Board Regulation O as follows:

"An advisory director is not considered a director if the advisory director (1) is not elected by the shareholders of the company or bank (2) is not authorized to vote on matters before the board of directors, and (3) provides solely general policy advice to the board of directors."

LAURENS • FOUNTAIN INN • SIMPSONVILLE • GREENVILLE • SPARTANBURG • DUNCAN • GREENWOOD

37040713091

All advisory board positions of The Palmetto bank meet these qualifications. Mr. Leon Patterson was Chairman and Chief Executive Officer of The Palmetto Bank. However, Mr. Paul W. Stringer, was President of the Bank.

On August 4, 1986 the Loan Committee of The Palmetto Bank received from its Spartanburg office a request for a \$200,000.00 credit accommodation to be made to Liz Patterson for Congress with stock offered as collateral. The policy of The Palmetto Bank requires that three members of the four member Loan Committee review and approve any request over \$125,000.00. This request was reviewed and approved by Paul W. Stringer, President and Chief Operating Officer; Mr. Curtis A. Tyner, Executive Vice President and Greenville County Executive; and Mr. David E. Burgess, Senior Vice President and Chief Credit officer.

This loan was consummated on August 12, 1986 with the note and security agreement being drawn in the face amount of \$200,020.01. The statement made by the S. C. Republican Party about the interest rate is in error. This note called for an interest rate to float at 1% above the prime lending rate of The Palmetto Bank. Although the note was drawn in the face amount of \$200,020.01, funds were disbursed over a period of time with the first draw being made 8-12-86 and the final draw being made 10-24-86. A schedule of draws and payments on the original note is as follows:

<u>Date</u>	<u>Amount</u>		<u>Balance</u>
8/12/86	2,700.28	Draw	2,700.28
8/20/86	2,000.21	Draw	4,700.49
8/29/86	15,001.51	Draw	19,702.00
9/05/86	18,001.81	Draw	37,703.81
9/15/86	35,203.53	Draw	72,907.34
10/01/86	37,907.34	Prin. Pymt.	35,000.00
10/03/86	11,001.11	Draw	46,001.11
10/09/86	19,001.91	Draw	65,003.02
10/13/86	3,300.34	Draw	68,303.36
10/15/86	500.06	Draw	68,803.42
10/16/86	14,501.46	Draw	83,304.88
10/17/86	44,804.49	Draw	128,109.37
10/24/86	71,910.64	Draw	200,020.01

In addition Complainant's Exhibit A-1 refers to a \$50.00 loan and a \$2,500.00 loan made 1-125-86. This was not made by The Palmetto Bank and we have no knowledge of it.

The loan as consummated by the Bank on August 17, 1986 was secured by 4,000 shares of Winn-Dixie stock registered in the name of Elizabeth J. Patterson. The market value on that date was \$193,000.00. In the opinion of the Bank's Loan Committee it was not an undue risk to consider a portion of the line of credit unsecured with Mrs. Patterson's personal guarantee of final repayment. Mrs. Patterson's stock in Palmetto Bancshares, Inc. could have been pledged if the bank felt it necessary and was valued at \$46,000.00. In addition Mrs. Patterson

8 2 0 4 0 7 1 3 0 8 2

provided to the bank a personal financial statement which supports our credit decision. Excluding the Winn-Dixie shares Mrs. Patterson's statement shows unencumbered assets totaling \$460,000.00. We do not feel the S. C. Republican Party to be qualified to make statements that a prudent bank would loan only 10% of net worth on an unsecured basis" and deem this to have no basis in fact. Several mentions are made regarding the collateral based on principal and interest. If this were the normal course of business very few people would qualify for a mortgage loan. In our opinion Mrs. Patterson did qualify for a portion of the credit unsecured and we do not believe the S. C. Republican Party to have any basis for its claim that this loan was grossly undercollateralized.

The allegation that the loan was made at a preferential rate is without basis in fact. An analysis of business loans presently on our books reveals that 31% of the total commercial loan portfolio is at the rate of Palmetto Bank Prime Plus One Percent.

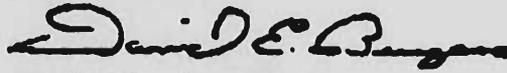
The statements in the complaint which refer to the Bank's 1986 and 1987 annual reports are gross misinterpretations of the facts. The change in the format was due solely to a change of accounting firms from year end 1986 to year end 1987. The "Related Party Transactions" section of the 1987 annual report (Plaintiff's Exhibit G) in no way includes any loan to Mrs. Patterson. FRB Reg O states in section 215.4 that "no member bank may extend to any of its executive officers, directors, or principal shareholders or to any related interest of that person" except under the same basic forms as other loans. A loan to Liz Patterson for congress does not meet the definition of a related party transaction as defined in Sec 215.2 of FRB Reg O. In summary we believe that:

- (1) The loan to Liz Patterson for Congress was made by The Palmetto Bank to a long standing customer in the ordinary course of business at a market interest rate. The borrowers' financial statement certainly warranted an extension of unsecured credit and the amount of risk taken by the Bank on that basis was normal. Market value of the collateral on 8-12-86 was \$193,000.00 Additional unencumbered assets were \$460,000.00.
- (2) Mrs. Elizabeth J. Patterson is not a major stockholder of The Palmetto Bank. Her brother-in-law who is Chairman was not involved in the decision of the Bank's Loan Committee to extend the requested credit accommodation.
- (3) The assertion by the S. C. Republican Party that the loan was not prudent certainly has already proven to be in error. Mrs. Patterson has reduced the loan balance to \$145,655.90. This balance could be, at Mrs. Patterson's discretion, paid in full by sale of the collateral which has a market value of \$180,480.00.

3 2 0 4 0 7 / 3 0 3 2

I trust that this response will satisfy your inquiry. If there are further questions or any classifications that are needed, please contact the undersigned. Please inform us as soon as possible of your determination in this matter.

Sincerely,



David E. Burgess
Senior Vice President and
Chief Credit Officer

DEB/tc

8 7 0 4 0 7 / 3 0 3 4

8 2 0 4 0 7 / 3 0 8 5

B

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

RE: MUR 2777 Liz Patterson for
Congress 1988 and
Lawrence E. Flynn, Jr.,
Treasurer

AFFIDAVIT

8 0 0 4 0 7 / 5 0 3 2

I, John S. Poole being duly sworn do depose and say as follows: I am a Vice President and Spartanburg Commercial Executive for NCNB of South Carolina and as such I have responsibility for making commercial loans of the type made to the 1986 Liz Patterson for Congress Committee. I have reviewed the analysis dated November 30, 1988 furnished by The Palmetto Bank in response to the pending FEC Complaint filed by the South Carolina Republican Party and it appears to me that The Palmetto Bank made the loan in "the normal course of business" and it appears to be in compliance with the generally accepted lending practices that I follow in analyzing loans of this type.

If I can supply additional information, I will be glad to supply it so long as my involvement remains confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2.



John S. Poole
NCNB
P.O. Box 1988
Spartanburg, SC 29304
(803) 573-7221

SWORN to and subscribed before
me this 1 day of December,
1988.

----- My Commission Expires: 12-16-90
Notary Public

LIZ PATTERSON

for Congress

March 8, 1989

0602133
RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION

89 MAR 13 AM 9:00

Federal Election Commission
999 E Street, NW
Washington, DC 20463
Attn: Sandra Robinson

Re: MUR 2777 - Liz Patterson for Congress 1988
Lawrence E. Flynn, Jr., Treasurer

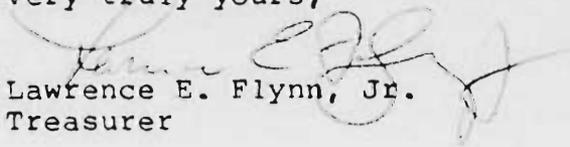
Dear Ms. Robinson:

As a follow up to our telephone conversation, enclosed is a copy of Exhibit C to our submittal of December 15, 1988 which was apparently omitted in our prior transmittal. In addition, per your request, enclosed is a copy of the following documents:

1. Security Agreement dated August 12, 1986.
2. Hypothecation Agreement dated August 12, 1986.
3. Promissory Note to The Palmetto Bank dated August 12, 1986.
4. Promissory Note to The Palmetto Bank dated February 9, 1987.
5. Promissory Note to The Palmetto Bank dated August 7, 1987.
6. Promissory Note to The Palmetto Bank dated February 8, 1988.
7. Promissory Note to The Palmetto Bank dated September 7, 1988.

If we can supply additional information or if you have any other questions, don't hesitate to call. As I advised, I will be in Washington on March 22 and 23, 1989 and will be available to answer any questions you may have at that time.

Very truly yours,


Lawrence E. Flynn, Jr.
Treasurer

LEF/sh

P. O. Box 1403
Greenville, S. C. 29602
803-235-1770

P. O. Box 1219
Union, S. C. 29379

P. O. Box 5564
Spartanburg, S. C. 29304
803-591-1051

890407/0087

MAR 13 11:05

The following contributions to the Liz Patterson Committee were inadvertently posted to the 1988 Primary and should have been posted to the 1988 General Campaign. These errors have been corrected.

Dealer's Election Action PAC - 6/30/88 - \$4,500.00

Bankers Trust PAC - 6/28/88 - \$1,500.00

Food Marketing - 6/30/88 - \$300.00

CSI Transportation PAC - no contribution was received from CSI but a contribution was received from CSX Transportation PAC - 6/30/88 - \$250.00

Hoechst Celanese PAC - 6/28/88 - \$500.00

SABO For Congress PAC - 6/30/88 - \$1,000.00

Carroll William - no contribution was received from Carroll William but a contribution was received from Carroll L. Gilliam - 6/28/88 - \$500.00

John Bathria - no contribution was received from John Bathria but a contribution was received from Dr. John R. Guthrie - 6/20/88 - \$50.00 and 6/30/88 - \$50.00

Frank Holleman - 6/30/88 - \$20.00

Brad Wyche - 6/28/88 - \$300.00

4 7 0 9 0 7 / 3 0 3 8

"Exhibit C"

SECURITY AGREEMENT

South Carolina, Spartanburg County.

To secure the payment of the note to which this is attached in the amount of \$ 200,020.01, dated Aug 12

19 86 and any and all extensions or renewals thereof, any future advances made by Lender to Borrower and all other indebtedness which Borrower may now or hereafter owe the Lender, either directly or indirectly, as principal, maker, endorser, surety, guarantor or otherwise, already existing or which may hereafter arise (hereafter called "Obligations"), with intent of conveying title, Borrower hereby sells, assigns, transfers and conveys to the Lender a security interest in the following described property, together with all equipment, parts accessories, additions, attachments and other goods, and all replacements thereof, now or hereafter installed in, affixed to or used in connection with said property, and other goods of the same class now or hereafter acquired by the Borrower (herein collectively called the "Collateral"):

4000 shares Winn-Dixie Stores, Inc.

30030770084

The Borrower hereby warrants and covenants that

The Collateral is bought or used primarily for () Personal, family, or householder purposes, () Farming operations, () Business, and if checked here () is being acquired with the proceeds of the note, which will be used for no other purpose, and which the Lender may disburse directly to the Seller of the Collateral, or to the Seller and Borrower jointly, or which will be paid by Borrower to the Seller within ten (10) days from date.

If the collateral is to be attached to real estate, a description of the real estate is as follows: _____

_____ and the name of the record owner or Lessee is _____;

and if the Collateral is attached to real estate prior to the perfection of the security interest granted hereby, the Borrower will on demand of the Lender furnish the latter with a disclaimer, or disclaimers, signed by all persons having an interest in the real estate or any interest in the Collateral which is prior to the Lender's interest.

Borrower covenants with the Lender, its Successors and Assigns, That Borrower is the absolute owner of said property; that the same is clear of all liens and encumbrances and the Borrower has full power and authority to encumber the Collateral.

Lender shall have the right to assign this Agreement and the security interest arising hereunder. Borrower waives all rights to assert against any assignee any defense, counterclaim, set-off, or any other claim which Borrower now has, or may hereafter have, against Lender.

This Agreement is subject to the additional provisions set forth on the reverse side hereof, the same being incorporated herein by reference.

IN WITNESS WHEREOF, the Borrower has executed this Agreement, this 12 day of August 19 86.

ADDRESS

LIZ PATTERSON FOR CONGRESS

SIGNATURE OF BORROWER(S)

BY: [Signature] Treasurer S.

L. S.

Due 2-9-87 No. _____

L. S.

FOR VALUE RECEIVED

hereby sell, assign and transfer unto

() shares of the Capital Stock of the standing in on the books of said represented by Certificate No. herewith and do irrevocably constitute and appoint attorney to transfer the said stock on the books of the within named Company with full power of substitution in the premises.

Dated In the Presence of

Liz Patterson

Becky R. McAfee

HYPOTHECATION AGREEMENT (Securing All Present and Future Liabilities of Debtor)

PALMETTO BANK LAURENS, S. C.

DATE Aug. 12, 1986

The undersigned hereby authorizes Liz Patterson for Congress (in called Debtor) to hypothecate, pledge and/or deliver the securities described below belonging to the undersigned, and the undersigned agrees that when so hypothecated, pledged and/or delivered said securities shall be collateral to secure any present or future indebtedness, obligation or liability howsoever evidenced, owing by Debtor to you, or any extension or renewal thereof, hereby consenting to the extension or renewal from time to time of any such indebtedness, obligation or liability, and waiving any notice of any such indebtedness, obligation, liability, extension or renewal.

The undersigned further agrees that said securities shall be subject to disposition in accordance with the terms and conditions of the documents evidencing such indebtedness, obligation and liabilities, and/or the direction of Debtor and further authorizes you at any time from time to time to transfer said securities, or any thereof, into your name or into the name of any nominee of yours, without losing, if you so desire, that the same are pledged or hypothecated, and without any indication, if you so desire, on any new certificate or document issued to evidence such securities, or any thereof that such securities are pledged or hypothecated, and any corporation, association, or any of the managers or trustees of any trust, issuing any of said securities, or its or their transfer agent, shall not be bound to inquire, in the event that you or said nominee makes any further transfer of such securities, or any thereof, as to whether you or said nominee has the right to make such further transfers, and shall not be liable for transferring the same.

4000 shares Winn-Dixie Stores, Inc.

IN PRESENCE OF

Becky R. McAfee

Liz Patterson

and the name of the record owner or Lessee is attached to real estate prior to the perfection of the security granted hereby, the Borrower will on demand of the bank... disclaimers, signed by all persons having an interest in the real estate or any interest in the Collateral which is prior to the Bank's interest. Borrower covenants that Borrower is the owner of the Collateral, that the Borrower has the right to grant the above security interest in the Collateral, and Collateral is clear of all liens and encumbrances.

The Bank shall have the right to assign this Note and Security Agreement and the security interest arising hereunder. Borrower waives all rights to assert against any assignee any defense, counterclaim, set-off, or any other claim which Borrower now has, or may hereafter have, against the Bank. This Note and Security Agreement shall be construed and enforced pursuant to the laws of South Carolina.

THIS NOTE AND SECURITY AGREEMENT IS SUBJECT TO THE ADDITIONAL PROVISIONS SET FORTH ON THE REVERSE SIDE HEREOF, THE SAME BEING INCORPORATED HEREIN BY REFERENCE.

IN WITNESS WHEREOF, the Borrower has executed this Agreement, this day of 19

ADDRESS

SIGNATURE OF BORROWER(S)

ADDRESS

Liz Patterson

200,020.01

Liz Patterson for Congress
P.O. Box 5564
Spartanburg, S. C. 29304

August 12, 1986
012.0000
436.001

FOR VALUE RECEIVED, the undersigned promise(s) to pay to
THE PALMETTO BANK, or ORDER OR PART

the sum of Two hundred thousand twenty 601 DOLLARS
payable at any office of The Palmetto Bank in South Carolina, with interest from date hereof on the unpaid principal balance at
the rate of see below cent per annum.

Principal in the amount of \$200,020.01 shall be due Feb. 9, 1987 181 days

RENEWED
- IN FULL OR PART -
Palmetto Bank
LAURENS, S.C.

Rate Palmetto bank prime plus 1 1/2

Interest on this note shall accrue after maturity or demand, until paid, at the rate stated above.

Failure to pay any payment of principal and or interest on this note, as and when due shall, at the option of said Bank (the word "Bank" wherever used herein shall include any holder or assignee of this note) or any holder hereof, render the entire balance of principal and interest on this note immediately due and payable. In the event the indebtedness evidenced hereby or any other liabilities as defined herein be placed in the hands of an attorney for collection, the holder shall be entitled to collect reasonable attorneys' fees in the amount of fifteen (15%) percent of the unpaid debt after default, plus all costs of collection.

thereof for its own account, and the proceeds of any such sale shall be applied first to the costs of such sale and the expenses of collection, including reasonable attorneys' fees, and then to the outstanding balance due on said liabilities, the application to be made in the manner and proportions as Bank elects. Unless the collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Bank shall give the parties hereto written notice of the time and place of any public sale thereof or of the time after which any private sale or intended disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, or otherwise given to the parties hereto, at least five days before such disposition, at their last known address shown on the Bank's records. The rights of Bank specified herein shall be in addition to, and not in limitation of Bank's rights under the Uniform Commercial Code of South Carolina and under the provisions of any other instrument executed by the undersigned to the Bank. The Bank may forebear from realizing on the collateral or any part thereof, by sale or otherwise, as the Bank may decide, and the liabilities of the parties hereto shall not be released, discharged or in any way affected by any such forbearance, nor shall any of the parties hereto have any rights or recourse against the Bank by reason of any action the Bank may take or omit to take under this note, by reason of any deterioration, waste, or loss of any of the collateral unless such deterioration, waste, or loss be caused by the willful act or willful failure to act of the Bank. Upon payment of this note the Bank may release the collateral but shall have the right to retain the same to secure any unpaid liabilities. Upon any transfer of this note and the collateral, the Bank shall be fully relieved of responsibility with reference thereto. "Liabilities" or "Liability" as herein used, shall include this note and all obligations of every kind of any party hereto in whatever capacity to Bank, now or hereafter existing, whether arising directly or acquired from others as collateral or otherwise, whether absolute or contingent, joint or several, joint and several, secured or unsecured, due or not due, direct or indirect, including, but not limited to liabilities arising by operation of law, contractual or tortious, liquidated or unliquidated or otherwise.

To secure the payment of this note and liabilities as herein defined, and any and all extensions or renewals thereof, any future advances made by Bank to the undersigned and any and all other indebtedness which the undersigned may now or hereafter owe the Bank, either directly or indirectly, joint or several, as principal, maker, endorser, surety, guarantor or otherwise of the undersigned to the Bank, and whether due or not, the parties hereto hereby pledge and grant to said Bank a security interest in the collateral which shall include the collateral described on the Security Agreement of even date herewith and any collateral added thereto or substituted therefor, including shares issued as stock dividends and stock splits and dividends representing distribution of capital assets. The undersigned agree(s) to execute such financing statements and other documents, from time to time as may be necessary to perfect and maintain the security interest of the Bank in the collateral and to pay all filing costs and expenses. The Bank is hereby given a lien as security for this note and all other indebtedness or liability of the undersigned, or of any endorser, surety or guarantor hereof, to the Bank, upon all property left with the Bank, whether now or hereafter deposited, and upon any balance of deposit account (whether subject to withdrawal by, or an individual account) of the undersigned or of any endorser, surety or guarantor hereof, and upon any notes, bonds, drafts or other items deposited for collection by the undersigned or of any endorser, surety or guarantor hereof, with the Bank, with authority at any time to charge any or all of said indebtedness against the same or the proceeds thereof. The Bank may declare all liabilities due at once in the event any party, whether primarily or secondarily liable, hereto becomes subject to any proceedings for the relief of creditors including but not limited to proceedings under the Bankruptcy Act or otherwise, or if in the judgment of Bank the collateral decreases in value so as to render Bank insecure and Bank demands additional collateral which is not furnished, or if Bank at any time otherwise deems itself insecure. Failure to exercise any of these options shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

Upon failure to pay any liability when due, Bank may sell the collateral at public or private sale, for cash or on credit, as a whole or in parcels. Bank may at any such sale purchase the collateral or any part thereof for its own account, and the proceeds of any such sale shall be applied first to the costs of such sale and the expenses of collection, including reasonable attorneys' fees, and then to the outstanding balance due on said liabilities, the application to be made in the manner and proportions as Bank elects. Unless the collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Bank shall give the parties hereto written notice of the time and place of any public sale thereof or of the time after which any private sale or intended disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, or otherwise given to the parties hereto, at least five days before such disposition, at their last known address shown on the Bank's records. The rights of Bank specified herein shall be in addition to, and not in limitation of Bank's rights under the Uniform Commercial Code of South Carolina and under the provisions of any other instrument executed by the undersigned to the Bank. The Bank may forebear from realizing on the collateral or any part thereof, by sale or otherwise, as the Bank may decide, and the liabilities of the parties hereto shall not be released, discharged or in any way affected by any such forbearance, nor shall any of the parties hereto have any rights or recourse against the Bank by reason of any action the Bank may take or omit to take under this note, by reason of any deterioration, waste, or loss of any of the collateral unless such deterioration, waste, or loss be caused by the willful act or willful failure to act of the Bank. Upon payment of this note the Bank may release the collateral but shall have the right to retain the same to secure any unpaid liabilities. Upon any transfer of this note and the collateral, the Bank shall be fully relieved of responsibility with reference thereto. "Liabilities" or "Liability" as herein used, shall include this note and all obligations of every kind of any party hereto in whatever capacity to Bank, now or hereafter existing, whether arising directly or acquired from others as collateral or otherwise, whether absolute or contingent, joint or several, joint and several, secured or unsecured, due or not due, direct or indirect, including, but not limited to liabilities arising by operation of law, contractual or tortious, liquidated or unliquidated or otherwise.

Upon failure to pay any liability when due, Bank may sell the collateral at public or private sale, for cash or on credit, as a whole or in parcels. Bank may at any such sale purchase the collateral or any part

LIZ PATTERSON FOR CONGRESS

With my our hand(s) and seal(s)
address _____
address _____

BY: *Liz Patterson* Treasurer

3013468

LO 60	CLO	RLC	DN	SN
DOC ST 20.01	U.C.C.	O	=	
OTHER REC.	NEW	✓	RENEW	
PURPOSE	Campaign expenses			

89040710091

Liz Patterson for Congress
P.O. Box 5564
Spartanburg, S.C. 29304

AGREEMENT

200,020.01

Feb. 27, 19 87

FOR VALUE RECEIVED, the undersigned borrower hereby borrows from
THE PALMETTO BANK, or ORDER

39320436-002
PATTERSON.0000

RENEWED
- IN FULL OR PART -
AUG 10 1987
Palmetto Bank
LAURENS, S.C.

The sum of two hundred thousand twenty and 01/100 DOLLARS
payable at any office of The Palmetto Bank in South Carolina, with interest from date hereof on the unpaid principal balance the rate of see below per cent
annum, payable as follows:

Principal in the amount of \$200,020.01 and see below interest shall be due August 10, 1987
182 days

Rate-Palmetto Bank Prime plus 1%

Interest on this note shall accrue after maturity, until paid, at the rate stated above. The word "Bank" when used herein shall mean The Palmetto Bank, any successor thereof, and any holder or assignee of this note and Security Agreement. The Borrower warrants and represents that this debt has not been incurred for personal, family, or household purposes. The following events shall constitute a default under this Note and Security Agreement: (1) The Borrower's failure to timely pay any sums due the Bank under this obligation or under any other debts the Borrower now owes or hereafter may owe the Bank; (2) The Borrower's violation or nonperformance of any provision of the below Security Agreement, if applicable, or of any other security agreement the Borrower has given, or hereafter may give, the Bank; (3) The Bank's reasonable belief, based on information that the Bank reasonably believes to be true, that (i) the Borrower is unable to pay debts (whether to the Bank or to third parties) as they become due, or (ii) the Borrower has sold or otherwise conveyed (or intends to sell or otherwise convey) assets which in the Bank's opinion would materially affect the Borrower's ability to pay the balances of all debts owed the Bank, or (iii) the Borrower has taken any action which evidences an intent either to terminate or to materially reduce or change the Borrower's normal business operations, or (iv) the Borrower's death or substantial physical or mental disability; or (v) loss, theft, or substantial destruction of the collateral described below in whole or part. In case of such default the Bank at its sole option may accelerate and demand immediate payment of all principal and interest due under this Note and Security Agreement and under any other debts owed by the Borrower to the Bank. The Bank in such event also may institute legal proceedings to collect such debts and, as an additional remedy, may take action to recover any collateral securing this debt or other debts by the Borrower to the Bank. Any failure or forbearance of the Bank to exercise any rights under this Note and Security Agreement shall not be construed as a waiver of such rights, nor shall such failure or forbearance be construed as establishing a course of conduct binding on the Bank, it being understood that the Bank at any time retains the right to strictly enforce the provisions of this Note and Security Agreement without prior notice to the Borrower. If the Bank retains the services of any attorney to enforce its rights herein, the Borrower, in addition to all other sums owed the Bank shall pay the Bank's attorney fees in an amount equal to ten (10%) percent of the unpaid principal and interest due the Bank, plus all reasonable costs of collection. If more than one Borrower signs below, each of them shall be jointly and severally liable for the debt and liabilities described in this Note and Security Agreement, and the word "Borrower" when used in this document shall include all such undersigned Borrowers. The provisions of this Note and Security Agreement shall not be modified in any manner whatsoever unless such modification appears in a writing signed by the Borrower and vice president of the Bank, and such signed writing shall be a condition precedent to either the making of the loan or the Borrower enforcing (by direct action, counterclaim, set-off, recoupment or otherwise) any right or liability which does not appear herein and which concerns the debt, security agreement or collateral described herein. The Borrower's debt described herein is

Secured Unsecured

If this debt is secured (as shown by marking the appropriate box above), the following provisions also apply:
To secure payment of all sums due by the Borrower under this Note and Security Agreement, any and all extensions, modifications, and renewals thereof, any future advances made by the Bank to the Borrower under this Note and Security Agreement, and any and all whether directly or indirectly, joint or several, as principal, maker, endorser, surety, guarantor or otherwise of the Borrower to the Bank, all of which indebtedness is collectively called herein "the Obligations", the Borrower hereby grants the Bank a security interest in the following collateral:

4000 shares Winn-Dixie Stores, Inc.

The Collateral will be located at: _____
In the case of a motor vehicle (show here its base of operation) this security interest also shall extend to and cover all equipment, parts, accessories, additions, attachments and other goods, and all replacements thereof, now or hereafter installed in, affixed to or used in connection with said collateral, and other goods of the same class or type now or hereafter acquired by the Borrower, and all proceeds of collateral that is sold all of the above property (herein collectively called the "Collateral"). Notwithstanding the foregoing security interest in proceeds, the Borrower shall not sell or otherwise dispose of the Collateral except as expressly provided herein.

The Borrower hereby warrants and represents that: The Collateral if checked hereon is being acquired with the proceeds of this debt which proceeds will be used for no other purpose, and when the Bank may disburse directly to the Seller of the Collateral, or to the Seller and Borrower jointly, or which will be paid by Borrower to the Seller within ten (10) days from date.

If any items of the collateral is to be attached to real estate, a description of the real estate is as follows:

The name of the record owner or Lessee is _____ and if the Collateral is attached to real estate prior to the perfection of the security granted hereby, the Borrower will, on demand of the Bank furnish the latter with a disclaimer, or statements, signed by all persons having an interest in the real estate or any interest in the Collateral which is prior to the Bank's interest.

Borrower covenants that Borrower is the owner of the Collateral, that the Borrower has the right to grant the above security interest in the Collateral, and Collateral is clear of all liens and encumbrances.

The Bank shall have the right to assign this Note and Security Agreement and the security interest arising hereunder. Borrower waives all rights and claims against any assignee, counterclaim, set-off, or any other claim which Borrower now has, or may hereafter have, against the Bank. This Note and Security Agreement shall be construed and enforced pursuant to the laws of South Carolina.

THIS NOTE AND SECURITY AGREEMENT IS SUBJECT TO THE ADDITIONAL PROVISIONS SET FORTH ON THE REVERSE SIDE OF THIS NOTE. THE SAME BEING INCORPORATED HEREIN BY REFERENCE.

IN WITNESS WHEREOF, the Borrower has executed this Agreement, this 27th day of Feb. 19 87

ADDRESS
LO# 60
DS \$20.01

RENEWED
- IN FULL OR PART -
AUG 10 1987

SIGNATURE OF BORROWER(S)
Liz Patterson for Congress L.S.
BY: _____

39320436-002

COMMERCIAL NOTE AND SECURITY AGREEMENT

AGREEMENT

Liz Patterson For Congress
P.O. Box 5564
Spartanburg, S. C. 29304-5564

155,500.00

Aug. 7, 19 87

FOR VALUE RECEIVED, the undersigned borrower promise(s) to pay to THE PALMETTO BANK, or ORDER

PATTELZ. 0000
39 320436-003

the sum of one hundred fifty-five thousand five hundred and no cents DOLLARS payable at any office of The Palmetto Bank in South Carolina, with interest from date hereof on the unpaid principal balance the rate of see below per cent or annum, payable as follows:

Principal in the amount of \$155,500.00 and accrued interest shall be paid on or before Feb. 3, 1988 180 days

Rate- Palmetto Bank Prime plus 1%

RENEWED
MAR 7 1988
Palmetto Bank
LAURENS, S.C.

interest on this note shall accrue after maturity, until paid, at the rate stated above. The word "Bank" when used herein shall mean The Palmetto Bank, any successor thereof, and any holder or assignee of this note and Security Agreement. The Borrower warrants and represents that this debt has not been incurred for personal, family, or household purposes. The following events shall constitute a default under this Note and Security Agreement: (1) The Borrower's failure to timely pay any sums due the Bank under this obligation or under any other debts he or she now owes or hereafter may owe the Bank; (2) The Borrower's violation or nonperformance of any provision of the below Security Agreement, if applicable, or of any other security agreement the Borrower has given, or hereafter may give, the Bank; (3) The Bank's reasonable belief, based on information that the Bank reasonably believes to be true, that (i) the Borrower is unable to pay debts (whether to the Bank or to third parties) as they become due, or (ii) the Borrower has sold or otherwise conveyed (or intends to sell or otherwise convey) assets which in the Bank's opinion would materially affect the Borrower's ability to pay the balances of all debts owed the Bank, or (iii) the Borrower has taken any action which evidences an intent either to terminate or to materially reduce or change the Borrower's normal business operations, or (iv) the Borrower's death or substantial physical or mental disability; or (v) loss, theft, or substantial destruction of the collateral described below in whole or part. In case of such default the Bank at its sole option may accelerate and demand immediate payment of all principal and interest due under this Note and Security Agreement and under any other debts owed by the Borrower to the Bank. The Bank in such event also may institute legal proceedings to collect such debts and, as an additional remedy, may take action to recover any collateral securing this debt or other debts by the Borrower to the Bank. Any failure or forbearance of the Bank to exercise any rights under this Note and Security Agreement shall not be construed as a waiver of such rights, nor shall such failure or forbearance be construed as establishing a course of conduct binding on the Bank, it being understood that the Bank at any time retains the right to strictly enforce the provisions of this Note and Security Agreement without prior notice to the Borrower. If the Bank retains the services of any attorney to enforce its rights herein, the Borrower in addition to all other sums owed the Bank shall pay the Bank's attorney fees in an amount equal to fifteen (15%) per cent of the unpaid principal and interest due the Bank, plus all reasonable costs of collection. If more than one Borrower signs below, each of them shall be jointly and severally liable for the debt and liabilities described in this Note and Security Agreement, and the word "Borrower" when used in this document shall include all such undersigned Borrowers. The provisions of this Note and Security Agreement shall not be modified in any manner whatsoever unless such modification appears in a writing signed by the Borrower and vice president of the Bank, and such signed writing shall be a condition precedent to either the Bank or the Borrower enforcing (by direct action, counterclaim, set-off, recoupment or otherwise) any right or liability which does not appear herein and which concerns the debt, security agreement or collateral described herein. The Borrower's debt described herein is:

Secured Unsecured

If this debt is secured (as shown by marking the appropriate box above), the following provisions also apply:

To secure payment of all sums due by the Borrower under this Note and Security Agreement, any and all extensions, modifications, and renewals thereof, any future advances made by the Bank to the Borrower and any and all whether directly or indirectly, joint or several, as principal, maker, endorser, surety, guarantor or otherwise of the Borrower to the Bank, (all of which indebtedness is collectively called herein "the Obligations"), the Borrower hereby warrants the Bank a security interest in the following collateral:

4000 shares Winn-Dixie Stores, Inc.

The Collateral will be located at _____ in the case of a motor vehicle, show here its base of operation). This security interest also shall extend to and cover all equipment, parts, accessories, additions, attachments and other goods, and all replacements thereof, now or hereafter installed in, affixed to or used in connection with said collateral, and other goods of the same class or type now or hereafter acquired by the Borrower, and all proceeds of collateral that is sold all of the above property (herein collectively called the "Collateral"). Notwithstanding the foregoing security interest in proceeds, the Borrower shall not sell or otherwise dispose of the Collateral except as expressly provided herein.

The Borrower hereby warrants and represents that: The Collateral if checked here () is being acquired with the proceeds of this debt which proceeds will be used for no other purpose, and which the Bank may disburse directly to the Seller of the Collateral, or to the Seller and Borrower jointly, or which will be paid by Borrower to the Seller within ten (10) days from date.

If any items of the collateral is to be attached to real estate, a description of the real estate is as follows:

and the name of the record owner or Lessee is _____ and if the Collateral is attached to real estate prior to the perfection of the security granted hereby, the Borrower will on demand of the Bank furnish the latter with a disclaimer, or disclaimers, signed by all persons having an interest in the real estate or any interest in the Collateral which is prior to the Bank's interest.

Borrower covenants that Borrower is the owner of the Collateral, that the Borrower has the right to grant the above security interest in the Collateral, and Collateral is clear of all liens and encumbrances.

The Bank shall have the right to assign this Note and Security Agreement and the security interest arising hereunder. Borrower waives all rights to assert against any assignee any defense, counterclaim, set-off, or any other claim which Borrower now has, or may hereafter have, against the Bank. This Note and Security Agreement shall be construed and enforced pursuant to the laws of South Carolina.

THIS NOTE AND SECURITY AGREEMENT IS SUBJECT TO THE ADDITIONAL PROVISIONS SET FORTH ON THE REVERSE SIDE HEREOF. THE SAME BEING INCORPORATED HEREIN BY REFERENCE.

IN WITNESS WHEREOF, the Borrower has executed this Agreement, this 7 day of Aug 19 87

ADDRESS

SIGNATURE OF BORROWER(S)

89040710000

Liz Patterson for Congress

AGREEMENT

30

146,500.00

P.O. Box 5564

Spartanburg, S. C. 29304-5564

Feb. 8, 19 88

FOR VALUE RECEIVED, the undersigned borrower promise(s) to pay to THE PALMETTO BANK, or ORDER

DATE PLR. 0000
39300536-004 NEW

of one hundred forty-six thousand five hundred and no cents DOLLARS
at any office of The Palmetto Bank in South Carolina, with interest from date hereof on the unpaid principal balance thereof at the rate of _____ per cent
sum, payable as follows:

Principal in the amount of \$146,500.00 and accrued interest payable Aug. 8, 1988 182 days

Rate- Palmetto Bank prime plus 1%

RECEIVED
IN FULL OR PART -
SEP 6 1988
Palmetto Bank
LAURENS, S.C.

on this note shall accrue after maturity, until paid, at the rate stated above. The word "Bank" when used herein shall mean The Palmetto Bank, any suc-
cessor, and any holder or assignee of this note and Security Agreement.
The Borrower warrants and represents that this debt has not been incurred for personal, family, or household purposes. The following events shall constitute a
default under this Note and Security Agreement: (1) The Borrower's failure to timely pay any sums due the Bank under this obligation or under any other debts
owed now or hereafter may owe the Bank; (2) The Borrower's violation or nonperformance of any provision of the below Security Agreement, if
such violation or nonperformance is material to the Bank; (3) The Bank's reasonable belief, based on information that the Borrower has provided or
reasonably believes to be true, that (i) the Borrower is unable to pay debts (whether to the Bank or to third parties) as they become due, or (ii) the Bor-
rower has sold or otherwise conveyed (or intends to sell or otherwise convey) assets which in the Bank's opinion would materially affect the Borrower's ability to
repay the debt, or (iii) the Borrower has taken any action which evidences an intent either to terminate or to materially reduce or
impair the Borrower's normal business operations, or (iv) the Borrower's death or substantial physical or mental disability; or (v) loss, theft, or substantial destruc-
tion of collateral described below in whole or part. In case of such default the Bank at its sole option may accelerate and demand immediate payment of all
principal and interest due under this Note and Security Agreement and under any other debts owed by the Borrower to the Bank. The Bank in such event also may
take legal proceedings to collect such debts and, as an additional remedy, may take action to recover any collateral securing this debt or other debts by the
Borrower to the Bank. Any failure or forbearance of the Bank to exercise any rights under this Note and Security Agreement shall not be construed as a waiver of
such rights. Any such failure or forbearance shall be construed as establishing a course of conduct binding on the Bank, it being understood that the Bank at any
time reserves the right to strictly enforce the provisions of this Note and Security Agreement without prior notice to the Borrower. If the Bank retains the services
of an attorney to enforce its rights herein, the Borrower, in addition to all other sums owed the Bank, shall pay the Bank's attorney fees in an amount equal to
50 percent of the unpaid principal and interest due the Bank, plus all reasonable costs of collection. If more than one Borrower signs below, each of
them shall be jointly and severally liable for the debt and liabilities described in this Note and Security Agreement, and the word "Borrower" when used in this
Note and Security Agreement shall include all such undersigned Borrowers. The provisions of this Note and Security Agreement shall not be modified in any manner whatsoever unless
such modification appears in a writing signed by the Borrower and vice president of the Bank, and such signed writing shall be a condition precedent to either the
Borrower enforcing this debt, security agreement or collateral described herein, or the Bank enforcing any right or liability which does not appear herein and which
is not provided for in this Note and Security Agreement. The Borrower's debt described herein is

Secured Unsecured

If this debt is secured (as shown by marking the appropriate box above), the following provisions also apply:

To secure payment of all sums due by the Borrower under this Note and Security Agreement, any and all extensions, modifications, and
amendments, any future advances made by the Bank to the Borrower and any and all whether directly or indirectly, joint or several, as principal, maker, en-
dorser, guarantor or otherwise of the Borrower to the Bank, all of which indebtedness is collectively called herein "the Obligations"), the Borrower hereby
grants to the Bank a security interest in the following collateral:

4000 shares Winn-Dixie Stores, Inc.

It will be located at:

_____ a motor vehicle, show here its base of operations. This security interest also shall extend to and cover all equipment, parts, accessories, additions,
and other goods, and all replacements thereof, now or hereafter installed in, affixed to or used in connection with said collateral, and other goods or
other type now or hereafter acquired by the Borrower, and all proceeds of collateral that is sold all of the above property (herein collectively called the
Collateral). Notwithstanding the foregoing security interest in proceeds, the Borrower shall not sell or otherwise dispose of the Collateral except as expressly
provided herein.

The Borrower hereby warrants and represents that the Collateral if checked here () is being acquired with the proceeds of this debt which
is being used for no other purpose, and which the Bank may disburse directly to the Seller of the Collateral, or to the Seller and Borrower jointly, or which
is being sold by the Borrower to the Seller within ten (10) days from date.

If any items of the collateral is to be attached to real estate, a description of the real estate is as follows:

_____ of the record owner or Lessee is _____ and if the Collateral
is real estate prior to the perfection of the security granted hereby, the Borrower will on demand of the Bank furnish the latter with a disclaimer, or
a release, signed by all persons having an interest in the real estate or any interest in the Collateral which is prior to the Bank's interest.

Borrower covenants that Borrower is the owner of the Collateral, that the Borrower has the right to grant the above security interest in the
Collateral is clear of all liens and encumbrances.

The Bank shall have the right to assign this Note and Security Agreement and the security interest arising hereunder. Borrower waives all rights
and defenses, counterclaim, setoff, or any other claim which Borrower now has, or may hereafter have, against the Bank. This Note
and Security Agreement shall be construed and enforced pursuant to the laws of South Carolina.

THIS NOTE AND SECURITY AGREEMENT IS SUBJECT TO THE ADDITIONAL PROVISIONS SET FORTH ON THE REVERSE SIDE
HEREOF BEING INCORPORATED HEREIN BY REFERENCE.

IN WITNESS WHEREOF, the Borrower has executed this Agreement, this 8 day of Feb. 19 88

89040713094
08 60

RECEIVED
IN FULL OR PART -

SIGNATURE OF BORROWER(S)

Liz Patterson for Congress

Ls

COMMERCIAL NOTE AND SECURITY AGREEMENT

33

\$ 145,655.

P.O. Box 2551

Spartanburg, S.C. 29101

Sept. 7

19 88

FOR VALUE RECEIVED, the undersigned borrower promises to pay to THE PALMETTO BANK, or ORDER

the sum of one hundred forty-five thousand six hundred fifty-five and 00/100 DOLLARS payable at any office of The Palmetto Bank in South Carolina, with interest from date hereof on the unpaid principal balance the rate of one below per cent per annum, payable as follows:

Principal in the amount of \$145,655.00 and accrued interest shall be due and payable March 6, 1989 180 days

Rate-Palmetto Bank prime plus 1%

Interest on this note shall accrue after maturity, until paid, at the rate stated above. The word "Bank" when used herein shall mean The Palmetto Bank, any successor thereof, and any holder or assignee of this note and Security Agreement.

The Borrower warrants and represents that this debt has not been incurred for personal, family, or household purposes. The following events shall constitute a default under this Note and Security Agreement: (1) The Borrower's failure to timely pay any sums due the Bank under this obligation or under any other debts the Borrower now owes or hereafter may owe the Bank. (2) The Borrower's violation or nonperformance of any provision of the below Security Agreement, if applicable, or of any other security agreement the Borrower has given, or hereafter may give, the Bank. (3) The Bank's reasonable belief, based on information that the Bank reasonably believes to be true, that (i) the Borrower is unable to pay debts (whether to the Bank or to third parties) as they become due, or (ii) the Borrower has sold or otherwise conveyed (or intends to sell or otherwise convey) assets which in the Bank's opinion would materially affect the Borrower's ability to pay the balances of all debts owed the Bank, or (iii) the Borrower has taken any action which evidences an intent either to terminate or to materially reduce or change the Borrower's normal business operations, or (iv) the Borrower's death or substantial physical or mental disability; or (v) loss, theft, or substantial destruction of the collateral described below in whole or part. In case of such default the Bank at its sole option may accelerate and demand immediate payment of all principal and interest due under this Note and Security Agreement and under any other debts owed by the Borrower to the Bank. The Bank in such event also may institute legal proceedings to collect such debts and, as an additional remedy, may take action to recover any collateral securing this debt or other debts by the Borrower to the Bank. Any failure or forbearance of the Bank to exercise any rights under this Note and Security Agreement shall not be construed as a waiver of such rights, nor shall such failure or forbearance be construed as establishing a course of conduct binding on the Bank, it being understood that the Bank at any time retains the right to strictly enforce the provisions of this Note and Security Agreement without prior notice to the Borrower. If the Bank retains the services of any attorney to enforce its rights herein, the Borrower in addition to all other sums owed the Bank shall pay the Bank's attorney fees in an amount equal to fifteen (15%) per cent of the unpaid principal and interest due the Bank, plus all reasonable costs of collection. If more than one Borrower signs below, each of them shall be jointly and severally liable for the debt and liabilities described in this Note and Security Agreement, and the word "Borrower" when used in this document shall include all such undersigned Borrowers. The provisions of this Note and Security Agreement shall not be modified in any manner whatsoever unless such modification appears in a writing signed by the Borrower and vice president of the Bank, and such signed writing shall be a condition precedent to either the Bank or the Borrower enforcing (by direct action, counterclaim, set-off, recoupment or otherwise) any right or liability which does not appear herein and which concerns the debt, security agreement or collateral described herein. The Borrower's debt described herein is

Secured Unsecured

If this debt is secured (as shown by marking the appropriate box above), the following provisions also apply:

To secure payment of all sums due by the Borrower under this Note and Security Agreement, any and all extensions, modifications, and renewals thereof, any future advances made by the Bank to the Borrower and any and all whether directly or indirectly, joint or several, as principal, maker, endorser, surety, guarantor or otherwise of the Borrower to the Bank, (all of which indebtedness is collectively called herein "the Obligations"), the Borrower hereby grants the Bank a security interest in the following collateral:

4000 shares Winn-Dixie Stores Inc.

The Collateral will be located at:

(in the case of a motor vehicle, show here its base of operation). This security interest also shall extend to and cover all equipment, parts, accessories, additions, attachments and other goods, and all replacements thereof, now or hereafter installed in, affixed to or used in connection with said collateral, and other goods of the same class or type now or hereafter acquired by the Borrower, and all proceeds of collateral that is sold all of the above property therein collectively called the "Collateral". Notwithstanding the foregoing security interest in proceeds, the Borrower shall not sell or otherwise dispose of the Collateral except as expressly provided herein.

The Borrower hereby warrants and represents that: The Collateral if checked here is being acquired with the proceeds of this debt which proceeds will be used for no other purpose, and which the Bank may disburse directly to the Seller of the Collateral, or to the Seller and Borrower jointly, or which will be paid by Borrower to the Seller within ten (10) days from date.

If any items of the collateral is to be attached to real estate, a description of the real estate is as follows:

and the name of the record owner or Lessee is _____ and if the Collateral is attached to real estate prior to the perfection of the security granted hereby, the Borrower will on demand of the Bank furnish the latter with a disclaimer, or disclaimers, signed by all persons having an interest in the real estate or any interest in the Collateral which is prior to the Bank's interest.

Borrower covenants that Borrower is the owner of the Collateral, that the Borrower has the right to grant the above security interest in the Collateral, and Collateral is clear of all liens and encumbrances.

The Bank shall have the right to assign this Note and Security Agreement and the security interest arising hereunder. Borrower waives all rights to assert against any assignee any defense, counterclaim, set-off, or any other claim which Borrower now has, or may hereafter have, against the Bank. This Note and Security Agreement shall be construed and enforced pursuant to the laws of South Carolina.

THIS NOTE AND SECURITY AGREEMENT IS SUBJECT TO THE ADDITIONAL PROVISIONS SET FORTH ON THE REVERSE SIDE HEREOF, THE SAME BEING INCORPORATED HEREIN BY REFERENCE.

IN WITNESS WHEREOF, the Borrower has executed this Agreement, this _____ day of _____, 19 _____

ADDRESS

SIGNATURE OF BORROWER(S)

_____ L.S.

300407 / 3095

89 MAY -8 AM 9:26

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

URGENT

FIRST GENERAL COUNSEL'S REPORT

MUR 2777
DATE COMPLAINT
RECEIVED BY OGC:
November 7, 1988
DATE OF NOTIFICATION
TO RESPONDENTS:
November 16, 1988
STAFF MEMBER:
Sandra H. Robinson

COMPLAINANT: South Carolina Republican Party, Van D. Hipp, Jr.,
Chairman

RESPONDENTS: U.S. Representative Elizabeth J. Patterson

Liz Patterson for Congress 1988 and Lawrence
E. Flynn, Jr., as treasurer

Liz Patterson for Congress '86 and Lawrence
E. Flynn, Jr., as treasurer

The Palmetto Bank

Martin Olav Sabo for Congress Volunteer Committee
and Doris A. Caranicas, as treasurer

American Bankers Association BankPAC and Brian
M. Meyer, as treasurer

Committee On Letter Carriers Political Education
and Florence Johnson, as treasurer

Hoechst Celanese Corporation PAC and William
L. Grabowski, as treasurer

Dealers Election Action Committee and Anthony
Ursomarso, as treasurer

Food Marketing Institute PAC and Harry R. Sullivan,
as treasurer

Bankers Trust PAC and Nancy C. O'Connor, as
treasurer

CSX Transportation, Inc. PAC and Alem
Woldehawariat, as treasurer

Carroll L. Gilliam

8 9 0 4 0 7 / 5 0 9 6

John R. Guthrie

Frank S. Holleman, III

Bradford W. Wyche

RELEVANT STATUTES: 2 U.S.C. § 441a(a)
2 U.S.C. § 441a(f)
2 U.S.C. § 441b(a)
2 U.S.C. § 431(8)(B)(vii)
2 U.S.C. § 432(e)(2)
11 C.F.R. § 100.7(a)(1)(i)(D)
11 C.F.R. § 100.7(b)(11)
11 C.F.R. § 110.2
2 U.S.C. § 434(b)
11 C.F.R. § 110.1(b)
11 C.F.R. § 110.2(b)
2 U.S.C. § 432(h)(1)
11 C.F.R. § 103.3

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

On November 7, 1988, the South Carolina Republican Party, through its chairman, Van D. Hipp, Jr., filed a complaint against U.S. Representative Elizabeth J. Patterson; Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer ("the 1988 Patterson Committee"); Liz Patterson for Congress '86 and Lawrence E. Flynn, Jr., as treasurer ("the 1986 Patterson Committee"); The Palmetto Bank; Martin Olav Sabo for Congress Volunteer Committee and Doris A. Caranicas, as treasurer ("the Sabo Committee"); American Bankers Association BankPAC and Brian M. Meyer, as treasurer ("BankPAC"); Committee on Letter Carriers Political Education and Florence Johnson, as treasurer ("Letter Carriers"); Hoechst Celanese Corporation PAC and William L. Grabowski, as treasurer ("Hoechst PAC"); Dealers Election

89040710097

8 9 0 4 0 7 1 5 0 2 8

Action Committee and Anthony Ursomarso, as treasurer (the "Dealers Committee"); Food Marketing Institute PAC and Harry R. Sullivan, as treasurer ("Food PAC"); Bankers Trust PAC and Nancy C. O'Connor, as treasurer ("Bankers Trust PAC"); CSX Transportation, Inc. PAC and Alem Woldehawariat, as treasurer ("CSX PAC"); Carroll L. Gilliam; John R. Guthrie; Frank S. Holleman, III; and Bradford W. Wyche. The complaint alleged knowing and willful violations of the Federal Election Campaign Act of 1971, as amended, in connection with a bank loan obtained by the 1986 Patterson Committee. The complaint further alleged that excessive contributions were made and received in connection with federal elections, and that certain contributions were reported inaccurately by the 1988 Patterson Committee.

Bankers Trust PAC submitted a response to the complaint on November 23, 1988. Attachment VII. A response was received on November 28, 1988, from Frank S. Holleman, III. Attachment X. On November 29, 1988, responses were received from the Sabo Committee and Carroll L. Gilliam. Attachments V and XII, respectively. A response was received from BankPAC on December 1, 1988. Attachment III. On December 2, 1988, responses were received from Hoechst PAC, Palmetto Bank, and Food PAC. Attachments VI, II, and VIII, respectively. The CSX PAC submitted a response to the complaint on December 7, 1988. Attachment IX. Letter Carriers submitted a response on December 8, 1988; that committee requested pre-probable cause conciliation, if the Commission determined to proceed against it. Attachment IV. On December 12, 1988, a response was received

from Bradford W. Wyche. Attachment XI. Representative Patterson and the two Patterson committees submitted a joint response on December 16, 1988, and a supplemental response on March 19, 1989. Attachment I. The Dealers Committee and John R. Guthrie did not submit responses to the complaint.

II. **FACTUAL AND LEGAL ANALYSIS**

1. Allegations Concerning Representative Elizabeth J. Patterson, the 1986 Patterson Committee and The Palmetto Bank

The Federal Election Campaign Act of 1971, as amended ("the Act") prohibits any corporation from making a contribution or expenditure in connection with a federal election. Federal candidates, political committees, or any persons, are prohibited from accepting or receiving such prohibited contributions.

2 U.S.C. § 441b(a).

The Act defines the terms contribution and expenditure to include any loan made for the purpose of influencing the outcome of any federal election, except that any loan of money by a State bank made in accordance with applicable law and in the ordinary course of business is not a contribution, but such loan is a contribution by any endorser or guarantor in proportion to the amount of such endorsement or guarantee. A loan shall be deemed to be made in the ordinary course of business if it is made on a basis that assures repayment, is evidenced by a writing, and is subject to a due date or amortization schedule. The loan shall also bear the usual and customary interest rate of the lending institution. 2 U.S.C. § 431(8)(B)(vii); 11 C.F.R.

§§ 100.7(b)(11) and 100.8(b)(12).

9 9 0 4 0 7 1 3 0 9 9

A loan is a contribution by each endorser or guarantor in proportion to the total amount of the loan for which he or she agreed to be liable in a written agreement. Any reduction in the unpaid balance of the loan shall reduce proportionately the amount endorsed or guaranteed in such written agreement. In the event such agreement does not stipulate the portion endorsed or guaranteed, it shall be determined by the same proportion to the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors. 11 C.F.R.

§ 100.7(a)(1)(i)(C).

Any candidate who obtains a loan in connection with his or her campaign shall be considered to have obtained such loan as an agent for his or her authorized political committee(s). 2 U.S.C. § 432(e)(2).

Elizabeth J. Patterson was a successful candidate for the U.S. House of Representatives from South Carolina's Fourth Congressional District in the 1986 election cycle. She won the general election with 51% of the vote. Mrs. Patterson filed a Statement of Candidacy and designated the Liz Patterson for Congress Committee as her principal campaign committee for the 1986 election cycle on January 15, 1986. A Statement of Organization was filed for that committee on the same date.¹

The complaint alleged that Palmetto Bank, a state chartered and incorporated bank, did not follow its ordinary course of

1. On January 31, 1988, an amended Statement of Organization was filed wherein the name of this committee was changed to Liz Patterson for Congress '86 Committee, presumably to avoid confusion with Mrs. Patterson's 1988 campaign committee.

3 9 0 4 0 7 5 1 0 3

business when granting certain loans to Mrs. Patterson, which were subsequently used to finance her 1986 campaign for federal office and, therefore, Palmetto Bank made illegal contributions in violation of 2 U.S.C. §§ 441a and 441b. It was further alleged that Mrs. Patterson and the 1986 Patterson Committee accepted prohibited and excessive contributions from Palmetto Bank in violation to 2 U.S.C. §§ 441b and 441a(f).²

To substantiate the allegation that the loans at issue were not granted by Palmetto Bank in its ordinary course of business certain information was included in the complaint. The complaint stated that Leon Patterson, the chairman and president of Palmetto Bank, is Mrs. Patterson's brother-in-law. It further stated that Lawrence E. Flynn, Jr., the treasurer of the 1986 Patterson Committee, is a member of Palmetto Bank's Advisory Board. Copies of pages of Palmetto Bank's 1986 Annual Report and a financial disclosure statement filed by Mrs. Patterson with the U.S. House of Representatives were provided to document the allegations and these assertions. Based on information provided in these documents, the complaint also surmised that Mrs. Patterson and members of her immediate family are major shareholders in Palmetto Bank.

Finally, the complaint alleged that Mrs. Patterson's assets were insufficient to cover the amount of the loans. This

2. Section 441a of the Act prescribes the limitations for contributions and expenditures made to, on behalf of, or received by, federal candidates. Section 441a is not applicable to the issues in this part of the complaint, since Section 441b expressly prohibits corporations from making any contributions or expenditures in connection with federal elections.

30040773101

allegation was based on newspaper articles containing reports of statements reportedly made by Mrs. Patterson that the loans were secured with stock she owned in Winn Dixie, Inc. The reported value of that stock was \$168,000. The complaint noted that the news article stated that Mrs. Patterson had additional assets valued at \$460,000, which were considered by the bank. In stating this allegation, the complaint questioned whether the reported value of Mrs. Patterson's assets, as quoted in the news article, was accurate. The complaint noted that the assessed value of Mrs. Patterson's personal residence at the time of the loans was \$158,000. It was further alleged that the loans were obtained at an interest rate of 8-1/2% and not in accordance with the bank's lending practice. See Memorandum to the Commission, MUR 2777 - Complaint, dated November 10, 1988.

The loans³ at issue in this matter, as identified in the complaint and in the 1986 Patterson Committee's financial disclosure reports, are the following:

<u>Date of loan</u>	<u>Amount</u>	<u>Identified Source</u>
Personal loans:		
1-15-86	\$ 2,550.00	Although the complaint identified this as the total of loans from Palmetto Bank, the 1986 Patterson Committee disclosed that this is the sum of two loans (\$50 + \$2,500) received from

3. As will be discussed later in this report, the "loans" in this matter are actually "draws" on a line of credit granted by Palmetto Bank. The documentation evidencing the agreement between the parties treat the line of credit as one loan.

8 3 0 4 0 7 5 1 0 2

Mrs. Patterson.⁴ The total amount was repaid on 5-13-86.

Bank loans:

8-12-86	70,200.00	Palmetto Bank. \$37,907.34 was repaid on 10/13/86, leaving a balance of \$32,292.66.
10-3-86	33,800.00	Palmetto Bank.
10-16-86	14,500.00	Palmetto Bank.
10-17-86	44,800.00	Palmetto Bank.
10-24-86	71,903.44	Palmetto Bank.

Mrs. Patterson is the only person listed in the disclosure reports as a guarantor of each loan. No other person is listed as an endorser.

In their joint response to the complaint, Mrs. Patterson and the 1986 Patterson Committee asserted that the loans were obtained from Palmetto Bank in the ordinary course of business and in compliance with the Act. Attachment I. Their response incorporated, by reference and attachment, the response submitted by Palmetto Bank.

Mrs. Patterson and the 1986 Patterson Committee also attached an affidavit from John S. Poole, who is not a party in this matter. Mr. Poole identified himself as an executive from NCNB of South Carolina who handles commercial loans for his bank.⁵ Mr. Poole declared that, upon a review of Palmetto Bank's

4. In their response, Mrs. Patterson and the 1986 Patterson Committee confirmed that these loans were from personal funds. Palmetto Bank's response also stated that these loans were not obtained from the bank.

5. NCNB South Carolina is a state established bank. It does not appear to be affiliated with Palmetto Bank.

300407 / 3103

analysis of the loan procedure in this instance, the loans at issue were made by Palmetto Bank in the normal course of business. Attachment I(10).

Palmetto Bank provided more substantial information about the terms of the loans made to Mrs. Patterson. Attachment II. Palmetto Bank responded that neither Mrs. Patterson or her husband are major shareholders of the bank's stock and that "no individual owns as much as 10% of its [the bank's] holding company stock." Palmetto Bank stated that Mrs. Patterson owned 1,000 shares of the bank's outstanding 211,740 shares in 1986, which represented "less than one-half of 1% of the outstanding shares" and her husband, Dwight Patterson, owned 7,071 shares or 3.19% of the total shares.⁶ Palmetto Bank contended that, in accordance with Federal Reserve Board regulations, the Pattersons' combined total of shares did not meet the definition of "principal shareholder", which requires ownership or control over at least 10% of the voting securities. In addition, Palmetto Bank acknowledged that Mr. Flynn, the treasurer of Mrs. Patterson's campaign committees, is a member of its Advisory Board. His role as an advisory board member is to provide "general policy advice" and not to be a voting member of the board. Palmetto Bank further explained that Leon

6. In her financial statement filed with the U.S. House of Representatives, Mrs. Patterson disclosed the fair market value (as of May 1, 1986) of the stock she owns in Palmetto Bank to have been between \$15,001 and \$50,000. The fair market value of the Palmetto Bank stock owned by her spouse and children, listed separately on the form, was valued at from between \$100,001 to \$250,000. See Memorandum to the Commission, MUR 2777, dated November 10, 1988.

390407/0104

Patterson was the Chairman and Chief Executive Officer of the bank, and that Paul W. Stringer was the bank's President during the time at issue.

Palmetto Bank explained further that the loans in question were derived from a "\$200,000 credit accommodation" it made to the 1986 Patterson Committee in response to a request received on August 4, 1986. In accordance with bank procedures, three members of the Loan Committee approved the loan. These three individuals were identified as Paul W. Stringer, Curtis A. Tyner, and David E. Burgess. Leon Patterson apparently was not involved in the decision-making process, nor was Mr. Flynn.

According to Palmetto Bank, the loan was approved based on a financial statement provided by Mrs. Patterson, which showed her assets to be substantial for the amount of the loan. A copy of the financial statement was not provided. Palmetto Bank stated that it accepted as security 4,000 shares of Winn-Dixie stock owned by Mrs. Patterson. As of August 17, 1986, the date the loan was consummated, Palmetto Bank stated that such stock had a market value of \$193,000. This value coincides with the value range attributed to that same stock in Mrs. Patterson's financial disclosure statement filed with the U.S. House of Representatives.⁷ Thus, the balance of the \$200,000 line of

7. The copy of Mrs. Patterson's financial disclosure statement filed with the U.S. House of Representatives was current as of May 15, 1986. It appears from this statement that Mrs. Patterson is the sole owner of the Winn Dixie stock. According to the financial statement, the stock generated income valued between \$3,001 and \$25,000 in 1985, and income valued between \$1,001 and \$2,001 in 1986. The fair market value of the stock was valued between \$100,001 and \$250,000 as of May 1, 1986.

8904070105

credit, which equaled approximately \$7,000, was unsecured. Further, Palmetto Bank noted that, if it had been necessary, Mrs. Patterson's bank stock, valued at \$46,000, could have been pledged. Finally, Palmetto Bank stated that the financial statement submitted by Mrs. Patterson showed "unencumbered" assets totaling \$460,000. Palmetto Bank asserted that these factors, and the fact that Mrs. Patterson had been a customer of Palmetto Bank for over 20 years, were considered before approval of the loan.

Mr. Flynn provided supplemental information, as well as information that had been inadvertently omitted from his original response, on March 19, 1989. Attachment Ia. The supplemental information included copies of documents executed with Palmetto Bank to evidence the loan agreement. Attachment Ia(3)-(9).

The security agreement is dated August 12, 1986, and is signed by Mr. Flynn in his capacity as treasurer of the 1986 Patterson Committee. The agreement states that it is to secure the payment of an attached note in the amount of \$200,020.01. The collateral listed in the agreement is the 4,000 shares of stock in Winn-Dixie Stores, Inc. An hypothecation agreement follows the security agreement. It is also dated August 12, 1986, and is signed by Mrs. Patterson as the owner of the Winn-Dixie stock. The terms of the hypothecation agreement authorize the 1986 Patterson Committee to:

"hypothecate, pledge and/or deliver the securities described below [4,000 shares Winn-Dixie Stores, Inc.] belonging to the undersigned [Mrs. Patterson], and the undersigned agrees that when so hypothecated, pledged and/or delivered said securities shall be collateral to secure any present or future indebtedness,

800407/3106

obligation or liability however evidenced, ongoing by Debtor [1986 Patterson Committee] to you [Palmetto Bank], or any extension or renewal thereof, hereby consenting the extension or renewal from time to time of any such indebtedness, obligation or liability, and waiving any notice of any such indebtedness, obligation, liability, extension or renewal." Attachment Ia(4).

On the same page as the hypothecation agreement is a blank document signed by Mrs. Patterson in the presence of a witness. This document, though not titled, meets the requirements of a blank endorsement, which generally serves to establish a security interest in the subject stock, and the holder of such instrument is considered an agent for the transferor. See Uniform Commercial Code, § 8-308 and Fletcher's Encyclopedia Corporations, Volume 12, § 5480.

A copy of the promissory note signed on August 12, 1986, by Mr. Flynn in his capacity as treasurer of the 1986 Patterson Committee was included. The value of the promissory note was \$200,020.01. Interest on the loan was to accrue at Palmetto Bank's prime rate plus 1%. The due date for repayment was February 9, 1987. Copies of additional promissory notes were attached to the response to show that the loan agreement had been renewed with the same basic terms, except that the due date had been extended and the amount of the principal owed was reduced according to the balance outstanding on the original loan.

The above discussed information and documents provided by the 1986 Patterson Committee and Palmetto Bank demonstrate that the loans were granted in the ordinary course of business. The copies of the promissory notes submitted by the 1986 Patterson Committee are evidence of a written agreement between the parties

890407/3107

8 9 0 4 0 7 / 0 1 0 8

regarding the loan. The loan was subject to a due date, although it was renewed. Renewal of loans is a common banking practice, and there is no evidence that the renewals in this instance were out of the ordinary. The interest rate for the loan was always the prime rate of the bank plus 1%, which appears to be a usual and customary rate. Finally, the 4,000 shares of Winn-Dixie stock used as collateral for most of loan was valued at \$193,000 at the time the security agreement was signed. Although the balance of the loan was unsecured, Palmetto Bank's loan committee considered Mrs. Patterson's long standing relationship with the bank, as well as information provided in a personal financial statement that showed sufficient assets.⁸

There is no information to support the allegations in the complaint that, because of Mrs. Patterson's ownership of stock in Palmetto Bank, or her friendly and family ties with members of Palmetto Bank's personnel, she or the 1986 Patterson Committee were afforded special treatment and that the approval of the loan at issue in this matter was granted outside of Palmetto Bank's ordinary course of business. Therefore, this Office recommends that the Commission find no reason to believe Elizabeth J. Patterson, the 1986 Patterson Committee, or Palmetto Bank violated 2 U.S.C. § 441b(a).

8. There are no endorsers or co-makers on the loan agreement. There is no information available to this Office to indicate that the loan agreement was guaranteed by any individual other than Mrs. Patterson through the use of her Winn-Dixie stock as collateral. As previously noted, Palmetto Bank stated that it considered the balance of the loan unsecured and that if necessary it could have considered Mrs. Patterson's bank stock valued at \$46,000. Attachment II(2).

2. Allegations Regarding Excessive Contributions

The Act limits the aggregate amount any person can contribute to a federal candidate for any election to \$1,000. 2 U.S.C. § 441a(a)(1)(A). The Act limits the aggregate amount a multi-candidate committee can contribute to a federal candidate for any election to \$5,000. 2 U.S.C. § 441a(a)(2)(A). The Act further prohibits a candidate or political committee from knowingly accepting any contribution in violation of the provisions of Section 441a, and any officer or employee of any political committee is prohibited from knowingly accepting a contribution in violation of any limitation imposed on contributions under this section. 2 U.S.C. § 441a(f).

Commission regulations at Part 110 specify the requirements for designating contributions for a particular election, depending on the date of receipt and whether a written designation accompanies such contributions. A contribution not designated in writing shall be designated for the next federal election that follows the date on which the contribution is made. A contribution designated in writing for a particular election, but made after that election shall be made to the extent that the contribution does not exceed net debts outstanding from such election. To the extent that such contribution exceeds net debts, the regulations outline procedures and deadlines for returning such excess to the contributor. The regulations also provide an alternative means for redesignating such contribution. The requirements outlined in the regulations are the same whether the contributions are made by individuals or made by

800407109

multi-candidate committees. 11 C.F.R. §§ 110.1(b) and 110.2(b).

Commission regulations specify that a contribution shall be considered to be made when the contributor relinquishes control over the contribution. Control is considered relinquished when the contribution is delivered to the candidate, the political committee, or an agent of the political committee. A contribution that is mailed is considered made on the date of the postmark. 11 C.F.R. §§ 110.1(b)(6) and 110.2(b)(6).

The Act requires each reporting committee to identify each political committee from which it receives a contribution during the reporting period, together with the date and amount of any such contribution. 2 U.S.C. § 434(b)(3)(B). Section 104.14(d) of Commission regulations further provides that the treasurer of a political committee shall be personally responsible for the timely filing of complete reports and statements, and for the accuracy of any information contained therein.⁹

The Act provides that each political committee shall designate one or more State banks, federally chartered depository institutions, or federally insured depository institutions, as its campaign depository or depositories, and further, that all receipts received by such committee shall be deposited in such accounts. 2 U.S.C. § 432(h)(1). Commission regulations further stipulate that the treasurer of such committee shall be responsible for making such deposits, and all

9. The Commission has ordinarily made findings against a political committee and its treasurer of record in his or her official capacity, when making findings with regard to this section. See MUR 2110 - General Counsel's Report, signed May 21, 1986; and MUR 2584 - General Counsel's Report, signed May 6, 1988.

deposits shall be made within ten days of receipt of the contribution(s), or they shall be returned within ten days.

11 C.F.R. § 103.3(a).

A. Allegations Concerning the 1988 Patterson Committee, BankPAC, and Letter Carriers

The complaint alleged that the 1988 Patterson Committee accepted excessive contributions for the 1988 primary election from BankPAC and Letter Carriers. The primary election was held in South Carolina on June 14, 1988.

The complaint identified two contributions of \$5,000 each disclosed by the 1988 Patterson Committee as received from BankPAC on July 13, 1987, and March 24, 1988, respectively. The 1988 Patterson Committee disclosed the \$5,000 contribution received from BankPAC on July 13, 1987, in its 1987 Year-End Report, and disclosed the \$5,000 contribution received on March 24, 1988, in its 1988 April Quarterly Report. Both contributions were designated by that committee for the primary election.

In its disclosure reports, BankPAC disclosed a disbursement of \$5,000 to the 1988 Patterson Committee on July 7, 1987, designated for the 1988 primary election. BankPAC also disclosed a disbursement of \$5,000 to the 1988 Patterson Committee on March 4, 1988, designated for the 1988 general election. In its response to the complaint in this matter, BankPAC supported the accuracy of its reporting disclosure with a copy of the check issued for the 1988 general election contribution. The memo entry on the check, made payable to the Patterson Committee, specifically noted that the contribution was for "D-04-SC; '88

900407/511

General." Attachment III(7). BankPAC's response stated further that the 1988 Patterson Committee had reported the contribution inaccurately.

In its response, the 1988 Patterson Committee acknowledged that it had reported the March 1988 contribution inaccurately, and that it should have been designated for the general election. The 1988 Patterson Committee proposed to amend its 1988 April Quarterly Report accordingly. Attachment I(2). Such amendment has not been filed to date.

Based on the foregoing, this Office recommends that the Commission find that there is no reason to believe BankPAC violated 2 U.S.C. § 441a(a)(2)(A) and no reason to believe the 1988 Patterson Committee violated 2 U.S.C. § 441a(f) with respect to the contributions received from BankPAC. This Office also recommends that the Commission find reason to believe the 1988 Patterson Committee violated 11 C.F.R. § 104.14(d).

The complaint identified several contributions received by the 1988 Patterson Committee, allegedly from Letter Carriers. The contributions identified in the complaint included: \$2,500, received on July 7, 1987; \$500, received on October 2, 1987; \$2,500, received on December 16, 1987; \$1,000, received on May 6, 1988; and \$225, received on May 25, 1988. The complaint alleged that all of these contributions were designated for the 1988 primary election and, therefore, constituted excessive contributions.

In its response, Letter Carriers identified the following contributions it made to the 1988 Patterson Committee: \$2,500,

370407/3112

made on June 16, 1987; \$250, made on September 16, 1987; \$2,250, made on December 2, 1987; \$1,000, made on March 31, 1988; and \$225, made on May 2, 1988. Attachment IV(1). The \$500 (October 2, 1987) and \$2,500 (December 16, 1987) contributions identified in the complaint are incorrect. The 1988 Patterson Committee's response coincided with the amount of each contribution as stated by Letter Carriers. Each committee's disclosure reports corroborated the amounts identified in their respective responses.

Letter Carriers' stated that it made the excessive contributions to the 1988 Patterson Committee by mistake. It was explained that, although the initial contribution of \$2,500, made on June 16, 1987, was identified on the check stub as a contribution to the 1986 primary election due to a clerical error, such contribution was intended for the 1988 primary election. The error was subsequently entered into Letter Carriers' computer system. Thus, when making additional contributions to the 1988 Patterson Committee for the 1988 primary election, the \$2,500 was not computed in the total amount of contributions made to that committee. As a result, Letter Carriers contributed an excess of \$1,225 to the 1988 Patterson Committee for the 1988 primary election. Attachment IV(1)-(2). Thus, this Office recommends that the Commission find reason to believe Letter Carriers violated 2 U.S.C. § 441a(a)(2)(A). Letter Carriers stated that it notified the 1988 Patterson Committee of the error and expects a refund of the \$2,500. As discussed below, the 1988 Patterson Committee is apparently

3
0
0
4
0
7
/ 3
1
3

refunding the entire amount of the June 1987 contribution in an effort to correct its bookkeeping with regard to this contribution.

Letter Carriers requested pre-probable cause conciliation. Due to the circumstances of the violation in this instance, this Office recommends that the Commission enter into conciliation with Letter Carriers prior to a finding of probable cause to believe. A proposed conciliation agreement is attached.

In its response, the 1988 Patterson Committee acknowledged that it had made certain errors with respect to the \$2,500 contribution received from Letter Carriers in July 1987. First, irrespective of apparent instructions from Letter Carriers, as indicated on the check stub, to use such contribution for the 1986 primary election, the contribution was applied to the 1988 primary election. Second, the 1988 Patterson Committee failed to carry forward the contribution received in 1987 in its records, thus, the excessive amount was not detected. In an effort to correct these mistakes, the 1988 Patterson Committee stated that it made a refund to the 1986 Patterson Committee for the \$2,500 and that such amount will subsequently be returned to Letter Carriers. However, the transfer of the \$2,500 to the 1986 Patterson Committee technically results in the receipt of an excessive contribution from Letter Carriers by that committee and the making of such excessive contribution by Letter Carriers. This result occurs because Letter Carriers contributed two contributions of \$2,000 and \$3,000 to the 1986 Patterson Committee in May 1986 for the 1986 primary election and made a

390407/0114

\$5,000 contribution to that committee in August 1986 for the 1986 general election. This Office makes no recommendation with respect to these circumstances, because this apparent excessive contribution results from an attempt to correct a clerical error, the contribution was never intended by the donor committee to be for the 1986 primary election, the contribution was never used by the 1986 Patterson Committee, and the contribution will be refunded to Letter Carriers.

8 9 0 4 0 7 / 3 1 5
The 1988 Patterson Committee may also have violated 2 U.S.C. § 432(h)(1) by failing to deposit the check for the 1986 primary election, which on its face appeared to be for the 1986 Patterson Committee, in the 1986 Patterson Committee's account, assuming a separate account is maintained for each committee.¹⁰ However, as discussed above, by Letter Carriers own admission, such contribution was intended for the 1988 primary election. Therefore, this Office makes no recommendation with respect to this circumstance. The 1988 Patterson Committee did, however, accept excessive contributions with respect to the 1988 primary election, therefore, this Office recommends that the Commission find reason to believe the 1988 Patterson Committee violated 2 U.S.C. § 441a(f).

10. The check at issue was made payable to the order of "Re-Elect Liz Patterson to Congress" and dated June 16, 1987. The accompanying check stub identified the payee of the check and included the notation: "SC04.7102. Primary 1986." Below the notation a box next to the printed words "PRIMARY ELECTION" was checked and the year 1986 was typed next to these words. As noted previously, the 1988 Patterson Committee disclosed the date of receipt for this contribution as July 7, 1987. The Statements of Organization disclose that each committee uses The Palmetto Bank, but does not list account numbers for either committee.

B. Allegations Concerning the 1988 Patterson Committee, the Sabo Committee, Hoechst PAC, Bankers Trust PAC, Food PAC, CSX PAC, Frank S. Holleman, III, Bradford W. Wyche, Carroll L. Gilliam, Dealers Committee, and John R. Guthrie

3 3 0 4 0 7 7 3 1 1 6

The complaint alleged that the 1988 Patterson Committee received contributions it designated for the 1988 primary election from certain political committees and individuals after the date of that election. As stated above, the complaint alleged that the 1988 Patterson Committee had no debts carried over from the primary election, therefore, these contributions were illegal. In addition, the complaint speculated that, if each of these contributors made contributions to the 1988 Patterson Committee for the general election and such contributions, when added with the one presently designated for the primary election, exceeded the contribution limitations of \$1,000 for individuals and \$5,000 for multi-candidate committees, each contributor would be in violation of 2 U.S.C. § 441a(a). Further, if such circumstances proved to be true, the 1988 Patterson Committee would have accepted excessive contributions in violation of 2 U.S.C. § 441a(f).

The complaint alleged that the Sabo Committee made a \$100 contribution to the 1988 Patterson Committee after the date of the 1988 primary election. The Sabo Committee responded that it had made only one contribution of \$1,000 to the 1988 Patterson Committee in 1988. Attachment V. A review of each committee's disclosure reports showed that the Sabo Committee's assertion is accurate. There is no evidence available to this Office to refute that assertion.

A copy of the canceled check and the relevant page from the

970407/3117

Sabo Committee's disclosure report were included in its response. Attachment V(2)-(3). The check was dated June 20, 1988, and the contribution was disclosed as made on that same date. There is no memo entry on the check which designated it for any particular election and the Sabo Committee has not stated that the contribution was designated for a particular election. In accordance with 11 C.F.R. § 110.2(b)(ii), a contribution not designated in writing is attributable to the next election after the contribution is made. In this instance, since the 1988 primary election in South Carolina was held on June 14, 1988, the contribution from the Sabo Committee should have been treated as made for the 1988 general election. The 1988 Patterson Committee, however, designated this contribution for the primary election, and acknowledged this mistake in its response. Attachments I(2) and Ia(2). On December 16, 1988, the 1988 Patterson Committee filed an amendment to its 1988 July Quarterly Report to accurately designate this contribution for the general election. This amended report also corrected the election designations for other contributions discussed below.

Based on the foregoing, this Office recommends that the Commission find no reason to believe the Sabo Committee violated 2 U.S.C. § 441a(a)(2)(A), or that the 1988 Patterson Committee violated 2 U.S.C. § 441a(f) with respect to the contribution at issue. This Office recommends, however, that the Commission find reason to believe the 1988 Patterson Committee violated 11 C.F.R. § 104.14(d) by inaccurately disclosing information in its financial disclosure report filed with the Commission and failing

to amend such report in a timely manner.

The complaint alleged that Hoechst PAC violated 2 U.S.C. § 441a(a)(2)(A) by making a \$300 contribution to the 1988 Patterson Committee for the 1988 primary election. In its response, Hoechst PAC stated that it made only two contributions, of \$500 each, to the 1988 Patterson Committee on June 15, 1988, and October 19, 1988. Attachment VI. Hoechst PAC provided copies of the canceled checks and its relevant disclosure report to substantiate its response. In its 1988 July Quarterly Report the 1988 Patterson Committee disclosed receipt of a \$500 contribution from Hoechst PAC on June 28, 1988, designated for the primary election. A second \$500 contribution from Hoechst PAC was disclosed in the 1988 Patterson Committee's 1988 Post-General Report with the date of receipt as October 31, 1988, designated for the general election. There is no evidence available to this Office to show that Hoechst PAC made a \$300 contribution to the 1988 Patterson Committee.

Neither check from Hoechst PAC, on its face, has a written designation for a particular election and no copies of any letters of transmittal were provided to this Office, to so designate either contribution. Hoechst PAC designated each contribution for the general election in its disclosure reports filed with the Commission. There is no evidence that Hoechst PAC made additional contributions to the 1988 Patterson Committee for the general election, thus, the total of \$1,000 in contributions made to that committee is well within the \$5,000 limitation for multi-candidate committees. The 1988 Patterson Committee

890407/3118

acknowledged in its response that the \$500 contribution received from Hoechst PAC on June 28, 1988, had been mistakenly designated for the primary election in its financial disclosure report. Attachment I(2). The 1988 Patterson Committee amended its 1988 July Quarterly Report on December 16, 1988, to accurately disclose this contribution as designated for the general election.

Based on the foregoing, this Office recommends that the Commission find no reason to believe Hoechst PAC violated 2 U.S.C. § 441a(a)(2)(A), or that the 1988 Patterson Committee violated 2 U.S.C. § 441a(f) with respect to the contributions at issue. This Office recommends, however, that the Commission find reason to believe the 1988 Patterson violated 11 C.F.R. § 104.14(d) by inaccurately disclosing information in its financial disclosure report filed with the Commission and failing to amend such report in a timely manner.

The complaint alleged that Bankers Trust PAC violated 2 U.S.C. § 441a(a)(2)(A) by making a contribution of \$1,500 to the 1988 Patterson Committee after the date of the primary election. The contribution was designated by the 1988 Patterson Committee for the primary election.

Bankers Trust PAC included a copy of its financial disclosure report wherein the contribution at issue was reported. The contribution was reported as made on June 20, 1988. Attachment VII. Bankers Trust PAC designated the contribution for the general election. Including the \$1,500 at issue here, Bankers Trust PAC contributed a total of \$3,500 to the 1988

390407319

general election campaign of Mrs. Patterson. In its general statement, the 1988 Patterson Committee acknowledged a mistake in reporting the election designation for this contribution. Attachment I(2). On December 16, 1988, Patterson Committee amended its 1988 July Quarterly Report to accurately disclose the election designation for this contribution.

Based on the foregoing, this Office recommends that the Commission find no reason to believe Bankers Trust PAC violated 2 U.S.C. § 441a(a)(2)(A), or that the 1988 Patterson Committee violated 2 U.S.C. § 441a(f) with respect to the contribution at issue. This Office recommends, however, that the Commission find reason to believe the 1988 Patterson violated 11 C.F.R. § 104.14(d) by inaccurately disclosing information in its financial disclosure report filed with the Commission and failing to amend such report in a timely manner.

The complaint alleged that Food PAC violated 2 U.S.C. § 441a(a)(2)(A) by making a \$300 contribution to the 1988 Patterson Committee for the primary election. In its response, Food PAC stated that it made only one contribution to the Liz Patterson campaign in the amount of \$300, on June 28, 1988. Food PAC further stated that since the contribution was made after the date of the primary election it was designated for the general election. Attachment VIII. The 1988 Patterson Committee acknowledged in its response that the \$300 contribution from Food PAC had been inaccurately designated by it for the primary election. On December 16, 1988, this committee amended its 1988 July Quarterly Report to accurately disclose the election

9 2 0 4 0 7 3 1 2 0

designation.

Based on the foregoing, this Office recommends that the Commission find no reason to believe Food PAC violated 2 U.S.C. § 441a(a)(2)(A), or that the 1988 Patterson Committee violated 2 U.S.C. § 441a(f) with respect to the contribution at issue. This Office recommends, however, that the Commission find reason to believe the 1988 Patterson violated 11 C.F.R. § 104.14(d) by inaccurately disclosing information in its financial disclosure report filed with the Commission and failing to amend such report in a timely manner.

3 9 0 4 0 7 7 3 1 2 1

The complaint alleged that CSX PAC violated 2 U.S.C. § 441a(a)(2)(A) by making a contribution of \$250 to the 1988 Patterson Committee for the primary election.¹¹ In its response, through counsel, CSX PAC stated that it made only two contributions to the Liz Patterson campaign during the 1987-88 election cycle, which totaled \$450. Attachment IX. CSX PAC disclosed the contribution at issue as made on June 10, 1988, in its 1988 July Monthly Report.¹² The contribution was designated for the general election. Neither a copy of the check or a letter of transmittal was included in the response, therefore, evidence of a written designation is not available to this Office. The 1988 Patterson Committee disclosed the date of receipt for this contribution as June 28, 1988. In its response,

11. The complaint mistakenly identified the name of this committee as CSI Transportation.

12. A second contribution of \$200 to the Patterson campaign was disclosed in CSX PAC's 1987 July Monthly Report. It was made on June 2, 1987, designated for the general election.

the 1988 Patterson Committee acknowledged in its general statement that it had reported the election designation for such contribution erroneously. Attachment I(2). On December 16, 1988, this committee amended its 1988 July Quarterly Report to accurately disclose the election designation.

Based on the foregoing, this Office recommends that the Commission find no reason to believe CSX PAC violated 2 U.S.C. § 441a(a)(2)(A), or that the 1988 Patterson Committee violated 2 U.S.C. § 441a(f) with respect to the contribution at issue. This Office also recommends that the Commission find reason to believe the 1988 Patterson violated 11 C.F.R. § 104.14(d) by inaccurately disclosing information in its financial disclosure report filed with the Commission and failing to amend such report in a timely manner.

The complaint identified other inaccurately disclosed contributions to the 1988 Patterson Committee made by certain individuals, and questioned whether such contributions, when added to any other contributions possibly made by these individuals, would exceed the limitation set at 2 U.S.C. § 441a(a)(1)(A). These contributions are discussed below.

Frank S. Holleman, III, made a \$20 contribution to the 1988 Patterson Committee that was received on June 30, 1988, and designated by the committee for the primary election. In his response, Mr. Holleman stated that he made a total of \$440 to the Patterson campaign after the date of the primary election. There is no evidence that Mr. Holleman designated the \$20 contribution in writing for the primary election, thus, that contribution

3 0 0 4 0 7 3 1 2 2

should have been designated by the recipient committee for the general election. The 1988 Patterson Committee included this contribution in its general statement regarding the misreported contributions. Attachment I(2). The amendment to the 1988 July Quarterly Report designated this contribution for the general election.

Based on the foregoing, this Office recommends that the Commission find no reason to believe Frank S. Holleman, III, violated 2 U.S.C. § 441a(a)(1)(A), or that the 1988 Patterson Committee violated 2 U.S.C. § 441a(f) with respect to the contribution at issue. This Office also recommends that the Commission find reason to believe the 1988 Patterson violated 11 C.F.R. § 104.14(d) by inaccurately disclosing information in its financial disclosure report filed with the Commission and failing to amend such report in a timely manner.

Bradford W. Wyche made a \$300 contribution to the 1988 Patterson Committee that was received on June 28, 1988, and designated by the committee for the primary election. In his response, Mr. Wyche stated that he made the \$300 contribution on June 20, 1988, and made a second contribution of \$100, to the 1988 Patterson campaign on October 4, 1988. Mr. Wyche stated that these were the only two contributions made to that campaign. There is no evidence that Mr. Wyche designated the \$300 contribution in writing for the primary election, thus that contribution should have been designated by the recipient committee for the general election. The 1988 Patterson Committee included this contribution in its general statement about the

390407 / 0125

misreported contributions. Attachment I(2). The amendment to the 1988 July Quarterly Report designated this contribution for the general election.

Based on the foregoing, this Office recommends that the Commission find no reason to believe Bradford W. Wyche violated 2 U.S.C. § 441a(a)(1)(A), or that the 1988 Patterson Committee violated 2 U.S.C. § 441a(f) with respect to the contribution at issue. This Office also recommends that the Commission find reason to believe the 1988 Patterson violated 11 C.F.R. § 104.14(d) by inaccurately disclosing information in its financial disclosure report filed with the Commission and failing to amend such report in a timely manner.

Carroll L. Gilliam contributed \$500 to the 1988 Patterson Committee that was received on June 28, 1988. In his response, Mr. Gilliam stated that he made the \$500 contribution noted in the complaint by a check dated June 15, 1988. He also stated that he made two other contributions to the Patterson campaign, \$500 made on August 3, 1988, and \$300 made by a check dated September 16, 1988.¹³ Attachment XII(8)-(9). Mr. Gilliam provided copies of the canceled checks and letters of acknowledgment from the Patterson campaign, in addition to other materials, to substantiate his response. Attachment XII(29)-(36), (40)-(48). There is no evidence that Mr. Gilliam designated the \$500 contribution at issue here in writing for the primary election, thus, that contribution should have been

13. The 1988 Patterson Committee designated these two contributions for the general election in its 1988 October Quarterly Report filed with the Commission.

8 0 0 4 0 7 7 3 1 2 4

designated by the recipient committee for the general election. Thus, Mr. Gilliam made an excessive contribution in the amount of \$300 to the 1988 Patterson Committee. The 1988 Patterson Committee included this contribution in its general statement about the misreported contributions. Attachment I(2). The amended 1988 July Quarterly Report designated the contribution for the general election.

Based on the foregoing, this Office recommends that the Commission find reason to believe Carroll Gilliam violated 2 U.S.C. § 441a(a)(1)(A), and that the 1988 Patterson Committee violated 2 U.S.C. § 441a(f). Based on the circumstances, this Office recommends that the Commission take no further action against Mr. Gilliam. This Office also recommends that the Commission find reason to believe the 1988 Patterson violated 11 C.F.R. § 104.14(d) by inaccurately disclosing information in its financial disclosure report filed with the Commission and failing to amend such report in a timely manner.

As stated previously, neither the Dealers Committee or John R. Guthrie submitted a response to the complaint in this matter.

The compliant alleged that the Dealers Committee contributed a total of \$4,500 to the 1988 Patterson Committee designated for the primary election. A review of the Dealers Committee's disclosure reports filed with the Commission showed that it made two \$500 contributions to the 1988 Patterson Committee on August 18, 1987, and May 2, 1988. Such contributions were designated for the primary election. The Dealers Committee disclosed a \$5,000 contribution as made on June 9, 1988, to the

8 9 0 4 0 7 / 3 1 2 5

1988 Patterson Committee designated for the general election.

The 1988 Patterson Committee did not disclose the receipt of any contributions from the Dealers Committee in its 1987 Year End Report, which covered the period from January 1, 1987, through December 31, 1987. In its 1988 Pre-Primary Report (covering the period from April 1 through May 25, 1988) the 1988 Patterson Committee disclosed receipt of a \$500 contribution from the Dealers Committee on May 20, 1988, designated for the primary election. In its 1988 July Quarterly Report (covering the period from May 26 through June 30, 1988) the 1988 Patterson Committee disclosed the receipt of \$4,500 from the Dealers Committee for the primary election and \$500 from that committee for the general election. The date of receipt for both contributions was reported as June 30, 1988.

It is apparent that the 1988 Patterson Committee failed to disclose the receipt of the \$500 contribution from the Dealers Committee made on August 18, 1987, therefore, this Office recommends that the Commission find reason to believe the 1988 Patterson Committee violated 2 U.S.C. § 434(b). It is also apparent that the \$500 contribution disclosed by the Dealers Committee as made on May 2, 1988, is the same as that reported as received by the 1988 Patterson Committee on May 20, 1988. Since there is no specific information about any of the contributions at issue here, it is not known whether the \$5,000 was transmitted with a letter which designated it, in whole or in part, for a particular election. According to the Dealers Committee's disclosure reports, it contributed a total of \$1,000 to the 1988

870407/3120

Patterson Committee for the primary election and \$5,000 for the general election. According to the 1988 Patterson Committee's disclosure reports, it received \$5,000 for the primary election and \$500 for the general election from the Dealers Committee. The \$5,000 contribution, if made on June 9, 1988, as disclosed by the Dealers Committee without a written designation, should have been designated for the primary election. Since the Dealers Committee has disclosed that it contributed a total of \$1,000 to the 1988 Patterson Committee for the primary election, the additional \$5,000 results is an excessive contribution for that election. Therefore, this Office recommends that the Commission find reason to believe the Dealers Committee violated 2 U.S.C. § 441a(a)(2)(A). This Office has proposed questions and a request for production of documents to this committee.

The 1988 Patterson Committee has included the contributions from the Dealers Committee in its acknowledgment that certain mistakes were made in reporting the receipt of contributions, as noted above. Based on the circumstances discussed above, this Office makes no recommendation at this time regarding a violation of 11 C.F.R. § 104.14(d). This Office recommends that the Commission find reason to believe the 1988 Patterson Committee violated 2 U.S.C. § 441a(f) with respect to the contributions received from the Dealers Committee. This Office has proposed questions about these contributions to the 1988 Patterson Committee.

The complaint alleged that John R. Guthrie made three contributions of \$50 each to the 1988 Patterson Committee after

89040770127

the date of the primary election, which, when added to any other possible contributions made by Mr. Guthrie to the 1988 Patterson committee for that election, could constitute excessive contributions. The 1988 Patterson Committee disclosed the above three contributions from Mr. Guthrie in its 1988 July Quarterly Report as received on June 14, 20, and 30, 1988, each designated for the primary election. The 1988 Patterson Committee has acknowledged in its general statement that it reported certain contributions erroneously, including the contributions from Mr. Guthrie. Attachment I(2). The amendment to the 1988 July Quarterly Report designated the two contributions received after the primary election for the general election.

A review of the 1988 Patterson Committee's disclosure reports filed for the 1987-1988 election cycle show that Mr. Guthrie contributed a total of at least \$1,340 to the 1988 Patterson campaign.¹⁴ According to these disclosure reports, Mr. Guthrie contributed a total of \$330 for the primary election and a total of at least \$1010 for the general election.

Based on the foregoing, this Office recommends that the Commission find reason to believe John R. Guthrie violated 2 U.S.C. § 441a(a)(1)(A), and that the 1988 Patterson Committee violated 2 U.S.C. § 441a(f). Based on the circumstances, this

14. In its 1988 Pre-General Report the 1988 Patterson Committee disclosed the total of year-to-date contributions received from Mr. Guthrie to be \$1,390, however, the amount of the contribution reported as received in September 1988 is \$10.00. It is likely that the amount of that contribution was \$50, which would account for the discrepancy between the year-to-date total reported by the committee and the year-to-date total computed by this Office by adding the individual contributions.

890407/3128

Office recommends that the Commission take no further action against Mr. Guthrie. This Office also recommends that the Commission find reason to believe the 1988 Patterson Committee violated 11 C.F.R. § 104.14(d) by inaccurately disclosing information in its financial disclosure report filed with the Commission and failing to amend such report in a timely manner.

III. RECOMMENDATIONS

1. Find no reason to believe that Elizabeth J. Patterson, Liz Patterson for Congress '86 and Lawrence E. Flynn, Jr., as treasurer, and The Palmetto Bank violated 2 U.S.C. § 441b(a).
2. Find no reason to believe American Bankers Association BankPAC and Brian M. Meyer, as treasurer; Martin Olav Sabo for Congress Volunteer Committee and Doris A. Caranicas, as treasurer; Hoechst Celanese Corporation PAC and William L. Grabowski, as treasurer; Bankers Trust PAC and Nancy C. O'Connor, as treasurer; Food Marketing Institute PAC and Harry B. Sullivan, as treasurer; and CSX Transportation, Inc. PAC and Alem Woldehawariat, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A).
3. Find no reason to believe Frank S. Holleman, III, and Bradford W. Wyche violated 2 U.S.C. § 441a(a)(1)(A).
4. Find no reason to believe Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer, violated 2 U.S.C. § 441a(f) with respect to contributions received from American Bankers Association BankPAC and Brian M. Meyer, as treasurer; Martin Olav Sabo for Congress Volunteer Committee and Doris A. Caranicas, as treasurer; Hoechst Celanese Corporation PAC and William L. Grabowski, as treasurer; Bankers Trust PAC and Nancy C. O'Connor, as treasurer; Food Marketing Institute PAC and Harry B. Sullivan, as treasurer; CSX Transportation, Inc. PAC and Alem Woldehawariat, as treasurer; Frank S. Holleman, III; and Bradford W. Wyche.
5. Find reason to believe Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer, violated 2 U.S.C. § 441a(f) with respect to the contributions received from Committee on Letter Carriers Political Education and Florence Johnson, as treasurer; Dealers Election Action Committee and Anthony Ursomarso, as treasurer; Carroll L. Gilliam and John R. Guthrie.
6. Find reason to believe Dealers Election Action Committee and Anthony Ursomarso, as treasurer, violated 2 U.S.C.

870407 / 8129

§ 441a(a)(2)(A).

7. Find reason to believe Committee On Letter Carriers Political Education and Florence Johnson, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A); and enter into conciliation with Committee On Letter Carriers Political Education and Florence Johnson, as treasurer, prior to a finding of probable cause to believe.
8. Find reason to believe Carroll L. Gilliam and John R. Guthrie violated 2 U.S.C. § 441a(a)(1)(A) and take no further action with respect to these respondents.
9. Find reason to believe Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 104.14(d).
10. Close the file as it pertains to Elizabeth J. Patterson; Liz Patterson for Congress '86 and Lawrence E. Flynn, Jr., as treasurer; The Palmetto Bank; American Bankers Association BankPAC and Brian M. Meyer, as treasurer; Martin Olav Sabo for Congress Volunteer Committee and Doris A. Caranicas, as treasurer; Hoechst Celanese Corporation PAC and William L. Grabowski, as treasurer; Bankers Trust PAC and Nancy C. O'Connor, as treasurer; Food Marketing Institute PAC and Harry B. Sullivan, as treasurer; and CSX Transportation, Inc. PAC and Alem Woldehawariat, as treasurer; Carroll L. Gilliam; John R. Guthrie; Frank S. Holleman, III; and Bradford W. Wyche.
11. Approve the attached Factual and Legal Analyses and letters.
12. Approve the attached proposed conciliation agreement and letter.
13. Approve the attached interrogatories and requests for production of documents.

Lawrence M. Noble
General Counsel

3 9 0 4 0 7 / 3 1 3 0
Date

May 5, 1989

BY:

George F. Rishel
Acting Associate General
Counsel

Attachments

1. Response from Representative Patterson and the Patterson Committees.
2. Response from Palmetto Bank.
3. Response from BankPAC.

4. Response from Letter Carriers.
5. Response from the Sabo Committee.
6. Response from Hoechst PAC.
7. Response from Bankers Trust PAC.
8. Response from Food PAC.
9. Response from CSX PAC.
10. Response from Frank Holleman.
11. Response from Bradford Wyche.
12. Response from Carroll Gilliam.
13. Factual and Legal Analyses (5).
14. Interrogatories and Requests for Documents (2).
15. Conciliation Agreement
16. Letters (15).

Staff Person: Sandra H. Robinson

8 9 0 4 0 7 / 3 1 3 1

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 10, 1989, the Commission decided by a vote 4-0 to take the following actions in MUR 2777:

1. Find no reason to believe that Elizabeth J. Patterson, Liz Patterson for Congress '86 and Lawrence E. Flynn, Jr., as treasurer, and the Palmetto Bank violated 2 U.S.C. § 441b(a).
2. Find no reason to believe American Bankers Association BankPAC and Brian M. Meyer, as treasurer; Martin Olav Sabo for Congress Volunteer Committee and Doris A. Caranicas, as treasurer; Hoechst Celanese Corporation PAC and William L. Grabowski, as treasurer; Bankers Trust PAC and Nancy C. O'Connor, as treasurer; Food Marketing Institute PAC and Harry B. Sullivan, as treasurer; and CSX Transportation, Inc. PAC and Alem Woldehawariat, as treasurer, violated 2 U.S.C. § 441a (a) (2) (A).
3. Find no reason to believe Frank S. Holleman, III, and Bradford W. Wyche violated 2 U.S.C § 441a(a)(1)(A).
4. Find no reason to believe Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer, violated 2 U.S.C. § 441a(f) with respect to contributions received from American Bankers Association BankPAC and Brian M. Meyer, as treasurer; Martin Olav Sabo for Congress Volunteer Committee and Doris A. Caranicas, as treasurer; Hoechst Celanese Corporation PAC and William L. Grabowski, as treasurer; Bankers Trust PAC and Nancy C. O'Connor, as treasurer; Food Marketing Institute PAC and Harry B. Sullivan, as treasurer; CSX Transportation, Inc. PAC and Alem Woldehawariat, as treasurer; Frank S. Holleman, III; and Bradford W. Wyche.

(Continued)

990407/0139

- 3
9
0
4
0
7
/
- 5
1
3
4
5. Find reason to believe Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer, violated 2 U.S.C. § 441a(f) with respect to the contributions received from Committee on Letter Carriers Political Education and Florence Johnson, as treasurer; Dealers Election Action Committee and Anthony Ursomarso, as treasurer; Carroll L. Gilliam and John R. Guthrie.
 6. Find reason to believe Dealers Election Action Committee and Anthony Ursomarso, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A).
 7. Find reason to believe Committee On Letter Carriers Political Education and Florence Johnson, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A); and enter into conciliation with Committee On Letter Carriers Political Education and Florence Johnson, as treasurer, prior to a finding of probable cause to believe.
 8. Find reason to believe Carroll L. Gilliam and John R. Guthrie violated 2 U.S.C. § 441a(a)(1)(A) and take no further action with respect to these respondents.
 9. Find reason to believe Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 104.14(d).
 10. Close the file as it pertains to Elizabeth J. Patterson; Liz Patterson for Congress '86 and Lawrence E. Flynn, Jr., as treasurer; The Palmetto Bank; American Bankers Association BankPAC and Brian M. Meyer, as treasurer; Martin Olav Sabo for Congress Volunteer Committee and Doris A. Caranicas, as treasurer; Hoechst Celanese Corporation PAC and William L. Grabowski, as treasurer; Bankers Trust PAC and Nancy C. O'Connor, as treasurer; Food Marketing Institute PAC and Harry B. Sullivan, as treasurer; and CSX Transportation, Inc. PAC and Alem Woldehawariat, as treasurer; Carroll L. Gilliam; John R. Guthrie; Frank S. Holleman, III; and Bradford W. Wyche.

(Continued)

11. Approve the Factual and Legal Analyses and letters, as recommended in the First General Counsel's report signed May 5, 1989.
12. Approve the proposed conciliation agreement and letter, as recommended in the First General Counsel's report signed May 5, 1989.
13. Approve the interrogatories and requests for production of documents, as recommended in the First General Counsel's report signed May 5, 1989.

Commissioners Aikens, Elliott, Josefiak, and McGarry voted affirmatively for the decision;

Commissioners McDonald and Thomas did not vote.

Attest:

May 11, 1989
Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary:	Mon.,	5-8-89,	9:26
Circulated on 48 hour tally basis:	Mon.,	5-8-89,	4:00
Deadline for vote:	Wed.,	5-10-89,	4:00

390407 / 3135



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1989

Nancy C. O'Connor, Treasurer
Bankers Trust PAC
280 Park Avenue
New York, NY 10015

RE: MUR 2777
Bankers Trust PAC and
Nancy C. O'Connor, as
treasurer

Dear Ms. O'Connor:

On November 16, 1988, the Federal Election Commission notified Bankers Trust PAC ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On May 10, 1989, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe the Committee and you, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A). Accordingly, the Commission closed its file in this matter as it pertains to the Committee and you, as treasurer.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

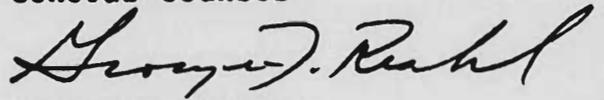
8 9 0 4 0 7 / 3 1 3 6

Nancy C. O'Connor, Treasurer
Page 2

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel



BY: George F. Rishel
Acting Associate General
Counsel

800407 / 5137



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1989

Jan W. Baran, Esq.
Wiley, Rein & Fielding
1776 K Street N.W.
Washington, D.C. 20006

RE: MUR 2777
CSX Transportation, Inc.
PAC and Alem
Woldehawariat, as
treasurer

Dear Mr. Baran:

On November 16, 1988, the Federal Election Commission notified your clients, CSX Transportation, Inc. PAC ("Committee") and Alem Woldehawariat, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On May 10, 1989, the Commission found, on the basis of the information in the complaint, and information provided by your clients, that there is no reason to believe the Committee and Alem Woldehawariat, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A). Accordingly, the Commission closed its file in this matter as it pertains to your clients.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

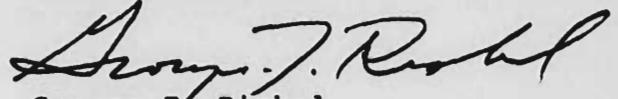
990407 / 138

Jan W. Baran, Esq.
Page 2

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel



BY: George F. Rishel
Acting Associate General
Counsel

89040713139



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1989

Doris A. Caranicas, Treasurer
Martin Olav Sabo for Congress
Volunteer Committee
2425 E. Franklin Avenue, #301
Minneapolis, Minnesota 55406

RE: MUR 2777
Martin Olav Sabo for
Congress Volunteer
Committee and Doris A.
Caranicas, as treasurer

Dear Ms. Caranicas:

On November 16, 1988, the Federal Election Commission notified Martin Olav Sabo for Congress Volunteer Committee ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On May 10, 1989, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe the Committee and you, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A). Accordingly, the Commission closed its file in this matter as it pertains to the Committee and you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

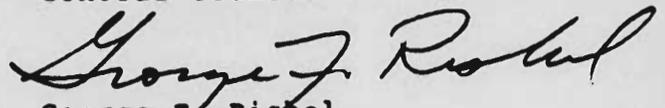
390407 / 5140

Doris A. Caranicas, Treasurer
Page 2

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel



BY: George F. Rishel
Acting Associate General
Counsel

80040715141



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1989

Frank S. Holleman, III
Wyche, Burgess, Freeman
& Parham, P.A.
P.O. Box 10207
Greenville, SC 29603

RE: MUR 2777
Frank S. Holleman, III

Dear Mr. Holleman:

On November 16, 1988, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On May 10, 1989, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe you violated 2 U.S.C. § 441a(a)(1)(A). Accordingly, the Commission closed its file in this matter as it pertains to you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

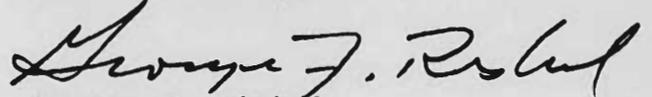
800407/5142

Frank S. Holleman, III
Page 2

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel



BY: George F. Rishel
Acting Associate General
Counsel

80040713143



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1989

Harry R. Sullivan, Treasurer
Food Marketing Institute PAC
1750 K Street, N.W., Suite 700
Washington, D.C. 20006

RE: MUR 2777
Food Marketing Institute
PAC and Harry R. Sullivan,
as treasurer

Dear Mr. Sullivan:

On November 16, 1988, the Federal Election Commission notified Food Marketing Institute PAC ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On May 10, 1989, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe the Committee and you, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A). Accordingly, the Commission closed its file in this matter as it pertains to the Committee and you, as treasurer.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

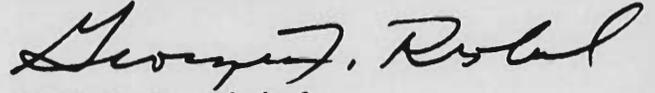
300407 / 5144

Harry R. Sullivan, Treasurer
Page 2

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel



BY: George F. Rishel
Acting Associate General
Counsel

090407 / 3143



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

May 19, 1989

William L. Grabowski, Treasurer
Hoechst Celanese Corporation PAC
P.O. Box 2500
Somerville, NJ 08876

RE: MUR 2777
Hoechst Celanese
Corporation PAC and
William L. Grabowski,
as treasurer

Dear Mr. Grabowski:

On November 16, 1988, the Federal Election Commission notified Hoechst Celanese Corporation PAC ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On May 10, 1989, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe the Committee and you, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A). Accordingly, the Commission closed its file in this matter as it pertains to the Committee and you, as treasurer.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

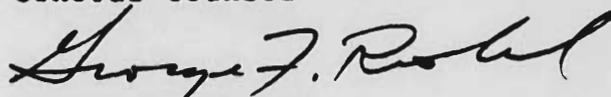
400407/0146

William L. Grabowski, Treasurer
Page 2

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel



BY: George F. Rishel
Acting Associate General
Counsel

8 9 0 4 0 7 1 3 1 4 7



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1989

John J. Gill, Esq.
American Bankers Association
1120 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2777
American Bankers
Association BankPAC and
Brian M. Meyer, as
treasurer

Dear Mr. Gill:

On November 16, 1988, the Federal Election Commission notified your clients, American Bankers Association BankPAC and Brian M. Meyer, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On May 10, 1989, the Commission found, on the basis of the information in the complaint, and information provided by your clients, that there is no reason to believe American Bankers Association BankPAC and Brian M. Meyer, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A). Accordingly, the Commission closed its file in this matter as it pertains to your clients.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

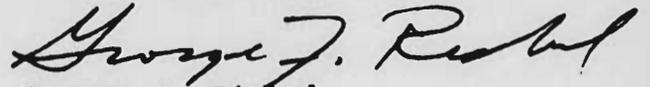
80040773148

John J. Gill, Esq.
Page 2

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel



BY: George F. Rishel
Acting Associate General
Counsel

3 9 0 4 0 7 7 5 1 4 9



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1989

David E. Burgess
Sr. Vice President
The Palmetto Bank
P.O. Box 49
Laurens, SC 29360

RE: MUR 2777
The Palmetto Bank

Dear Mr. Burgess:

On November 16, 1988, the Federal Election Commission notified The Palmetto Bank of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On May 10, 1989, the Commission found, on the basis of the information in the complaint, and information provided by The Palmetto Bank, that there is no reason to believe The Palmetto Bank violated 2 U.S.C. § 441b(a). Accordingly, the Commission closed its file in this matter as it pertains to The Palmetto Bank.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

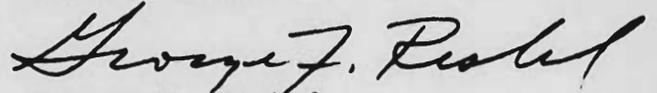
3
5
1
7
0
7
4
0
4
0
3

David E. Burgess
Page 2

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel



BY: George F. Rishel
Acting Associate General
Counsel

2 2 0 4 0 7 / 3 1 5 1



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1989

The Honorable Elizabeth J. Patterson
U.S. House of Representatives
1641 Longworth HOB
Washington, D. C. 20515-4004

RE: MUR 2777
Elizabeth J. Patterson

Dear Ms. Patterson:

On November 16, 1988, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On May 10, 1989, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe you violated 2 U.S.C. § 441b(a). Accordingly, the Commission closed its file in this matter as it pertains to you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel

BY: George F. Rishel
Acting Associate General
Counsel

870407/0152



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1989

Bradford W. Wyche
Wyche, Burgess, Freeman
& Parham, P.A.
P.O. Box 10207
Greenville, SC 29603

RE: MUR 2777
Bradford W. Wyche

Dear Mr. Wyche:

On November 16, 1988, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On May 10, 1989, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe you violated 2 U.S.C. § 441a(a)(1)(A). Accordingly, the Commission closed its file in this matter as it pertains to you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

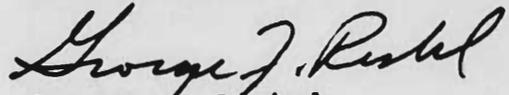
3 3 0 4 0 7 / 5 1 5 3

Bradford W. Wyche
Page 2

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel



BY: George J. Rishel
Acting Associate General
Counsel

3 0 0 4 0 7 1 5 4



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1989

John R. Guthrie
216 Beachwood Drive
Spartanburg, South Carolina 29302

RE: MUR 2777
John R. Guthrie

Dear Mr. Guthrie:

On May 10, 1989, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making contributions over \$1,000 to any candidate or authorized political committee of a candidate for any federal election appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

300407 / 3155

John R. Guthrie
Page 2

If you have any questions, please direct them to Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Danny L. McDonald
Chairman

Enclosure
Factual and Legal Analysis

3 2 0 4 0 7 / 5 1 5 6

**FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS**

Respondent: John R. Guthrie

MUR 2777

The Federal Election Campaign Act of 1971, as amended (the "Act") limits the aggregate amount a person can contribute to a federal candidate for any election to \$1,000. 2 U.S.C. § 441a(a)(1)(A).

Commission regulations at Part 110 specify the requirements for designating contributions for a particular election, depending on the date of receipt and whether a written designation accompanies such contributions. A contribution not designated in writing shall be designated for the next federal election that follows the date on which the contribution is made. A contribution designated in writing for a particular election, but made after that election shall be made to the extent that the contribution does not exceed net debts outstanding from such election. To the extent that such contribution exceeds net debts, the regulations outline procedures and deadlines for returning such excess to the contributor. The regulations also provide an alternative means for redesignating such contribution. 11 C.F.R. § 110.1(b).

Elizabeth J. Patterson was a successful candidate for the U.S. House of Representatives from South Carolina's Fourth Congressional District in the 1988 election cycle. Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer (the "1988 Patterson Committee"), were designated as her principal

300407157

campaign committee. The primary election was held in South Carolina on June 14, 1988.

The 1988 Patterson Committee disclosed the receipt of three contributions of \$50 each from John R. Guthrie in its 1988 July Quarterly Report as received on June 14, 20, and 30, 1988, each designated for the primary election. An amendment to the 1988 July Quarterly Report designated the two contributions received after the primary election for the general election.

A review of the 1988 Patterson Committee's disclosure reports filed for the 1987-1988 election cycle show that Mr. Guthrie contributed a total of at least \$1,340 to the 1988 Patterson campaign.¹ According to these disclosure reports, Mr. Guthrie contributed a total of \$330 for the primary election and a total of at least \$1010 for the general election.

Therefore, there is reason to believe John R. Guthrie violated 2 U.S.C. § 441a(a)(1)(A).

1. In its 1988 Pre-General Report the 1988 Patterson Committee disclosed the total of year-to-date contributions received from Mr. Guthrie to be \$1,390, however, the amount of the contribution reported as received in September 1988 is \$10.00. It is likely that the amount of that contribution was \$50, which would account for the discrepancy between the year-to-date total reported by the committee and the year-to-date total computed by this Office by adding the individual contributions.

3700407 / 5153



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1989

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Lawrence E. Flynn, Jr., Treasurer
Liz Patterson for Congress
'86 Committee
Liz Patterson for Congress 1988
P.O. Box 5564
Spartanburg, South Carolina 29304

RE: MUR 2777
Liz Patterson for Congress
'86 and Lawrence E. Flynn,
Jr., as treasurer; Liz
Patterson for Congress
1988 and Lawrence E.
Flynn, Jr., as treasurer

Dear Mr. Flynn:

On November 16, 1988, the Federal Election Commission notified Liz Patterson for Congress '86 (the "1986 Patterson Committee"), Liz Patterson for Congress 1988 (the "1988 Patterson Committee") and you, as treasurer of both committees, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

On May 10, 1989, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe the Liz Patterson for Congress '86 Committee and you, as treasurer, violated 2 U.S.C. § 441b(a). Accordingly, the Commission closed its file in this matter as it pertains to the 1986 Patterson Committee and you, as treasurer. On that same date the Commission found that there is no reason to believe Liz Patterson for Congress 1988 and you, as treasurer, violated 2 U.S.C. § 441a(f) with respect to certain contributions received from political committees and individuals during the 1988 election cycle.

870907 / 3159

Lawrence E. Flynn, Jr.
Page 2

Upon further review of the allegations contained in the complaint, the Commission, on May 10, 1989, found that there is reason to believe Liz Patterson for Congress 1988 and you, as treasurer, violated 2 U.S.C. § 441a(f) with respect to contributions received from Committee on Letter Carriers Political Education, Dealers Election Action Committee, Carroll L. Gilliam and John R. Guthrie; and 2 U.S.C. § 434(b), provisions of the Act; and 11 C.F.R. § 104.14(d), a provision of Commission regulations.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the 1988 Patterson Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office along with answers to the enclosed questions within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against the 1988 Patterson Committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

3 0 0 4 0 7 1 5 0

Lawrence E. Flynn, Jr.
Page 3

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

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

If you have any questions, please contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Danny L. McDonald
Chairman

Enclosures

Designation of Counsel Form
Factual & Legal Analysis
Interrogatories and Request for Documents

3 9 0 4 0 7 / 3 1 6 1

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

Respondents: Liz Patterson for Congress, 1988
and Lawrence E. Flynn, Jr., as
treasurer

MUR 2777

870907152

The Federal Election Campaign Act of 1971, as amended, (the "Act") limits the aggregate amount a person can contribute to a federal candidate for any election to \$1,000. 2 U.S.C. § 441a(a)(1)(A). The Act limits the aggregate amount a multi-candidate committee can contribute to a federal candidate for any election to \$5,000. 2 U.S.C. § 441a(a)(2)(A). The Act further prohibits a candidate or political committee from knowingly accepting any contribution in violation of the provisions of Section 441a, and any officer or employee of any political committee is prohibited from knowingly accepting a contribution in violation of any limitation imposed on contributions under this section. 2 U.S.C. § 441a(f).

Commission regulations at Part 110 specify the requirements for designating contributions for a particular election, depending on the date of receipt and whether a written designation accompanies such contributions. A contribution not designated in writing shall be designated for the next federal election that follows the date on which the contribution is made. A contribution designated in writing for a particular election, but made after that election shall be made to the extent that the contribution does not exceed net debts outstanding from such election. To the extent that such contribution exceeds net

debts, the regulations outline procedures and deadlines for returning such excess to the contributor. The regulations also provide an alternative means for redesignating such contribution. The requirements outlined in the regulations are the same whether the contributions are made by individuals or made by multi-candidate committees. 11 C.F.R. §§ 110.1(b) and 110.2(b).

Commission regulations specify that a contribution shall be considered to be made when the contributor relinquishes control over the contribution. Control is considered relinquished when the contribution is delivered to the candidate, the political committee, or an agent of the political committee. A contribution that is mailed is considered made on the date of the postmark. 11 C.F.R. §§ 110.1(b)(6) and 110.2(b)(6).

The Act requires each reporting committee to identify each political committee from which it receives a contribution during the reporting period, together with the date and amount of any such contribution. 2 U.S.C. § 434(b)(3)(B). Section 104.14(d) of Commission regulations further provides that the treasurer of a political committee shall be personally responsible for the timely filing of complete reports and statements, and for the accuracy of any information contained therein.

Elizabeth J. Patterson was a successful candidate for the U.S. House of Representatives from South Carolina's Fourth Congressional District in the 1988 election cycle. Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer (the "1988 Patterson Committee"), were designated as her principal campaign committee. The primary election was held in South

890907/3165

Carolina on June 14, 1988.

Two contributions of \$5,000 each were disclosed by the 1988 Patterson Committee as received from American Bankers Association BankPAC ("BankPAC") on July 13, 1987, and March 24, 1988, respectively, designated for the primary election. The \$5,000 contribution received from BankPAC on July 13, 1987, was disclosed in its 1987 Year-End Report, and the \$5,000 contribution received on March 24, 1988, was disclosed in its 1988 April Quarterly Report.

In its disclosure reports, BankPAC disclosed a disbursement of \$5,000 to the 1988 Patterson Committee on July 7, 1987, designated for the 1988 primary election. BankPAC also disclosed a disbursement of \$5,000 to the 1988 Patterson Committee on March 4, 1988, designated for the 1988 general election.

The 1988 Patterson Committee reported the March 1988 contribution inaccurately, since it should have been designated for the general election.

Based on the foregoing, there is reason to believe the 1988 Patterson Committee violated 11 C.F.R. § 104.14(d).

The Committee on Letter Carriers Political Education and Florence Johnson, as treasurer ("Letter Carriers") made the following contributions to the 1988 Patterson Committee: \$2,500, made on June 16, 1987; \$250, made on September 16, 1987; \$2,250, made on December 2, 1987; \$1,000, made on March 31, 1988; and \$225, made on May 2, 1988.

The 1988 Patterson Committee made certain errors with respect to the \$2,500 contribution received from Letter Carriers

390407/5154

in July 1987. First, irrespective of apparent instructions from Letter Carriers, as indicated on the check stub, to use such contribution for the 1986 primary election, the contribution was applied to the 1988 primary election. Second, the 1988 Patterson Committee failed to carry forward the contribution in its records, thus, the excessive amount was not detected. The 1988 Patterson Committee accepted an excessive contribution with respect to the 1988 primary election. Therefore, there is reason to believe the 1988 Patterson Committee violated 2 U.S.C. § 441a(f).

The 1988 Patterson Committee received contributions it designated for the 1988 primary election from certain political committees and individuals after the date of that election. The 1988 Patterson Committee had no debts carried over from the primary election.

The Martin Olav Sabo for Congress Volunteer Committee and Doris A. Caranicas, as treasurer (the "Sabo Committee") made a \$100 contribution to the 1988 Patterson Committee after the date of the 1988 primary election by a check dated June 20, 1988. There is no evidence that the contribution was designated for a particular election. In accordance with 11 C.F.R. § 110.2(b)(ii), a contribution not designated in writing is attributable to the next election after the contribution is made. In this instance, since the 1988 primary election in South Carolina was held on June 14, 1988, the contribution from the Sabo Committee should have been treated as made for the 1988 general election. The 1988 Patterson Committee originally

3 0 0 4 0 7 / 3 1 6 5

designated this contribution for the primary election. On December 16, 1988, the 1988 Patterson Committee filed an amendment to its 1988 July Quarterly Report to accurately designate this contribution for the general election.

3 0 0 4 0 7 / 5 1 5 6

The Hoechst Celanese Corporation PAC and William L. Grabowski, as treasurer ("Hoechst PAC") made two contributions, of \$500 each, to the 1988 Patterson Committee on June 15, 1988, and October 19, 1988. In its 1988 July Quarterly Report the 1988 Patterson Committee disclosed receipt of a \$500 contribution from Hoechst PAC on June 28, 1988, designated for the primary election. A second \$500 contribution from Hoechst PAC was disclosed in the 1988 Patterson Committee's 1988 Post-General Report with the date of receipt as October 31, 1988, designated for the general election. There is no evidence of a written designation for either contribution. Hoechst PAC designated each contribution for the general election in its disclosure reports filed with the Commission. The 1988 Patterson Committee misreported the \$500 contribution received from Hoechst PAC on June 28, 1988, by mistakenly designating it for the primary election in its financial disclosure report. The 1988 Patterson Committee amended its 1988 July Quarterly Report on December 16, 1988, to accurately disclose this contribution as designated for the general election.

Bankers Trust PAC and Nancy C. O'Connor, as treasurer ("Bankers Trust PAC") made a \$1,500 contribution to the 1988 Patterson Committee designated for the general election. The contribution was reported as received by the 1988 Patterson

Committee on June 28, 1988. The 1988 Patterson Committee mistakenly designated the contribution for the primary election. On December 16, 1988, the 1988 Patterson Committee amended its 1988 July Quarterly Report to accurately disclose the election designation for this contribution.

The Food Marketing Institute PAC and Harry R. Sullivan, as treasurer ("Food PAC"), made one contribution to the 1988 Patterson Committee in the amount of \$300, on June 28, 1988. Food PAC designated the contribution for the general election since it was made after the date of the primary election. The 1988 Patterson Committee mistakenly designated the \$300 contribution for the primary election. On December 16, 1988, this committee amended its 1988 July Quarterly Report to accurately disclose the election designation.

CSX Transportation, Inc. PAC and Alem Woldehawariat, as treasurer ("CSX PAC"), made two contributions to the 1988 Patterson Committee during the 1987-88 election cycle, which totaled \$450. CSX PAC disclosed the \$250 contribution at issue as made on June 10, 1988, in its 1988 July Monthly Report,¹ designated for the general election. There is no evidence of a written designation, however, the 1988 Patterson Committee disclosed the date of receipt of the contribution as June 28, 1988. On December 16, 1988, the 1988 Patterson Committee amended its 1988 July Quarterly Report to accurately disclose the

1. A second contribution of \$200 to the Patterson campaign was disclosed in CSX PAC's 1987 July Monthly Report. It was made on June 2, 1987, designated for the general election.

870407/3157

election designation.

Frank S. Holleman, III, made a \$20 contribution to the 1988 Patterson Committee that was received on June 30, 1988, and designated by the committee for the primary election. There is no evidence that Mr. Holleman designated the \$20 contribution in writing for the primary election, thus, that contribution should have been designated by the recipient committee for the general election. The amendment to the 1988 July Quarterly Report designated this contribution for the general election.

Bradford W. Wyche made a \$300 contribution to the 1988 Patterson Committee that was received on June 28, 1988, and designated by the committee for the primary election. Mr. Wyche made the \$300 contribution on June 20, 1988, and made a second contribution of \$100 to the Patterson campaign to the Patterson campaign on October 4, 1988. Mr. Wyche made only these two contributions to that campaign. There is no evidence that Mr. Wyche designated the \$300 contribution in writing for the primary election, thus that contribution should have been designated by the recipient committee for the general election. The amendment to the 1988 July Quarterly Report designated this contribution for the general election.

The 1988 Patterson Committee disclosed the receipt of three contributions of \$50 each from John R. Guthrie in its 1988 July Quarterly Report as received on June 14, 20, and 30, 1988, each designated for the primary election. An amendment to the 1988 July Quarterly Report designated the two contributions received after the primary election for the general election.

890407158

A review of the 1988 Patterson Committee's disclosure reports filed for the 1987-1988 election cycle show that Mr. Guthrie contributed a total of at least \$1,340 to the 1988 Patterson campaign.² According to these disclosure reports, Mr. Guthrie contributed a total of \$330 for the primary election and a total of at least \$1010 for the general election.

Carroll L. Gilliam contributed \$500 to the 1988 Patterson Committee that was received on June 28, 1988. Mr. Gilliam made the \$500 contribution by a check dated June 15, 1988. He also made two other contributions to the Patterson campaign, \$500 made on August 3, 1988, and \$300 made by a check dated September 16, 1988.³ There is no evidence that Mr. Gilliam designated the \$500 contribution at issue here in writing for the primary election, thus, that contribution should have been designated by the recipient committee for the general election. The amended 1988 July Quarterly Report designated the contribution for the general election. Thus, the 1988 Patterson Committee received an excessive contribution from Mr. Gilliam in the amount of \$300.

Based on the foregoing, there is reason to believe the 1988 Patterson Committee violated 11 C.F.R § 104.14(d) by inaccurately

2. In its 1988 Pre-General Report the 1988 Patterson Committee disclosed the total of year-to-date contributions received from Mr. Guthrie to be \$1,390, however, the amount of the contribution reported as received in September 1988 is \$10.00. It is likely that the amount of that contribution was \$50, which would account for the discrepancy between the year-to-date total reported by the committee and the year-to-date total computed by this Office by adding the individual contributions.

3. The 1988 Patterson Committee designated these two contributions for the general election in its 1988 October Quarterly Report filed with the Commission.

3 3 0 4 0 7 5 1 5 9

disclosing certain information in its financial disclosure report filed with the Commission and failing to amend such report in a timely manner. There is also reason to believe the 1988 Patterson Committee violated 2 U.S.C. § 441a(f) with respect to the contributions received from John R. Guthrie and Carroll L. Gilliam.

The Dealers Election Action Committee and Anthony Ursomarso, as treasurer ("Dealers Committee") contributed a total of \$4,500 to the 1988 Patterson Committee designated for the primary election. A review of the Dealers Committee's disclosure reports filed with the Commission showed that it made two \$500 contributions to the 1988 Patterson Committee on August 18, 1987, and May 2, 1988. Such contributions were designated for the primary election. The Dealers Committee disclosed a \$5,000 contribution as made on June 9, 1988, to the 1988 Patterson Committee designated for the general election.

The 1988 Patterson Committee did not disclose the receipt of any contributions from the Dealers Committee in its 1987 Year End Report, which covered the period from January 1, 1987, through December 31, 1987. In its 1988 Pre-Primary Report (covering the period from April 1 through May 25, 1988) the 1988 Patterson Committee disclosed receipt of a \$500 contribution from the Dealers Committee on May 20, 1988, designated for the primary election. In its 1988 July Quarterly Report (covering the period from May 26 through June 30, 1988) the 1988 Patterson Committee disclosed the receipt of \$4,500 from the Dealers Committee for the primary election and \$500 from that committee for the general

3 9 0 4 0 7 7 3 1 7

election. The date of receipt for both contributions was reported as June 30, 1988.

It is apparent that the 1988 Patterson Committee failed to disclose the receipt of the \$500 contribution from the Dealers Committee made on August 18, 1987, therefore, there is reason to believe the 1988 Patterson Committee violated 2 U.S.C. § 434(b).

It is also apparent that the \$500 contribution disclosed by the Dealers Committee as made on May 2, 1988, is the same as that reported as received by the 1988 Patterson Committee on May 20, 1988. Since there is no specific information about any of the contributions at issue here, it is not known whether the \$5,000 was transmitted with a letter which designated it, in whole or in part, for a particular election. According to the Dealers Committee's disclosure reports, it contributed a total of \$1,000 to the 1988 Patterson Committee for the primary election and \$5,000 for the general election. According to the 1988 Patterson Committee's disclosure reports, it received \$5,000 for the primary election and \$500 for the general election from the Dealers Committee. The \$5,000 contribution, if made on the June 9, 1988, date disclosed by the Dealers Committee without a written designation, should have been designated for the primary election. Since the Dealers Committee has disclosed that it contributed a total of \$1,000 to the 1988 Patterson Committee for the primary election, the additional \$5,000 results is an excessive contribution for that election. Therefore, there is reason to believe the 1988 Patterson Committee violated 2 U.S.C. § 441a(f) with respect to the contributions received from the

3 9 0 4 0 7 / 3 1 7 1

Dealers Committee.

8 2 0 4 0 7 1 3 1 7 2

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)
) MUR 2777
)

**INTERROGATORIES AND REQUEST
FOR PRODUCTION OF DOCUMENTS**

TO: Lawrence E. Flynn, Jr., Treasurer
Liz Patterson for Congress 1988
P.O. Box 5564
Spartanburg, South Carolina 29304

In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, D.C. 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

830407/3173

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

3 0 0 9 0 7 / 1 7 4

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

8 9 0 4 0 7 / 3 1 7 5

In the 1988 Pre-Primary Report filed by Liz Patterson for Congress 1988, you disclosed the receipt of a contribution of \$500 on May 20, 1988, from the Dealers Election Action Committee (the "Dealers Committee"), designated for the 1988 primary election. In your 1988 July Quarterly Report you disclosed the receipt of a \$500 contribution designated for the 1988 primary election and a \$4,500 contribution designated for the 1988 general election from the Dealers Committee. Both of these contributions were disclosed as received on June 30, 1988. In its financial disclosure reports filed with the Commission, the Dealers Committee reported making a \$500 contribution to you on August 18, 1987, and a second \$500 contribution to you on May 2, 1988, both designated for the 1988 primary election. The Dealers Committee disclosed making a \$5,000 contribution to you on June 9, 1988, designated for the 1988 general election.

1. State whether you received the \$500 contribution from the Dealers Committee made in August 1987. Identify the date of receipt and the disclosure report wherein such contribution is disclosed. If such contribution was not reported, explain the circumstances.

2. a. State whether the contributions of \$4,500 and \$500 discussed above were included in the same check from the Dealers Committee drawn in the amount of \$5,000, or whether there were separate checks.

b. State whether the contributions of \$4,500 and \$500 discussed above were transmitted with a written designation for the primary and general elections. Provide a copy of such written designation. If a written designation was not provided by the Dealers Committee, describe your procedures for determining how to designate the contributions.

8 3 0 4 0 7 / 5 1 7 6



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1989

Mr. Carroll L. Gilliam
Grove, Jaskiewicz, Gilliam and Cobert
1750 M Street, N.W., Suite 501
Washington, D.C. 20036-4579

RE: MUR 2777
Carroll L. Gilliam

Dear Mr. Gilliam:

On May 10, 1989, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making contributions over \$1,000 to any candidate or authorized political committee of a candidate for any federal election appears to be a violation of 2 U.S.C. § 441a(a)(1)(A). You should take immediate steps to insure that this activity does not occur in the future.

The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

390407/8177

Carroll L. Gilliam
Page 2

If you have any questions, please direct them to Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Danny L. McDonald
Chairman

Enclosure
Factual and Legal Analysis

890407 / 5178

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

Respondent: Carroll L. Gilliam

MUR 2777

The Federal Election Campaign Act of 1971, as amended (the "Act") limits the aggregate amount a person can contribute to a federal candidate for any election to \$1,000. 2 U.S.C. § 441a(a)(1)(A).

Commission regulations at Part 110 specify the requirements for designating contributions for a particular election, depending on the date of receipt and whether a written designation accompanies such contributions. A contribution not designated in writing shall be designated for the next federal election that follows the date on which the contribution is made. A contribution designated in writing for a particular election, but made after that election shall be made to the extent that the contribution does not exceed net debts outstanding from such election. To the extent that such contribution exceeds net debts, the regulations outline procedures and deadlines for returning such excess to the contributor. The regulations also provide an alternative means for redesignating such contribution. 11 C.F.R. § 110.1(b).

Elizabeth J. Patterson was a successful candidate for the U.S. House of Representatives from South Carolina's Fourth Congressional District in the 1988 election cycle. Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer (the "1988 Patterson Committee"), were designated as her principal

87040713179

campaign committee. The primary election was held in South Carolina on June 14, 1988.

Carroll L. Gilliam contributed \$500 to the 1988 Patterson Committee that was received on June 28, 1988, and designated by the committee for the primary election. Mr. Gilliam stated that he made the \$500 contribution by a check dated June 15, 1988. He also stated that he made two other contributions to the Patterson campaign, \$500 made on August 3, 1988, and \$300 made by a check dated September 16, 1988.¹ There is no evidence that Mr. Gilliam designated the \$500 contribution made by check dated June 15, 1988, in writing for the primary election, thus, that contribution should be considered as made in connection with the general election. Thus, Mr. Gilliam made an excessive contribution to the 1988 Patterson Committee for the 1988 general election in the amount of \$300. Therefore, there is reason to believe Carroll L. Gilliam violated 2 U.S.C. § 441a(a)(1)(A).

3 9 0 4 0 7 / 0 1 8 5

1. The 1988 Patterson Committee designated these two contributions for the general election in its 1988 October Quarterly Report filed with the Commission.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 19, 1989

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Anthony Ursomarso, Treasurer
Dealers Election Action Committee
8400 Westpark Drive
McLean, Virginia 22102

RE: MUR 2777
Dealers Election Action
Committee and Anthony
Ursomarso, as treasurer

Dear Mr. Ursomarso:

On November 16, 1988, the Federal Election Commission notified the Dealers Election Action Committee ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint, the Commission, on May 10, 1989, found that there is reason to believe Dealers Election Action Committee and you, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A), a provision of the Act. The 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 the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office along with answers to the enclosed questions within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against the Committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

8 0 0 4 0 7 7 5 1 8 1

Anthony Ursomarso
Page 2

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

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

If you have any questions, please contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Danny L. McDonald
Chairman

Enclosures
Designation of Counsel Form
Factual & Legal Analysis
Interrogatories and Request for Documents

890407 / 0182

**FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS**

**Respondents: Dealers Election Action
Committee and Anthony Ursomarso,
as treasurer**

MUR 2777

3 9 0 4 0 7 / 5 1 8 5

The Federal Election Campaign Act of 1971, as amended (the "Act") limits the aggregate amount a multi-candidate committee can contribute to a federal candidate for any election to \$5,000. 2 U.S.C. § 441a(a)(2)(A). The Act further prohibits a candidate or political committee from knowingly accepting any contribution in violation of the provisions of Section 441a, and any officer or employee of any political committee is prohibited from knowingly accepting a contribution in violation of any limitation imposed on contributions under this section. 2 U.S.C. § 441a(f).

Commission regulations at Part 110 specify the requirements for designating contributions for a particular election, depending on the date of receipt and whether a written designation accompanies such contributions. A contribution not designated in writing shall be designated for the next federal election that follows the date on which the contribution is made. A contribution designated in writing for a particular election, but made after that election shall be made to the extent that the contribution does not exceed net debts outstanding from such election. To the extent that such contribution exceeds net debts, the regulations outline procedures and deadlines for returning such excess to the contributor. The regulations also provide an alternative means for redesignating such contribution.

The requirements outlined in the regulations are the same whether the contributions are made by individuals or made by multi-candidate committees. 11 C.F.R. §§ 110.1(b) and 110.2(b).

Commission regulations specify that a contribution shall be considered to be made when the contributor relinquishes control over the contribution. Control is considered relinquished when the contribution is delivered to the candidate, the political committee, or an agent of the political committee. A contribution that is mailed is considered made on the date of the postmark. 11 C.F.R. §§ 110.1(b)(6) and 110.2(b)(6).

8 7 0 4 0 7 / 5 1 8 4

The Dealers Election Action Committee and Anthony Ursomarso, as treasurer ("Respondents"), made the following contributions to the Liz Patterson for Congress, 1988 and Lawrence E. Flynn, as treasurer (the "1988 Patterson Committee").¹ Respondents disclosed in reports filed with the Commission that they made two \$500 contributions to the 1988 Patterson Committee on August 18, 1987, and May 2, 1988. Such contributions were designated for the primary election. Respondents disclosed a \$5,000 contribution as made on June 9, 1988, to the 1988 Patterson Committee designated for the general election.

There is no evidence that the \$5,000 was transmitted with a letter which designated it, in whole or in part, for a particular election. According to the Respondents' disclosure reports, it contributed a total of \$1,000 to the 1988 Patterson Committee for

1. Elizabeth Patterson was a successful candidate for the U.S. House of Representatives from South Carolina's Fourth Congressional District in the 1987-88 election cycle. The primary election was held in South Carolina on June 14, 1988.

the primary election and \$5,000 for the general election. The \$5,000 contribution, if made on the June 9, 1988, date disclosed by Respondents without a written designation, should have been designated for the primary election. Since Respondents have disclosed that they contributed a total of \$1,000 to the 1988 Patterson Committee for the primary election, the additional \$5,000 results is an excessive contribution for that election. Therefore, there is reason to believe Respondents violated 2 U.S.C. § 441a(a)(2)(A).

8 2 0 4 0 7 / 5 1 8 5

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)
) MUR 2777
)

**INTERROGATORIES AND REQUEST
FOR PRODUCTION OF DOCUMENTS**

TO: Anthony Ursomarso, Treasurer
Dealers Election Action Committee
8400 Westpark Drive
McLean, Virginia 22102

9 9 0 4 0 7 / 3 1 8 6

In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, D.C. 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

3 3 0 4 0 7 / 5 1 8 7

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

800407/3138

In the 1987 Year-End Report filed by the Dealers Election Action Committee with the Commission, you reported making a \$500 contribution to Liz Patterson for Congress 1988 (the "1988 Patterson Committee") on August 18, 1987. In your 1988 June Monthly Report you disclosed making a second \$500 contribution to that committee on May 2, 1988. Both of these contributions were designated by you for the 1988 primary election. In your 1988 July Monthly Report you disclosed making a \$5,000 contribution to the 1988 Patterson Committee on June 9, 1988, designated for the 1988 general election. In its 1988 Pre-Primary Report the 1988 Patterson Committee disclosed the receipt of a contribution of \$500 on May 20, 1988, from you, designated for the 1988 primary election. In the 1988 Patterson Committee's 1988 July Quarterly Report it disclosed the receipt of a \$500 contribution designated for the 1988 primary election and a \$4,500 contribution designated for the 1988 general election from you. Both of these contributions were disclosed as received on June 30, 1988.

1. State whether the \$500 contribution you made in August 1987 was returned by the 1988 Patterson Committee. If such contribution was returned, identify the date of return and the disclosure report wherein such transaction is reported; state the reasons for the return.

2. a. State whether you designated the \$5,000 contribution disclosed in your report to the Commission as made on June 9, 1988, in whole or in part, for the 1988 primary and/or general elections. Provide a copy of such written designation.

b. Describe in detail the method and date of delivery of the \$5,000 contribution to the 1988 Patterson Committee. If the contribution was mailed, state the date it was mailed.

3 0 0 4 0 7 3 1 8 9



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

May 19, 1989

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Keith E. Secular, Esq.
Cohen, Weiss and Simon
330 West 42nd Street
New York, NY 10036-6901

RE: MUR 2777
Committee on Letter
Carriers Political
Education and Florence
Johnson, as treasurer

Dear Mr. Secular:

On November 16, 1988, the Federal Election Commission notified your clients, Committee on Letter Carriers Political Education and Florence Johnson, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was mailed to your clients at that time.

Upon further review of the allegations contained in the complaint, and information provided by your clients, the Commission, on May 10, 1989, found reason to believe that your clients, Committee on Letter Carriers Political Education and Florence Johnson, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A), a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information. At your request, on that same date, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

33040713130

plm

Keith E. Secular, Esq.
Page 2

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your clients agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Danny L. McDonald
Chairman

Enclosure
Factual and Legal Analysis
Conciliation Agreement

3 9 0 4 0 7 7 3 1 9 1

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

Respondents: Committee on Letter Carriers
Political Education and
Florence Johnson, as treasurer

MUR 2777

The Federal Election Campaign Act of 1971, as amended (the "Act") limits the aggregate amount a multi-candidate committee can contribute to a federal candidate for any election to \$5,000. 2 U.S.C. § 441a(a)(2)(A). The Act further prohibits a candidate or political committee from knowingly accepting any contribution in violation of the provisions of Section 441a, and any officer or employee of any political committee is prohibited from knowingly accepting a contribution in violation of any limitation imposed on contributions under this section. 2 U.S.C. § 441a(f).

Commission regulations at Part 110 specify the requirements for designating contributions for a particular election, depending on the date of receipt and whether a written designation accompanies such contributions. A contribution not designated in writing shall be designated for the next federal election that follows the date on which the contribution is made. A contribution designated in writing for a particular election, but made after that election shall be made to the extent that the contribution does not exceed net debts outstanding from such election. To the extent that such contribution exceeds net debts, the regulations outline procedures and deadlines for returning such excess to the contributor. The regulations also provide an alternative means for redesignating such contribution.

89040713192

The requirements outlined in the regulations are the same whether the contributions are made by individuals or made by multi-candidate committees. 11 C.F.R. §§ 110.1(b) and 110.2(b).

Commission regulations specify that a contribution shall be considered to be made when the contributor relinquishes control over the contribution. Control is considered relinquished when the contribution is delivered to the candidate, the political committee, or an agent of the political committee. A contribution that is mailed is considered made on the date of the postmark. 11 C.F.R. §§ 110.1(b)(6) and 110.2(b)(6).

The Committee on Letter Carriers Political Education and Florence Johnson, as treasurer ("Respondents") made the following contributions to the Liz Patterson for Congress, 1988 and Lawrence E. Flynn, as treasurer (the "1988 Patterson Committee").¹ The contributions include: \$2,500, made on June 16, 1987; \$250, made on September 16, 1987; \$2,250, made on December 2, 1987; \$1,000, made on March 31, 1988; and \$225, made on May 2, 1988.

Respondents made excessive contributions to the 1988 Patterson Committee. An initial contribution of \$2,500, made on June 16, 1987, was identified on the check stub as a contribution to the 1986 primary election, due to a clerical error, it was intended for the 1988 primary election. The error was subsequently entered into Respondents' computer system. Thus,

1. Elizabeth Patterson was a successful candidate for the U.S. House of Representatives from South Carolina's Fourth Congressional District in the 1987-88 election cycle. The primary election was held in South Carolina on June 14, 1988.

8 7 0 4 0 7 / 3 1 9 5

when making additional contributions to the 1988 Patterson Committee for the 1988 primary election, the \$2,500 was not computed in the total amount of contributions made to that committee. As a result, Respondents contributed an excess of \$1,225 to the 1988 Patterson Committee for the 1988 primary election. Therefore, there is reason to believe Respondents violated 2 U.S.C. § 441a(a)(2)(A).

8 9 0 4 0 7 / 3 1 9 4

06C 2857

WILLIAM J. GROVE (1914-1988)
LEONARD A. JASKIEWICZ
CARROLL L. GILLIAM
RONALD N. COBERT
EDWARD J. KILEY
ROBERT L. COPE
CRAIG W. HULVEY
JAMES A. CALDERWOOD
J. PAUL DOUGLAS
JON L. BRUNENKANT
JOSEPH M. ROBERTS
KEVIN M. SWEENEY
SHERMAN DOCTROW*
RICHARD J. BILLIK, JR.‡
RICHARD A. DROM*
ANDREW M. DANAS
GEORGE C. GARIKES
BRUCE D. ENSOR
J. BRADFORD RAMSAY*
FRANK H. MARKLEY†

LAW OFFICES
GROVE, JASKIEWICZ, GILLIAM AND COBERT

SUITE 501
1730 M STREET, NORTHWEST

WASHINGTON, D. C. 20036-4579

(202) 298-2900

TELECOPIER
(202) 298-1370

TELEX 804059WSH
CABLE "AMERICLAW"

SUITE 1008
16255 VENTURA BOULEVARD
ENCINO, CALIFORNIA 91436
(213) 872-2202
FAX (818) 783-8567

SUITE 716
7 SOUTH DEARBORN STREET
CHICAGO, ILLINOIS 60603
(312) 372-0972

SUITE 800
400 EAST PRATT STREET
BALTIMORE, MARYLAND 21202
(301) 727-7010

OF COUNSEL
LAWRENCE E. DUBÉ, JR.

TAX COUNSEL
JAMES K. JEANBLANC

May 23, 1989

* ADMITTED IN CALIFORNIA ONLY
‡ ALSO ADMITTED IN ILLINOIS
* ADMITTED IN LOUISIANA ONLY
† ADMITTED IN COLORADO ONLY

Honorable Danny L. McDonald
Chairman
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2777
Carroll L. Gilliam

Dear Sir:

I hereby:

- (1) Acknowledge receipt of your letter dated May 19, 1989 and the enclosure;
- (2) Reject the purported "findings" and "conclusions" stated in the first paragraph of your letter and in the enclosure as erroneous and as without basis in fact or law;
- (3) Restate my view that this entire matter is the rankest kind of politically-motivated, baseless "poor-loser" GOP spite;
- (4) State my view that your "findings" and "conclusions" are biased and partisan but expected under the one-sided, biased, partisan "administration" of the FEC since January 20, 1981;
- (5) State my view that you waste hundreds of thousands of dollars of taxpayers' money investigating small contributions of private citizens supporting Democratic candidates, such as the \$500 here involved, while ignoring the millions of PAC and other funds in which GOP candidates wallow;

390907 / 5195

RECEIVED
MAY 25 11:15

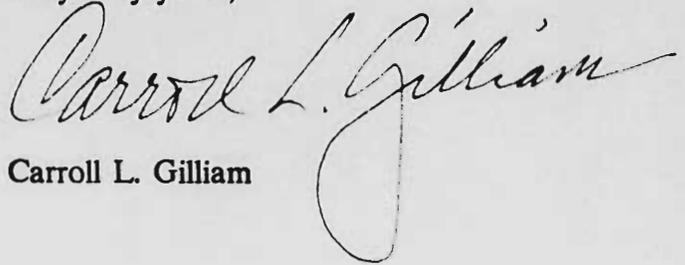
Hon. Danny L. McDonald

May 23, 1989

Page 2

- (6) Request that this letter be made a part of your file and be made "public" if and when you choose to make "public" any parts of that file (for which I shall hold you liable for any damages to me); and,
- (7) Give you notice that I will contest to the limits of the law (including all Civil Rights Acts of the United States), any new, further, additional harassment and/or libel and slander by the South Carolina Republican Party, its Chairman, and/or the FEC and its Staff.

Very truly yours,



Carroll L. Gilliam

8 9 0 4 0 7 / 5 1 9 6

OCC 2802

FED

WILLIAM J. GROVE (1914-1988)
 LEONARD A. JASKIEWICZ
 CARROLL L. GILLIAM
 RONALD N. COBERT
 EDWARD J. KILEY
 ROBERT L. COPE
 CRAIG W. HULVEY
 JAMES A. CALDERWOOD
 J. PAUL DOUGLAS
 JON L. BRUNENKANT
 JOSEPH M. ROBERTS
 KEVIN M. SWEENEY
 SHERMAN DOCTROW
 RICHARD J. BILLIK, JR.
 RICHARD A. DROM
 ANDREW M. DANAS
 GEORGE C. GARIKES
 BRUCE D. ENSOR
 J. BRADFORD RAMSAY
 FRANK H. MARKLEY

LAW OFFICES
GROVE, JASKIEWICZ, GILLIAM AND COBERT

SUITE 501
 1730 M STREET, NORTHWEST

WASHINGTON, D. C. 20036-4579

(202) 296-2900

TELECOPIER
 (202) 296-1370

TELEX 904059WSH
 CABLE "AMERICANLAW"

SUITE 1008
 16255 VENTURA BOULEVARD
 ENCINO, CALIFORNIA 91436
 (213) 872-2202
 FAX (818) 783-8567

SUITE 716
 7 SOUTH DEARBORN STREET
 CHICAGO, ILLINOIS 60603
 (312) 372-0972

SUITE 800
 400 EAST PRATT STREET
 BALTIMORE, MARYLAND 21202
 (301) 727-7010

OF COUNSEL
 LAWRENCE E. DUBÉ, JR.

TAX COUNSEL
 JAMES K. JEANBLANC

* ADMITTED IN CALIFORNIA ONLY
 ‡ ALSO ADMITTED IN ILLINOIS
 † ADMITTED IN LOUISIANA ONLY
 † ADMITTED IN COLORADO ONLY

May 24, 1989

Danny L. McDonald
 Chairman
 Federal Election Commission
 Washington, D.C. 20463

Re: MUR 2777
 Carroll L. Gilliam

Dear Sir:

I hereby request that this letter and the enclosure be made a part of your "official file" in "MUR 2777" because they underscore validity of my views that you administer the federal election laws in a biased, partisan manner to (1) harass Democrats, but (2) let Republicans do as they see fit.

See enclosure. Are you doing anything at all about this Maryland megabuck mess which even besmirches the Carroll name? The answer is "No" because this is your precious, fat, old Helen and other GOP snouts in the trough!

I repeat that your so-called "findings" and "conclusions" in "MUR 2777" sent to me by your letter dated May 19, 1989 are biased, prejudiced partisanship and ABSURD!

You have turned the FEC into nothing other than an arm of the RNC and its state creatures, such as SCREPA, which is run at taxpayers expense.

8 2 0 4 0 7 / 0 1 0 7

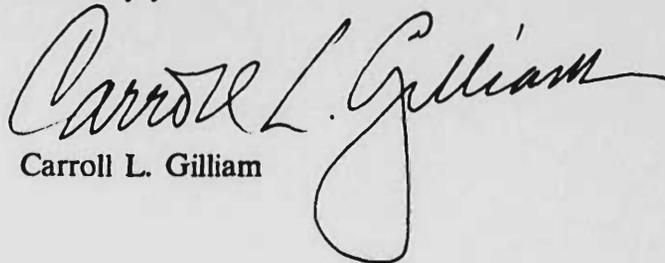
09 MAY 26 PM 12:17

FEDERAL RECEIVED

Danny L. McDonald
May 24, 1989
Page 2

As a resident of the State of Maryland, a voter there, and a taxpayer, I shall watch eagerly for any bestirring of the FEC to action by you as to these GOP sacred cows (Bush, Oliver, Fleming, Bentley, Taylor, Matalin, McLaughlin, Hornberger, ad infinitum et nauseam).

Sincerely yours,


Carroll L. Gilliam

Enclosure

3 3 0 4 0 7 / 3 1 9 5

WEDNESDAY, MAY 24, 1989

'Secret' Campaign Funds Divide Md. GOP—Again

By Robert Barnes
Washington Post Staff Writer

ANNAPOLIS—When Federal Trade Commission Chairman Daniel Oliver decided last fall to contribute to George Bush's presidential campaign, he called the Republican National Committee for advice. He was told to send a check to a fund-raising arm of the party called Victory 88.

Oliver complied, but he recently

discovered that the payee line of his \$1,000 check had been altered, that it wasn't cashed until days before the November election and that it somehow wound up in Carroll County, Md.

In a letter to a Maryland Republican official, Oliver posed these questions: "What I want to know is, what happened? And who did it? And why? . . . [Who] tampered with my check? How was the money used? And why wasn't the check

deposited until sometime in November? How many other checks were handled in this way?"

The recent discovery of what some Maryland Republican Party officials are calling secret campaign funds established during the presidential campaign has once again split the party, which has been more contentious than celebratory in the six months since Bush's surprise victory in the state.

In the latest spat, party Chairman

Daniel E. Fleming has called for a full investigation of the way his party rival, Rep. Helen Delich Bentley, the party's senior elected official, and Republican National Committeeman Richard Taylor controlled two local funds that received about \$100,000 during last fall's campaign. "The issue is too sensitive for anyone to say, 'You ought to keep quiet about this,'" said Fleming. "I won't cover things up."

See MARYLAND, B5, Col. 1

MARYLAND, From B1

Others in the party, however, believe the feud between Fleming, who heads the most conservative faction of the party, and Bentley, who is more moderate, is central to Fleming's decision to push for an investigation.

However, when Fleming, who was pointedly kept in the dark about the funds, asked the state executive committee to set up a panel to look into the matter, the members voted to include Bentley and Taylor.

"That's like putting John Poin-dexter and Robert McFarlane on the committee investigating Con-
tragate," said Fleming.

Besides widening the rift in the state GOP ranks, the public attention the issue is receiving will likely arm those who have criticized the way national parties and presidential campaigns use local political organizations to override federal limits on presidential campaign spending.

For instance, the Bush campaign was no longer collecting contributions last fall when Oliver made his inquiry because of the limits that come with the public financing of presidential elections.

Both Democrats and Republicans instead expanded the use of so-called "soft money," contributions that often go to state and local parties that in turn spend money on behalf of the candidates.

Common Cause has sued the Federal Elections Commission to force more restrictions on such money.

The attention is also unwelcome at the Republican National Committee, which directly contributed \$15,000 to one of the funds and which Fleming believes served as a funnel for contributions sent to national headquarters.

"We don't want to get caught up in that little struggle," said RNC Chief of Staff Mary Matalin, referring to the feud within the Maryland party.

Matalin headed the Victory 88 campaign and said the RNC had no role in diverting contributions to the funds controlled by Bentley.

Oliver was out of the country and could not be reached for comment, but his letter to a Maryland official indicates otherwise.

He wrote that he made out the check to "Victory 88" and sent it to RNC headquarters in Washington, but someone added the initials "CCRCCFA."

It thus ended up in the Carroll County Republican Central Committee's federal account, along with other checks, including one from former labor secretary Ann Dore McLaughlin, written to Victory 88.

Unknown to most members of the county central committee, county party Chairwoman Sharon Hornberger had agreed to Bentley's request to use the account to aid the Bush campaign.

The story became public when members of the county central committee discovered the practice and told reporters from local newspapers.

The existence of the account, plus a similar fund in Baltimore, was kept from Fleming and other officials of the Maryland Victory 88 committee.

The Carroll County fund eventually raised \$37,000, while the Baltimore fund raised nearly \$70,000, including \$15,000 from the Republican National Committee.

In an ironic twist, \$17,000 of the money in the Baltimore account was spent to pay some of the city's traditionally strong Democratic clubs to pass out campaign literature on Election Day.

3 7 0 4 0 7 / 3 2 0

resignation she had sought after Fleming mailed a controversial letter that linked convicted murderer Willie Horton Jr. and Democratic presidential candidate Michael S. Dukakis as a "profamily team."

FEC officials were reluctant to discuss whether any of the transactions violated federal law. The RNC's Matalin, who directed the Victory 88 program, was adamant that they hadn't.

"I just don't see anything that's illegal and just because he [Fleming] didn't know about it is not atypical," she said. There were similar funds in other states, Matalin added.

Fleming and state party officials are scheduled to meet with RNC officials today.

Maryland State Prosecutor Stephen Montanarelli has declined a request from a Carroll County Central Committee member to investigate the transactions.

Committee member Joseph Getty said his committee is waiting for further explanations from Hornberger before deciding whether to file an official complaint with the FEC.

At least part of the literature was "Democrats for Bush" cards, but not for the GOP candidates for Congress. The cards instead endorsed liberal Democratic Sen. Paul S. Sarbanes and Rep. Benjamin L. Cardin (D-Md.).

Taylor and others in the party assert there was nothing illegal or even unorthodox about the way the campaign money was handled.

They pointed out that it was reported to the FEC and they said the money was diverted to local accounts to hide it from Democrats and to protect Democratic contributors who didn't want to be identified as giving money to the state party.

Bentley, who did not return telephone calls, has also told party members she wanted to keep the money away from Fleming, whose

0602957



National Automobile Dealers Association

8400 WESTPARK DRIVE • MCLEAN, VIRGINIA 22102

WILLIAM A. NEWMAN
Chief Counsel

June 6, 1989

HAND DELIVERED

Ms. Sandra H. Robinson
Office of the General Counsel
Federal Election Commission
Room 657
999 E Street, N.W.
Washington, D.C. 20463

CO JUNE 7 11 45 AM '89

Re: MUR 2777
Dealers Election Action
Committee and Anthony
Ursomarso, as Treasurer

Dear Ms. Robinson:

Please find enclosed herewith the responses of the Dealers Election Action Committee and Anthony Ursomarso, as treasurer, to the Federal Election Commission's Interrogatories and Request for Production of Documents, which accompanied the Commission's letter of May 19, 1989, concerning the above-referenced matter.

Based upon the facts as set out in the responses, the Dealers Election Action Committee ("DEAC") does not believe that it has violated any provisions of the Federal Election Campaign Act.

The Commission's letter of May 19, 1989, indicates that on November 16, 1988, the Commission notified DEAC of a complaint alleging violations of certain sections of the Act. DEAC can find no record of ever having received a copy of the referenced complaint. Therefore, DEAC hereby requests that a copy of said complaint be forwarded to the undersigned, DEAC's designated counsel.

Should the Commission have any questions about DEAC's response, please feel free to contact me.

Sincerely,
William A. Newman

3 3 0 4 0 7 / 3 2 0 1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)
) MUR 2777
)

RESPONSES OF THE DEALERS ELECTION ACTION COMMITTEE
AND ANTHONY URSOMARSO, TREASURER,
TO INTERROGATORIES AND REQUEST FOR
PRODUCTION OF DOCUMENTS

The Dealers Election Action Committee ("DEAC") and Anthony Ursomarso, as treasurer, respond to the Interrogatories and Request for Production of Documents, dated May 19, 1989:

Interrogatory 1. State whether the \$500 contribution you made in August 1987 was returned by the 1988 Patterson Committee. If such contribution was returned, identify the date of return and the disclosure report wherein such transaction is reported; state the reasons for the return.

Answer: The \$500 contribution (check #5924, dated August 18, 1987) from DEAC made payable to Liz Patterson for Congress was not returned to DEAC by the 1988 Patterson Committee. A copy of that check, both front and back, is attached, which indicates that the check was cashed by the Patterson Committee.

Bruce Kelleher, Executive Director of Administration and DEAC can furnish testimony concerning this response.

Interrogatory 2a. State whether you designated the \$5,000 contribution disclosed in your report to the Commission as made on June 9, 1988, in whole or in part, for the 1988 primary and/or general elections. Provide a copy of such written designation.

Answer: By check dated June 9, 1988, check #6352, DEAC contributed \$5,000 to the Patterson Committee. A copy of that check, both front and back is attached. On the front of that check was also entered "1988 Primary Election - South Carolina". That notation was entered by clerical error. The \$5,000 contribution was intended and designated for the general election as indicated in DEAC's Monthly Report for June, 1988. A copy of the appropriate page of that report, highlighted, is attached. The \$5,000 contribution was not made until June 29, 1988, when the check was personally delivered to the candidate.

300407 / 1202

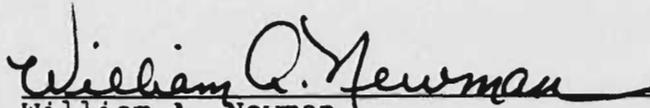
Bruce Kelleher, Executive Director of Administration and DEAC; and Carol Scott, Assistant, can furnish testimony concerning this response.

Interrogatory 2b. Describe in detail the method and date of delivery of the \$5,000 contribution to the 1988 Patterson Committee. If the contribution was mailed, state the date it was mailed.

Answer: On June 9, 1988, a check in the amount of \$5,000 was drawn by DEAC at its offices in McLean, Virginia and made payable to "Liz Patterson for Congress." That check, #6352, was mailed to Mr. William E. Hancock, Jr., DEAC Chairman, in Columbia, S.C. for his signature. The check was then delivered to the offices of the South Carolina Automobile Dealers Association, Columbia, S.C. That association delivered the check to the South Carolina DEAC Chairman, Mr. V. C. Bailey, Jr., Spartanburg, S.C. On June 29, 1988, Mr. Bailey relinquished DEAC's control over the contribution when he delivered the check to the candidate, in Spartanburg, S.C.

Bruce Kelleher, Executive Director of Administration and DEAC; Carol Scott, Assistant; William E. Hancock, Jr., Columbia, S.C.; Patrick E. Watson, Executive Vice President of the South Carolina Automobile Dealers Association, Columbia, S.C.; and V. C. Bailey, Jr., Spartanburg, S.C., can furnish testimony concerning this response.

Summary Answer: In connection with the 1988 Patterson Committee, the filings by DEAC with the Federal Election Commission, and the dates the contributions were made, show that DEAC contributed a total of \$1,000 (\$500 by check #5924, dated August 18, 1987, and \$500 by check #6264, dated May 2, 1988) to the 1988 primary election; and \$5,000 (check #6352, delivered to the candidate on June 29, 1988) to the general election.



William A. Newman
Chief Counsel
National Automobile Dealers Association;
Designated Counsel for the Dealers
Election Action Committee

3004071320

Commonwealth of Virginia
County of Fairfax, to wit:

I, Rebecca B. Gravett a Notary Public in and for the County and Commonwealth aforesaid do hereby certify that William A. Newman subscribed his name to the foregoing answers and made oath that said answers are true and correct to the best of his knowledge, based upon information and belief, before me in my said County this 6th day of June, 1989.

Rebecca B. Gravett
Notary Public

My Commission expires:

December 4, 1990

8 2 0 4 0 7 / 1 2 0 4

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2777

NAME OF COUNSEL: William A. Newman

ADDRESS: c/o NADA

8400 Westpark Drive

McLean, VA 22102

TELEPHONE: 703/821-7041

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

5/31/89
Date

Anthony Ursomarso
Signature

RESPONDENT'S NAME: Anthony Ursomarso

ADDRESS: c/o Dealers Election Action Cte.

8400 Westpark Drive

McLean, VA 22102

HOME PHONE: N/A

BUSINESS PHONE: 302/573-5200

3 9 0 4 0 7 1 6 2 0 5

REPORT OF RECEIPTS AND DISBURSEMENTS

For Other Than An Authorized Committee
(Summary Page)

USE FEC MAILING LABEL OR TYPE OR PRINT

1. NAME OF COMMITTEE (in full) Dealer Election Action Committee of the National Automobile Dealers Association	2. FEC IDENTIFICATION NUMBER C-000-40998
ADDRESS (number and street) <input type="checkbox"/> Check if different than previously reported 8400 Westpark Drive	3. <input type="checkbox"/> This committee qualified as a multicandidate committee DURING THIS Reporting Period on _____ (date).
CITY, STATE and ZIP CODE McLean, VA 22102	

4. TYPE OF REPORT

- (a) April 15 Quarterly Report July 15 Quarterly Report October 15 Quarterly Report January 31 Year End Report July 31 Mid Year Report (Non-election Year Only) Termination Report
- Monthly Report Due On:
- February 20 March 20 April 20 May 20 June 20 July 20 August 20 September 20 October 20 November 20 December 20 January 31
- Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____
- Thirtieth day report following the General Election on _____ in the State of _____
- (b) Is this Report an Amendment? YES NO

SUMMARY

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period <u>June 1</u> through <u>June 30</u>		
6. (a) Cash on Hand January 1, 19 <u>88</u>		\$ 898,186.71
(b) Cash on Hand at Beginning of Reporting Period	\$ 859,788.97	
(c) Total Receipts (from Line 18)	\$ 139,409.82	\$ 570,294.07
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	\$ 999,198.79	\$ 1,468,480.78
7. Total Disbursements (from Line 28)	\$ 105,631.09	\$ 574,913.08
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	\$ 893,567.70	\$ 893,567.70
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	\$	For further information contact: Federal Election Commission 999 E Street, NW Washington, DC 20463 Toll Free 800-424-9530 Local 202-376-3120
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	\$	

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

Type or Print Name of Treasurer Lester L. King, Jr., Director of Accounting	Date 7/18/88
Signature of Treasurer 	

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

--	--	--	--	--	--	--	--	--	--

37040713208

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Dealer Election Action Committee of the National Automobile Dealers Association

37040713209

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Spence for Congress Committee P.O. Box 1475 Columbia, South Carolina 29202	Floyd Spence Congressman, SC ck# 6350 Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6-9-88	\$5,000.00 YTD = \$5,000.00
B. Full Name, Mailing Address and ZIP Code The Derrick Finance Committee 5505 North 10th Street Arlington, Virginia 22205	Butler Derrick Congressman, SC ck# 6351 Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6-9-88	\$5,000.00 YTD = \$5,000.00
C. Full Name, Mailing Address and ZIP Code Liz Patterson for Congress P.O. Box 5564 Spartanburg, SC 29304	E.J. Patterson Congressman, SC ck# 6352 Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6-9-88	\$5,000.00 YTD = \$5,000.00
D. Full Name, Mailing Address and ZIP Code John Spratt for Congress Committee P.O. Box 2884 Washington, DC 20013	John M. Spratt, Jr. Congressman, SC ck# 6353 Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6-9-88	\$5,000.00 YTD = \$5,000.00
E. Full Name, Mailing Address and ZIP Code Tallon for Congress P.O. Box 1988 Florence, SC 29503	Robin Tallon Congressman, SC ck# 6354 Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6-9-88	\$5,000.00 YTD = \$5,000.00
F. Full Name, Mailing Address and ZIP Code Bruce for Congress Committee 129 North Carolina Ave, S.E. Washington, DC 20003	Terry Bruce Congressman, IL ck# 6357 Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6-20-88	\$ 400.00 YTD = \$ 400.00
G. Full Name, Mailing Address and ZIP Code Congressman Bart Gordon Committee P.O. Box 2884 Washington, DC 20013	Bart Gordon Congressman, TN ck# 6358 Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	6-20-88	\$ 350.00 YTD = \$ 350.00
H. Full Name, Mailing Address and ZIP Code Hank Brown for Congress 113 C St., S.E. Apt. A Washington, DC 20003	Hank Brown Congressman, CA ck# 6359 Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	6-20-88	\$ 250.00 YTD = \$ 250.00
I. Full Name, Mailing Address and ZIP Code People for DioGuardi 850 Seventh Avenue New York, NY 10019	Joe DioGuardi Congressman, NY ck# 6360 Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	6-20-88	\$ 300.00 YTD = \$ 300.00

SUBTOTAL of Disbursements This Page (optional)

TOTAL This Period (last page this line number only)

I N T E R O F F I C E M E M O R A N D U M

T

Date: 09-Jun-1989 02:08pm GM
From: Sandra H. Robinson
SANDRAR
Dept: FEC/OGC
Tel No: (202) 376-8200

TO: DOCKET (PAPER MAIL)
CC: GEORGE F. RISHEL (GEORGER)
Subject: MUR 2777 - Copy of Complaint to DEAC

Counsel for the Dealers Election Action Committee ("DEAC") has responded to the reason to believe finding and interrogatories and request for documents previously issued by the Commission in this matter. In his response, counsel states that the DEAC does not have a record of receiving the complaint in this matter. A letter and copy of the complaint were mailed to DEAC and Anthony Ursomarso, as treasurer, on November 16, 1988. It is noted that such mailing was not returned to this office indicating that it was undeliverable.

Please send the attached copies of the original letter and the complaint to Respondents' counsel. An addressed envelope is also attached. Thank you.

890407/021

06C 2996



FEDERAL ELECTION COMMISSION
ADMINISTRATIVE SERVICES DIVISION

89 JUN -9 AM 9:14

National Automobile Dealers Association

8400 WESTPARK DRIVE • MCLEAN, VIRGINIA 22102

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF THE GENERAL COUNSEL
89 JUN -9 PM 1:20

WILLIAM A. NEWMAN
Chief Counsel

June 7, 1989

Ms. Sandra H. Robinson
Office of the General Counsel
Federal Election Commission
Room 657
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2777
Dealers Election Action
Committee and Anthony
Ursomarso, as Treasurer

Dear Ms. Robinson:

The Dealers Election Action Committee hand delivered its responses to the Federal Election Commission's Interrogatories and Request for Production of Documents to the Office of the General Counsel on Tuesday, June 6, 1989.

On the afternoon of June 6, 1989, when we received our return copy of the responses, it was stamped with the notation "Received, Federal Election Commission, Office of the General Counsel, 89 JUN 7 A.M. 4:34."

Obviously an error had been made by the Office of General Counsel both as to the date and time. We immediately contacted your office and spoke to Kim Stevenson. Ms. Stevenson indicated that your time stamp was not operating properly, had not operated properly for the entire day, and that our filing had been logged in as being received on June 6.

To insure that this discrepancy does not become an issue, I wanted to record this sequence of events and by this letter reaffirm that the responses were filed on June 6, 1989.

Sincerely,

WAN/ljs

11257403008

06C3022

LIZ PATTERSON
for Congress

June 9, 1989

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Federal Election Commission
Washington, D.C. 20463
Attn: Sandra H. Robinson

Re: MUR 2777
Liz Patterson for Congress 1988 and
Lawrence E. Flynn, Jr. as Treasurer

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF THE CLERK
89 JUN 13 AM 9:22

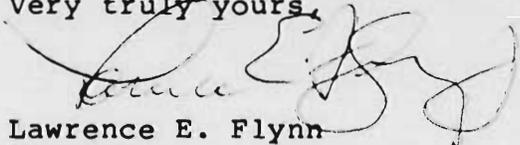
Dear Ms. Robinson:

As a follow up to our telephone conversation of June 7, 1989, in which we reviewed the letter of Danny L. McDonald, Chairman of the Federal Election Commission dated May 19, 1989 and the Factual and Legal analysis which was attached thereto, we herewith enclose our response. After a thorough review of the Factual and Legal Analysis provided, and in light of our conversation, our response contains factual materials that we believe are relevant to the Commission's consideration of this matter. In addition, we have supplied information which we believe demonstrates that no further action should be taken against the 1988 Patterson Committee and me as Treasurer because we have made the necessary corrections to bring this Committee in full compliance with applicable federal regulations.

We are, of course, interested in pursuing pre probable cause conciliation and if such conciliation is necessary we hereby so request it.

I believe we have demonstrated in the past that we are willing to take any and all steps to satisfy the requirements of the Federal Election Commission and the applicable law and as we have stated in our response, we regret that the clerical errors contained in our prior reports occurred. Please be assured that we will redouble our efforts to make sure that such errors do not reoccur. If you have any questions, please do not hesitate to contact me.

Very truly yours,


Lawrence E. Flynn
Treasurer

LEF/sh
Enclosure

P. O. Box 1403
Greenville, S. C. 29602
803-235-1770

P. O. Box 1219
Union, S. C. 29379

P. O. Box 5564
Spartanburg, S. C. 29304
803-591-1051

21213704063

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2777
)

Responses to Interrogatories and Request
for Production of Documents

To: Office of the General Counsel
Federal Election Commission
Room 659
999 E Street, N.W.
Washington, D.C. 20463

From: Lawrence E. Flynn, Jr., Treasurer
Liz Patterson for Congress '86
Liz Patterson for Congress '88

890407/3215

TABLE OF CONTENTS

ITEM	PAGE
In the Matter of Dealers Election Action Committee	2
In the Matter of BankPAC	4
In the Matter of Committee on Letter Carriers.	5
In the Matter of Dr. John R. Guthrie	6
In the Matter of Carroll L. Gilliam.	7
Appendix A	8
Appendix B14
Appendix C23
Appendix D27
Appendix E30

In the Matter of Dealers Election Action Committee, the Federal Election Commission requests:

1. State whether you received the \$500 contribution from the Dealers Committee made in August of 1987. Identify the date of receipt and the disclosure report wherein such contribution is disclosed. If such contribution was not reported, explain the circumstances.

The Liz Patterson for Congress Committee did receive the \$500 contribution made by the Dealers Committee in August of 1987. According to our records, that contribution was received on September 4, 1987.

The contribution was deposited to the Liz Patterson for Congress '86 committee in error. It was reported in the January 31, 1988 Year End report for the Liz Patterson for Congress '86 Committee on page 3, Schedule A, Itemized Receipts for line 11b, FEC Form 3, for Political Action Committees. The contribution was denoted as from the "Natl Auto Dealers PAC."

A copy of the check (ck # 5924, Dealers Election Action Committee) appears in Appendix A, page 9. A copy of the report page appears in Appendix A, page 10.

Since this contribution was deposited in error to the Liz Patterson for Congress '86 Committee, the committee has transferred the contribution to the Liz Patterson for Congress '88 Committee, designated for the primary election, as we were originally instructed by the Dealers Committee. This transfer will appear on the July 31, 1989 mid-year reports for both Committees.

2 a. State whether the contributions of \$4,500 and \$500 discussed above were included in the same check from the Dealers Committee drawn in the amount of \$5,000.00, or whether there were separate checks.

The amounts of \$4,500 and \$500 were part of the same check (ck # 6352, Dealers Election Action Committee). A copy of the check appears as a part of Appendix A, page 11.

b. State whether the contributions of \$4,500 and \$500 discussed above were transmitted with a written designation for the primary and general elections. Provide a copy of such written designation. If a written designation was not provided by the Dealers Committee, describe your procedures for determining how to designate the contributions.

370407 / 3214

The check in question was received by the Liz Patterson for Congress '88 Committee on June 30, 1989. The check was designated for use in the 1988 Primary Election.

Our records showed that the Dealers Committee had previously contributed \$500.00 (ck. # 6264, Dealers Election Action Committee) to the 1988 Primary Election. Since this new contribution of \$5,000 would have put the Dealers Committee over their maximum contribution limit, we called the Committee to request permission to split the contribution, with \$500 being designated to the 1988 General election.

Working on the assumption that such permission would be granted, the check was logged into the computer system as separate contributions. When the committee later received verbal instructions from the Dealers Committee to designate the entire contribution to the 1988 General election, our records were amended to reflect the change (Amendment dated December 15, 1988, Liz Patterson for Congress '88, Lawrence E. Flynn, Jr., Treasurer). A copy of the page from that amendment appears as a part of Appendix A, page 12.

The Committee was regrettably unaware of the requirement of written designation in this instance. Our procedures have since been updated to reflect this requirement.

A copy of a note from Kim G. Dearybury, computer operator, requesting the call to the Dealers Committee appears as part of Appendix A, page 13.

37040773215

In the matter of BankPAC, appearing on page 3 of Federal Election Commission Factual and Legal Analysis - MUR 2777:

The Commission states:

"In its disclosure reports, BankPAC disclosed a disbursement of \$5,000 to the 1988 Patterson Committee on July 7, 1987, designated for the 1988 primary election. BankPAC also disclosed a disbursement of \$5,000 to the 1988 Patterson Committee on March 4, 1988, designated for the general election.

The 1988 Patterson Committee reported the March 1988 contribution inaccurately, since it should have been designated for the general election."

The aforementioned error was caused by a single keystroke error in our new computer system. Designating a contribution to the general election instead of the primary election is simply a matter of hitting a "2" on the keyboard instead of a "1."

At the time of this error we were only a few weeks into using our new computer system for campaign contributions. We were unaware of the error until the matter was brought up as part of MUR 2777.

The Liz Patterson for Congress '88 Committee has filed an amendment to the April 15, 1988 Quarterly Report to reflect the change. A copy of that amended report appears as Appendix B to this document, pages 15-22.

3 0 0 4 0 7 / 3 2 1 6

In the matter of the Committee on Letter Carriers PAC, appearing on pages 3 and 4 of Federal Election Commission Factual and Legal Analysis - MUR 2777:

The Commission states:

"The 1988 Patterson Committee made certain errors with respect to the \$2,500 contribution received from Letter Carriers in July of 1987. First, irrespective of apparent instructions from Letter Carriers, as indicated on the check stub, to use such contribution for the 1986 primary election, the contribution was applied to the 1988 primary election. Second, the 1988 Patterson Committee failed to carry forward the contribution in its records, thus, the excessive amount was not detected. The 1988 Patterson Committee accepted an excessive contribution with respect to the 1988 primary election. Therefore, here is reason to believe the 1988 Patterson Committee violated 2 U.S.C.\ 441a(f)."

The aforementioned error was found by the Liz Patterson for Congress Committees in November of 1988. On November 28, 1988, the Patterson for Congress '88 Committee transferred \$2,500.00 in funds from the Letter Carriers to the Liz Patterson for Congress '86 Committee. A computer record of this transaction appears as part of Appendix C, page 24. This transfer was reported to the FEC as part of the Thirtieth Day following the General Election report, submitted on December 8, 1988. A copy of page 2, Itemized Disbursements for Line #21 appears as part of Appendix C, page 25.

In December of 1988 it was discovered that the simple transfer of these funds to the 1986 Committee would not solve the problem. This transfer would put the Letter Carriers Committee over their legal limit for contributions to the 1986 election. On December 29, 1988 the Liz Patterson for Congress '86 Committee refunded the entire \$2,500.00 to the Letter Carriers Committee. A copy of the check (ck #. 703) appears as part of Appendix C, page 26. This refund was reported to the FEC as part of the January 31 Year end report for the Liz Patterson for Congress '86 Committee, submitted in January of 1989.

This problem was also caused in part by our transfer to a computer bookkeeping system. Because of the lack of year to year carryover in the original system, we regretfully were unable to catch this error until November of last year.

390407 / 5217

In the Matter of Dr. John R. Guthrie, appearing on pages 7 and 8 of Federal Election Commission Factual and Legal Analysis - MUR 2777:

The Commission states:

"A review of the 1988 Patterson Committee's disclosure reports filed for the 1987-1988 election cycle show that Mr. Guthrie contributed a total of at least \$1,340 to the 1988 Patterson campaign. (footnote) According to these disclosure reports, Mr. Guthrie contributed a total of \$330 for the primary election and a total of at least \$1,010.00 for the general election."

The Liz Patterson for Congress '88 Committee regrets the error. It was caused by a mixup over checks received in June 1988. Several checks received after the primary election were inadvertently credited to the primary election. The Committee amended its July 1988 Quarterly report on December 16, 1988 to reflect these checks as contributions to the general election.

Our new computer system contains a feature that alarms an operator via a message on the screen when a contributor has given more than the legal limit. However, if changes are made by amendment, rather than by linear input, the computer will not warn us about an excessive contribution.

In order to resolve this matter, the Liz Patterson for Congress '88 Committee has refunded \$10.00 from the general election account to Dr. Guthrie. We feel this is the most efficient means of clearing up this matter. A complete listing of contributions received by the 1988 Patterson Committee appears as a part of Appendix D, page 28. A copy of the check sent to Dr. Guthrie appears as part of Appendix D, page 29.

870407 / 3218

In the matter of Mr. Carroll L. Gilliam, appearing on pages 8 and 9 of the Federal Election Commission Factual and Legal Analysis - MUR 2777:

The Commission states:

"Carroll L. Gilliam contributed \$500 to the 1988 Patterson Committee that was received on June 28, 1988. Mr. Gilliam made the \$500 contribution by a check dated June 15, 1988. He also made two other contributions to the Patterson campaign, \$500 made on August 3, 1988, and \$300 made by a check dated September 16, 1988 (footnote). There is no evidence that Mr. Gilliam designated the \$500 contribution at issue here in writing for the primary election, thus, that contribution should have been designated by the recipient committee for the general election. The amended 1988 July Quarterly Report designated the contribution for the general election. Thus, the 1988 Patterson Committee received an excessive contribution from Mr. Gilliam in the amount of \$300."

This error is identical to the error discussed on page 6 above. Again, the error was caused by a mixup over checks received immediately after the 1988 primary election which were credited to the primary election. Mr. Gilliam's contribution of \$500 (ck # 802) was received by the 1988 Patterson Committee on June 28, 1988. The contribution was originally credited to the primary in error. Later, when the report was amended to reflect the contribution for the general election, the computer did not make us aware that Mr. Gilliam was over the legal limit.

The Committee, again, feels that the most expedient solution to the problem is to refund the \$300 of excess contribution to Mr. Gilliam. A complete listing of contributions received by the 1988 Patterson Committee appears as a part of Appendix E, page 31. A copy of the check sent to Mr. Gilliam appears as part of Appendix E, page 32.

The Committee deeply regrets this error. New procedures are in place which should see that this problem does not happen again.

3 9 0 4 0 7 7 6 2 1 9

APPENDIX A

890407 / 3220

(200) Liz Patterson for Congress

Line # 11b

All information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee. Name-Address/Employer-Occupation/Year to date/Date of Receipt/Amount For the period 07-01-87 thru 12-31-87 Over \$200.00 TYPE: C CAT: ALL HLL HLL

Manufacturers Hanover Con Poration POC 07-24-87 250.00 General
270 Park Ave. 34th Floor
New York NY 10017-

POL. ACTION COM.
Year to date: \$250.00

Mellon Bank PAC 07-15-87 250.00 General
P.O. Box 15629
Pittsburgh PA 15244-

POL. ACTION COM.
Year to date: \$250.00

Metropolitan Employees Political Part. Fund 09-11-87 100.00 General
One Madison Avenue
New York NY 10010-

POL. ACTION COM.
Year to date: \$1,100.00

Natl Auto Dealers PAC 04-04-87 500.00 General
8400 Westpark Drive
McLean VA 22102-

Year to date: \$500.00

NCNB PAC 07-25-87 250.00 General
One NCNB Plaza 715-4
Charlotte NC 28255-

POL. ACTION COM.
Year to date: \$500.00

Norfolk Southern Corp. 60 od Government Fund 09-11-87 250.00 General
One Commercial Place
Norfolk VA 23510-

POL. ACTION COM.
Year to date: \$500.00

Norwest Corporation PAC 07-15-87 250.00 General
1200 Weaver Building
Minneapolis MN 55479-

POL. ACTION COM.
Year to date: \$250.00

NRLCA-PAC 07-11-87 500.00 General
1448 Duke St., Suite 100
Alexandria VA 22304-

POL. ACTION COM.
Year to date: \$500.00

Grand Total \$2,000.00

890407732222

3 7 0 4 0 7 / 3 2 2 3

DEALERS ELECTION ACTION COMMITTEE
OF THE NATIONAL AUTOMOBILE DEALERS
ASSOCIATION

3400 WESTPARK DRIVE
MC LEAN, VA 22102

635

JUNE 9 19 88

15-5
540

PAY TO THE ORDER OF LIZ PATTERSON FOR CONGRESS

\$ 5,000.00

FIVE THOUSAND AND 00/100-----DOLLARS

CRESTAR
Crestar Bank N.A.
Washington, DC

VOID AFTER 90 DAYS

FOR 1988 Primary Election - South Carolina

W Hancock
Frank E McCarthy

⑈006352⑈ -⑈054000522⑈ 04⑈6035034⑈

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

For the period 06-15-88 thru 06-30-88		Over \$200 YTD TYPE: C	CAT: ALL ALL ALL	
Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt	Receipt for
Bankers Trust PAC Federal 280 Park Avenue New York NY 10015-	POL. ACTION COM. Year to date: \$5,500.00	06-28-88	1,500.00	General
CSX Transportation PAC 1911 Barnwell Street, A Columbia SC 29201-	POL. ACTION COM. Year to date: \$250.00	06-28-88	250.00	General
Dealers Election Action 8400 West Park Dr. McLean VA 22102-	Nat'l Auto Dealers Assoc POL. ACTION COM. Year to date: \$5,500.00	06-30-88 06-30-88	4,500.00 500.00	General General
Food Marketing Institute 1750 K Street, N.W. #700 Washington DC 20006-	POL. ACTION COM. Year to date: \$300.00	06-30-88	300.00	General
Hoechst Celanese Corp. PAC Box 2500 Somerville NJ 08876-	POL. ACTION COM. Year to date: \$1,000.00	06-28-88	500.00	General
Sabo, Martin Olav 2425 E. Franklin, #301 Minneapolis MN 55406-	For Congress POL. ACTION COM. Year to date: \$1,000.00	06-30-88	1,000.00	General

Subtotal This Page \$8,550.00

89040713224

Dwight said to
have Rita call and
see if we can put
\$500.00 towards the
General campaign.

They had already
contributed \$500.00

ch. # 6264
dated May 2, 1988

APPENDIX B

390407 / 3226



LIZ PATTERSON
for Congress

June 8, 1989

Mr. Donald K. Anderson, Clerk
U.S. House of Representatives
1036 Longworth House Office Building
Washington, D.C. 20515-6612

Dear Mr. Anderson:

Enclosed is an amendment to a portion of schedule A for the April 15, 1988 Quarterly Report. The enclosed amendment reflects a correction in the designation of a \$5,000.00 contribution from the American Bankers Association BankPAC, originally designated for the primary election and here amended, properly attributed to the general election.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Lawrence E. Flynn, Jr.
Treasurer

LEF/kgd
Enclosures

990407 / 6227

ITEMIZED RECEIPTS
(Contributions from Other
Political Committees)

NAME OF COMMITTEE (in Full)
LIZ PATTERSON FOR CONGRESS '88

Any information copied from such Reports and Statements may not be sold or used by any person
for the purpose of soliciting contributions or for commercial purposes, other than using the
name and address of any political committee to solicit contributions from such committee.

For the period 01-01-88 thru 03-31-88 All

Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt	Receipt for
ACTWU PAC 815 - 16th St., N.W. Washington DC 20006-	POL. ACTION COM. Aggregate Year to date: \$300.00	01-19-88	300.00	Primary
American Bankers Assn 1120 Connecticut Ave NW Washington DC 20036-	BANKPAC POL. ACTION COM. Aggregate Year to date: \$5,000.00	03-24-88	5,000.00	General
American Physical Therapy 1111 N. Fairfax Street Alexandria VA 22314-	PAC POL. ACTION COM. Aggregate Year to date: \$500.00	03-31-88	500.00	Primary
American Textile PAC 1101 Connecticut Ave. NW Washington DC 20036-	POL. ACTION COM. Aggregate Year to date: \$500.00	03-31-88	500.00	Primary
ANA-PAC 1101 14th St., N.W., #200 Washington DC 20005-	Nurses Association PAC POL. ACTION COM. Aggregate Year to date: \$100.00	01-19-88	100.00	Primary
Associated Milk Prod. PAC P.O. Box 790287 San Antonio TX 78279-0287	Agricultural Pol. Educ. POL. ACTION COM. Aggregate Year to date: \$500.00	01-19-88	500.00	Primary

SUBTOTAL of Receipts This Page (Optional)..... \$6,900.00

TOTAL This Period (last page this line number only).....

8 7 0 4 0 7 / 3 2 2 8

ITEMIZED RECEIPTS
(Contributions from Other
Political Committees)

NAME OF COMMITTEE (in Full)
LIZ PATTERSON FOR CONGRESS '88

Any information copied from such Reports and Statements may not be sold or used by any person
for the purpose of soliciting contributions or for commercial purposes, other than using the
name and address of any political committee to solicit contributions from such committee.

For the period 01-01-88 thru 03-31-88 All

Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt	Receipt for
AT&T PAC 60 Columbia Turnpike Morristown NJ 07960-	POL. ACTION COM. Aggregate Year to date:	01-28-88	100.00	Primary
ATLA PAC 1050 - 31st St., N.W. Washington DC 20007-	Assoc. of Trial Lawyers POL. ACTION COM. Aggregate Year to date:	03-28-88	500.00	Primary
Banc One Indiana Corp. PAC 101 Monument Circle Indianapolis IN 46277-	POL. ACTION COM. Aggregate Year to date:	02-05-88	300.00	Primary
Bankers Trust PAC Federal 280 Park Avenue New York NY 10015-	POL. ACTION COM. Aggregate Year to date:	03-28-88	2,000.00	Primary
BUILD PAC 15th & M Streets NW Washington DC 20005-	POL. ACTION COM. Aggregate Year to date:	03-24-88	1,000.00	Primary
Carolina Power & Light Co P.O. Box 1510 Raleigh NC 27602-	POL. ACTION COM. Aggregate Year to date:	02-05-88	300.00	Primary

SUBTOTAL of Receipts This Page (Optional)..... \$4,200.00

TOTAL This Period (last page this line number only).....

37040710229

ITEMIZED RECEIPTS
 (Contributions from Other
 Political Committees)

NAME OF COMMITTEE (in Full)
 LIZ PATTERSON FOR CONGRESS '88

(Any information copied from such Reports and Statements may not be sold or used by any person
 for the purpose of soliciting contributions or for commercial purposes, other than using the
 name and address of any political committee to solicit contributions from such committee.)

For the period 01-01-88 thru 03-31-88 All

Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt	Receipt for
CHASE PAC One Chase Manhattan Plaza New York NY 10081-	POL. ACTION COM. Aggregate Year to date:	01-28-88	300.00	Primary
Coca-Cola Company PAC P.O. Drawer 1734 Atlanta GA 30301-	POL. ACTION COM. Aggregate Year to date:	01-04-88	500.00	Primary
COLPAC P.O. Box 1365 Columbia SC 29202-	POL. ACTION COM. Aggregate Year to date:	03-28-88	250.00	Primary
Communications Workers of 1925 K St., N.W. Washington DC 20006-	America COPE - PCC POL. ACTION COM. Aggregate Year to date:	02-05-88	500.00	Primary
Consumers Bankers Assn. 1300 N. 17th Street Arlington VA 22209-	CONPAC POL. ACTION COM. Aggregate Year to date:	03-28-88	500.00	Primary
Council For A Livable 20 Park Plaza Boston MA 02116-	World (Peace PAC) POL. ACTION COM. Aggregate Year to date:	03-31-88 03-30-88	400.57 115.00	Primary Primary

SUBTOTAL of Receipts This Page (Optional)..... \$2,565.57

TOTAL This Period (last page this line number only).....

8 9 0 4 0 7 / 3 2 3

ITEMIZED RECEIPTS
 (Contributions from Other
 Political Committees)

NAME OF COMMITTEE (in Full)
 LIZ PATTERSON FOR CONGRESS '88

Any information copied from such Reports and Statements may not be sold or used by any person
 for the purpose of soliciting contributions or for commercial purposes, other than using the
 name and address of any political committee to solicit contributions from such committee.

For the period 01-01-88 thru 03-31-88 All

Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt	Receipt for
E.F. Hutton Group PAC 31 West 52nd Street New York NY 10019-	POL. ACTION COM. Aggregate Year to date:	01-04-88	250.00	Primary
First Bank System P.O. Box 522 Minneapolis MN 55480-	Political Participation POL. ACTION COM. Aggregate Year to date:	02-16-88	250.00	Primary
First Union Employees One First Union Plaza Charlotte NC 28288-	Good Government Fund POL. ACTION COM. Aggregate Year to date:	03-31-88	500.00	Primary
Ford Motor Company The American Road Dearborn MI 48121-	Civic Action Fund POL. ACTION COM. Aggregate Year to date:	01-19-88	300.00	Primary
Goldman Sachs PAC 1825 Eye St., N.W. #450 Washington DC 20006-	POL. ACTION COM. Aggregate Year to date:	01-19-88	300.00	Primary
J.P. Stevens PAC 1185 Avenue of Americas New York NY 10036-	POL. ACTION COM. Aggregate Year to date:	03-31-88	500.00	Primary

SUBTOTAL of Receipts This Page (Optional)..... \$2,100.00

TOTAL This Period (last page this line number only).....

3 9 0 4 0 7 / 5 2 3 1

ITEMIZED RECEIPTS
 (Contributions from Other
 Political Committees)

NAME OF COMMITTEE (in Full)
 LIZ PATTERSON FOR CONGRESS '88

Any information copied from such Reports and Statements may not be sold or used by any person
 for the purpose of soliciting contributions or for commercial purposes, other than using the
 name and address of any political committee to solicit contributions from such committee.

For the period 01-01-88 thru 03-31-88 All

Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt	Receipt for
N.F.I.B. PAC 150 W. 20th Ave. San Mateo CA 94403-	Nat'l Fed. Ind. Bankers POL. ACTION COM. Aggregate Year to date: \$1,000.00	03-31-88	1,000.00	Primary
NARFE-PAC 1533 New Hampshire Ave. NW Washington DC 20036-	 POL. ACTION COM. Aggregate Year to date: \$1,000.00	01-19-88	1,000.00	Primary
NCNB S.C. PAC P.O. Box 448 Columbia SC 29202-	 POL. ACTION COM. Aggregate Year to date: \$500.00	03-29-88	500.00	Primary
NWPC 1275 K Street, N.W., #750 Washington DC 20005-	Nat'l Women's Pol. Caucus POL. ACTION COM. Aggregate Year to date: \$1,500.00	02-16-88	1,500.00	Primary
Phillips Petroleum Co. PAC P.O. Box 66 Greenville SC 29602-	 POL. ACTION COM. Aggregate Year to date: \$500.66	02-05-88	500.66	Primary
Realtors PAC 430 N. Michigan Ave. Chicago IL 60611-	 POL. ACTION COM. Aggregate Year to date: \$200.00	01-28-88	200.00	Primary

SUBTOTAL of Receipts This Page (Optional)..... \$4,700.66

TOTAL This Period (last page this line number only).....

870407 / 8232

ITEMIZED RECEIPTS
 (Contributions from Other
 Political Committees)

NAME OF COMMITTEE (in Full)
 LIZ PATTERSON FOR CONGRESS '88

Any information copied from such Reports and Statements may not be sold or used by any person
 for the purpose of soliciting contributions or for commercial purposes, other than using the
 name and address of any political committee to solicit contributions from such committee.

For the period 01-01-88 thru 03-31-88 All

Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt	Receipt for
Seafarers PAC 5201 Auth Way Camp Springs MD 20746-	POL. ACTION COM. Aggregate Year to date: \$1,000.00	03-31-88	1,000.00	Primary
Social Security PAC 2000 K St., N.W., #800 Washington DC 20006-	POL. ACTION COM. Aggregate Year to date: \$1,300.00	01-19-88 01-19-88	300.00 1,000.00	Primary Primary
South Carolina National 1426 Main Street Columbia SC 29226-	POL. ACTION COM. Aggregate Year to date: \$650.00	02-29-88	650.00	Primary
Southern Bell PAC 675 W. Peachtree St. Atlanta GA 30375-	POL. ACTION COM. Aggregate Year to date: \$2,000.00	03-28-88	2,000.00	Primary
Textron PAC P.O. Box 878 Providence RI 02901-	POL. ACTION COM. Aggregate Year to date: \$500.00	03-31-88	500.00	Primary
THRIFT PAC 1101 15th St., N.W. #400 Washington DC 20005-	POL. ACTION COM. Aggregate Year to date: \$300.00	01-19-88	300.00	Primary

SUBTOTAL of Receipts This Page (Optional)..... \$5,750.00

TOTAL This Period (last page this line number only).....

39040713235

SCHEDULE A

ITEMIZED RECEIPTS
(Contributions from Other
Political Committees)

NAME OF COMMITTEE (in Full)
LIZ PATTERSON FOR CONGRESS '88

Any information copied from such Reports and Statements may not be sold or used by any person
for the purpose of soliciting contributions or for commercial purposes, other than using the
name and address of any political committee to solicit contributions from such committee.

For the period 01-01-88 thru 03-31-88 All

Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt	Receipt for
Tobacco Institute PAC 1875 Eye St., N.W., #800 Washington DC 20006-	POL. ACTION COM. Aggregate Year to date: \$500.00	01-28-88	500.00	Primary
Union Camp PAC 1600 Valley Road Wayne NJ 07470-	POL. ACTION COM. Aggregate Year to date: \$350.00	01-19-88	350.00	Primary
Valley Education Fund P.O. Box 1188 Washington DC 20013-	POL. ACTION COM. Aggregate Year to date: \$1,000.00	01-04-88	1,000.00	Primary
Women's Campaign Fund 815 15th Street, N.W. Washington DC 20005-	POL. ACTION COM. Aggregate Year to date: \$1,000.00	03-14-88	1,000.00	Primary
SUBTOTAL of Receipts This Page (Optional).....			\$2,850.00	
TOTAL This Period (last page this line number only).....			\$29,066.23	

40 Contributors printed

89040715234

APPENDIX C

C

37040773235



CAMPAIGN FINANCE SYSTEM

Run Date: 06-08-1989

Disbursement Transaction List

(600) LIZ PATTERSON FOR CONGRESS '88

(((All Transactions)))

Date: 01-01-80 to 06-08-89

Code : ALL Vendor: 600-00181 to 600-00181

Vendor number	Name (Disbursed To)	Tran. Date	Elect. Code	Subv. #	Purpose of Disbursement	Disbursed Amount	Disburse # (Trx)
600-00181-M	Patterson For Congress '86	11-28-88	2	0	Funds Deposited to Wrong Acct.	2,500.00	600-00512

\$2,500.00

Page Total \$2,500.00
Report Total \$2,500.00

CAMPAIGN FINANCE SYSTEM

Run Date: 06-08-1989

Receipt Transaction List

(CHC) Liz Patterson for Congress '86

(((All Transactions)))

Date: 01-01-80 to 06-08-89

Types: 1234 Code : ALL Contr: CHC-00007 to CHC-00007

Contributor number	Name (Source) of Receipt	Tran Date	Elect Tp	Rec. Code #	Ref Number	Receipt Amount	Receipt Number
CHC-00007-C	Letters Carriers PAC	11-29-88	2	0	X-fer 1988	2,500.00	CHC-00011

\$2,500.00

Page Total \$2,500.00
Report Total \$2,500.00

8 0 0 4 0 7 / 3 2 3 6

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

For the period 10-20-88 thru 11-28-88 Over \$200 YTD TYPE:M CAT:ALL ALL ALL

Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of	Disb.
			Each Disbursement This Period	

Patterson For Congress '86 Post Office Box 5564	Funds Deposited to Wrong Acct.	11-28-88	2,500.00	General
--	-------------------------------------	----------	----------	---------

Spartanburg, SC 29304

Subtotal This Page \$2,500.00

9 2 0 4 0 7 / 3 2 3 7

APPENDIX D

D

800407/6239



(((All Transactions)))

Date: 01-01-80 to 06-08-89 Types: 1234 Code : ALL Contr: 600-00039 to 600-00039

Contributor number	Name (Source) of Receipt	Tran Date	Elect Tp	Rec. Code #	Ref Number	Receipt Amount	Receipt Number
600-00039-I	Guthrie, Dr. John R.	03-14-88	1	0	945	100.00	600-00038
600-00039-I	Guthrie, Dr. John R.	03-14-88	1	0	947	50.00	600-00039
600-00039-I	Guthrie, Dr. John R.	03-28-88	1	0	987	100.00	600-00071
600-00039-I	Guthrie, Dr. John R.	03-29-88	1	100	997	30.00	600-00135
600-00039-I	Guthrie, Dr. John R.	05-25-88	1	0	1081	50.00	600-00704
600-00039-I	Guthrie, Dr. John R.	06-14-88	1	0	1121	50.00	600-00855
600-00039-I	Guthrie, Dr. John R.	06-20-88	2	0	1035	50.00	600-00863
600-00039-I	Guthrie, Dr. John R.	06-30-88	2	0	1133	50.00	600-00922
600-00039-I	Guthrie, Dr. John R.	07-12-88	2	0	1146	50.00	600-00935
600-00039-I	Guthrie, Dr. John R.	08-01-88	2	112	1196	250.00	600-01016
600-00039-I	Guthrie, Dr. John R.	08-09-88	2	0	1207	50.00	600-01085
600-00039-I	Guthrie, Dr. John R.	08-24-88	2	0	1242	50.00	600-01100
600-00039-I	Guthrie, Dr. John R.	08-30-88	2	0	1246	250.00	600-01125
600-00039-I	Guthrie, Dr. John R.	09-09-88	2	0	1273	250.00	600-01253
600-00039-I	Guthrie, Dr. John R.	10-19-88	2	118	1346	10.00	600-01907

\$1,390.00

Page Total \$1,390.00
 Report Total \$1,390.00

8
 7
 0
 4
 0
 7
 1
 5
 2
 9

LIZ PATTERSON
for Congress

June 8, 1989

Dr. John R. Guthrie
216 Beechwood Drive
Spartanburg, South Carolina 29302

Dear John:

Enclosed you will find a check in the amount of \$10.00. This is a refund on contributions received by the Liz Patterson for Congress '88 Committee in excess of your maximum legal limit.

We regret that we were unable to find and correct this error earlier and apologize for any inconvenience this situation may have caused.

Again, thank you for your loyal support of Liz Patterson and her campaigns. We certainly hope you will continue to support her in the future.

Sincerely,

Lawrence E. Flynn, Jr.
Treasurer

LEF/kgd

Enclosure

800407/3241

LIZ PATTERSON FOR CONGRESS 1988		No. <u>587</u>
		June 8 19 <u>89</u> ⁶⁷⁻¹¹⁸ / ₅₃₂
PAY TO THE ORDER OF	<u>Dr. John R. Guthrie</u>	\$ <u>10⁰⁰</u>
<u>Ten and 00/100</u>		DOLLARS
 The Palmetto Bank SPARTANBURG, S.C. 29304		
FOR REFUND OF CONTRIBUTION OVER LIMIT		
⑆053201886⑆ 053024222⑈		

APPENDIX E

E

3 3 0 4 0 7 / 3 2 9 2



(((All Transactions)))

Date: 01-01-80 to 06-08-89 Types: 1234 Code : ALL Contr: 600-00788 to 600-00788

Contributor number	Name (Source) of Receipt	Tran Date	Elect Tp	Rec. Code #	Ref Number	Receipt Amount	Receipt Number
600-00788-I	Gilliam, Carroll L.	06-28-88	2	107	802	500.00	600-00887
600-00788-I	Gilliam, Carroll L.	08-30-88	2	115	34	500.00	600-01175
600-00788-I	Gilliam, Carroll L.	09-28-88	2	115	927	300.00	600-01462
						\$1,300.00	
Page Total						\$1,300.00	
Report Total						\$1,300.00	

3 9 0 4 0 7 / 3 2 4 5

LIZ PATTERSON
for Congress

June 8, 1989

Mr. Carroll L. Gilliam
501
1730 M Street, NW
Washington, D.C. 20036-4579

Dear Mr. Gilliam:

Enclosed you will find a check in the amount of \$300.00. This is a refund on contributions received by the Liz Patterson for Congress '88 Committee in excess of your maximum legal limit.

We regret that we were unable to find and correct this error earlier and apologize for any inconvenience this situation may have caused.

Again, thank you for your loyal support of Liz Patterson and her campaigns. We certainly hope you will continue to support her in the future.

Sincerely,

Lawrence E. Flynn, Jr.
Lawrence E. Flynn, Jr.
Treasurer

LEF/kgd

Enclosure

870407 / 3244

LIZ PATTERSON FOR CONGRESS 1988		No. <u>588</u>
June 8 19 <u>89</u>		<u>67-118</u> <u>532</u>
PAY TO THE ORDER OF <u>Mr. Carroll L. Gilliam</u>	\$ <u>300⁰⁰</u>	
<u>Three Hundred and ⁰⁰/₁₀₀</u>		DOLLARS
 The Palmetto Bank SPARTANBURG, S.C. 29304		
FOR <u>Refund of CONTRIBUTION OVER LIMIT</u>		
⑆053201186⑆ 053024222⑆		

89 JUL 31 AM 8:59

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)	
)	
Liz Patterson for Congress 1988 and)	
Lawrence E. Flynn, Jr., as treasurer)	
)	
Committee on Letter Carriers Political)	MUR 2777
Education and Florence Johnson, as treasurer)	
)	
Dealers Election Action Committee and)	
Anthony Ursomarso, as treasurer)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter was generated through a complaint filed by the South Carolina Republican Party, through its chairman, Van D. Hipp, Jr., on November 7, 1988. The complaint alleged certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act") by several different individuals and political committees, including Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer ("the 1988 Patterson Committee"); Committee on Letter Carriers Political Education and Florence Johnson, as treasurer ("Letter Carriers"); and Dealers Election Action Committee and Anthony Ursomarso, as treasurer ("the Dealers Committee"). See MUR 2777 - First General Counsel's Report signed May 5, 1989. On May 10, 1989, the Federal Election Commission ("Commission") made findings of no reason to believe the Act had been violated with respect to certain individuals and political committees, found reason to be with respect to two individuals and took no further action, and made the following findings with respect to the respondents discussed in this report.

890407/3245

The Commission found reason to believe the 1988 Patterson Committee violated 2 U.S.C. § 441a(f) by accepting excessive contributions from Letter Carriers, the Dealers Committee, and two individuals; 2 U.S.C. § 434(b) by failing to report a contribution received from the Dealers Committee; and 11 C.F.R. § 104.14(d) by inaccurately disclosing certain information about contributions received in financial disclosure reports filed with the Commission and failing to amend a report in a timely manner. The Commission also approved interrogatories and a request for production of documents to be propounded to this committee.

The Commission found reason to believe Letter Carriers violated 2 U.S.C. § 441a(a)(2)(A) by making an excessive contribution to the 1988 Patterson Committee. The Commission also determined to enter into pre-probable cause conciliation with this committee and approved a proposed conciliation agreement.

The Commission found reason to believe the Dealers Committee violated 2 U.S.C. § 441a(a)(2)(A) by making an excessive contribution to the 1988 Patterson Committee. The Commission also approved interrogatories and a request for production of documents to be propounded to this committee.

The 1988 Patterson Committee responded to the findings and discovery request on June 13, 1989. This committee requested that the Commission take no further action and also expressed an interest in pursuing pre-probable cause conciliation. Attachment

390407 / 3246

The Dealers Committee submitted a response to the finding and discovery request on June 6, 1989. Attachment III.

II. ANALYSIS

Elizabeth J. Patterson was a successful candidate for the U.S. House of Representatives from South Carolina's Fourth Congressional District in the 1988 election cycle. She won the general election with 52% of the vote. The 1988 Patterson Committee was designated as her principal campaign committee. The primary election was held in South Carolina on June 14, 1988. According to the 1988 Patterson Committee's 1988 July Quarterly Report, that covered the period from May 26, 1988 through June 30, 1988, there were no outstanding debts owed by the committee. In fact, the 1988 Patterson Committee did not disclose owing any outstanding debts on any of its financial reports filed with the Commission during the 1988 calendar year. Thus, there were no outstanding net primary debts owed by the 1988 Patterson Committee.

A. Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer

1. Receipt of Excessive Contributions

The 1988 Patterson Committee stated that it received a check for \$5,000 from the Dealers Committee on June 30, 1988. A copy of the check was provided. Attachment I(12). The memo entry on the face of the check indicates that it was for the 1988 primary election. The 1988 Patterson Committee stated that when the \$5,000 was aggregated with a previous contribution of \$500 from the Dealers Committee for the primary election, a call was made

8 9 0 4 0 7 / 0 2 4 7

to the Dealers Committee to ask if \$500 of the \$5,000 could be designated for the general election, to avoid exceeding the contribution limitation for the primary election. Attachment I(14). Apparently, the 1988 Patterson Committee split the contribution between the primary and general elections without approval from the Dealers Committee. It was stated that later, however, the Dealers Committee informed the 1988 Patterson Committee that the entire contribution should have been designated for the general election.¹ On December 16, 1988, the 1988 Patterson Committee amended its 1988 July Quarterly Report to designate the entire \$5,000 contribution for the general election.

Although the \$5,000 contribution was apparently intended for the general election, for reporting purposes it appears that the 1988 Patterson Committee correctly designated at least part of such contribution (\$4,500) for the primary election, since the written notation on the face of the check indicated that to be the correct designation. There was no notice from the Dealers Committee, at the time, that such notation was incorrect. However, because the 1988 Patterson Committee did not have outstanding net debts from the primary election, it should not have accepted any part of the contribution for that election and should have sought to return it or have it redesignated in

1. As discussed below, the Dealers Committee has stated that the notation on the face of the check is a clerical error and the contribution was for the general election. The Dealers Committee has also stated that the contribution was actually made on June 29, 1988, after the date of the primary election.

390407 / 0248

accordance with 11 C.F.R. § 110.2(b). As noted above, the 1988 Patterson Committee did attempt to redesignate the contribution (although not because it did not have primary debts) by contacting the Dealers Committee by telephone. Apparently, the verbal instructions from the Dealers Committee to designate the contribution for the general election were not received until a time in close proximity to the filing of the complaint in this matter, since the relevant disclosure report was not amended until December 1988. The 1988 Patterson Committee has also expressed its unawareness of a need for a written designation in this circumstance and has stated that its procedures have been updated to include this requirement.

The 1988 Patterson Committee acknowledged in its response to the complaint in this matter that it received an excessive contribution from Letter Carriers. See MUR 2777 - First General Counsel's Report. It was explained in the response that the receipt of a \$2,500 contribution in 1987 was not carried forward in the computer system, thus, an aggregation of contributions from Letter Carriers was not accurate. In response to the interrogatories, the 1988 Patterson Committee stated that the \$2,500 had been transferred to the 1986 Patterson Committee on November 28, 1988, in an attempt to comply with the written designation on the face of the check.² On December 29, 1988, the

2. As discussed in the First General Counsel's Report, this contribution, apparently intended for the 1988 primary election, had been designated by mistake for the 1986 primary election by Letter Carriers by a memo entry on the check. Regardless of the written designation on the face of the check, the 1988 Patterson Committee had deposited the contribution in its account.

80040710249

1986 Patterson Committee refunded \$2,500 to Letter Carriers to avoid causing the receipt of an excessive contribution by the 1986 Patterson Committee. A copy of the refund check was provided. Attachment I(6) & (27).

The 1988 Patterson Committee stated that the receipt of excessive contributions from Carroll Gilliam and John Guthrie was due in part to a "mix-up over checks received in June 1988." In addition, adjustment to the new computer system was noted as a cause. On June 8, 1989, the 1988 Patterson Committee refunded the excessive amounts of \$10 to Mr. Guthrie and \$300 to Mr. Gilliam. Copies of the checks were provided. Attachment I(30) & (33).

2. Reporting Errors

In response to the complaint and interrogatories in this matter, the 1988 Patterson Committee acknowledged that certain information had been disclosed inaccurately in its financial reports to the Commission. The 1988 July Quarterly Report was amended on December 16, 1988, to correct certain reporting errors. The 1988 April Quarterly Report was amended on June 9, 1989, to accurately disclose a contribution received from American Bankers Association BankPAC. With regard to the \$500 contribution received from the Dealers Committee in August 1987, the 1988 Patterson Committee stated that this contribution had been erroneously deposited in the 1986 Patterson Committee's account. It was stated further that a transfer of \$500 had been made from the 1986 committee to the 1988 committee and that such transaction would be disclosed in each committee's 1989 Mid-Year

870407/325

Report. The Mid-Year reports are due no later than July 31, 1989; such reports have not been filed to date. 2 U.S.C. § 434(a)(2).

The 1988 Patterson Committee has provided sufficient information to proceed with conciliation negotiations. Therefore, this Office recommends that the Commission enter into conciliation with Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer, prior to a finding of probable cause to believe.

3. Discussion of Conciliation Provisions and Civil Penalty

89040710251

B. Committee on Letter Carriers Political Education and
Florence Johnson, as treasurer

89040715252

C. Dealers Election Action Committee and Anthony Ursomarso, as treasurer

290907 / 0250
The Dealers Committee, through counsel, stated that the \$500 contribution made to the 1988 Patterson Committee in August 1987 had not been returned.³ The Dealers Committee provided a copy of the canceled check. Attachment III(6). As explained above, the 1988 Patterson Committee had erroneously deposited that contribution with the 1986 committee and disclosed it in that committee's financial report to the Commission.

The Dealers Committee's response with regard to the \$5,000 contribution to the 1988 Patterson Committee made in June 1988 coincides with that of the Patterson Committee. According to the Dealers Committee, the check for this contribution was drawn on June 9, 1988. The face of the check did have the notation that it was for the 1988 primary election. The Dealers Committee stated that this was a clerical error, as the contribution was

3. Counsel also stated that the Dealers Committee did not have a record of receiving a copy of the complaint in this matter. It is noted that the Dealers Committee did not respond to the complaint. It is also noted, however, that the complaint was mailed to the same address as the notice of the reason to believe finding and it has not been returned to this Office as undeliverable. A copy of the complaint was mailed to counsel on June 6, 1989.

intended for the 1988 general election, for which it was designated in a disclosure report to the Commission. The Dealers Committee explained further that the check was not actually delivered to the candidate until June 29, 1988. Attachment III(2)-(3). It appears, therefore, that the Dealers Committee merely inaccurately disclosed the date the contribution was made in its disclosure reports to the Commission, rather than made an excessive contribution. Based on the foregoing, this Office recommends that the Commission take no further action against the Dealers Committee in this matter.

III. RECOMMENDATIONS

1. Enter into conciliation with Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer, prior to a finding of probable cause to believe.

2.

3. Take no further action against the Dealers Election Action Committee and Anthony Ursomarso, as treasurer, in this matter.

4. Approve the attached proposed conciliation agreement, and letters (3).

5. Close the file in this matter as it pertains to Dealers Election Action Committee and Anthony Ursomarso, as treasurer.

Lawrence M. Noble
General Counsel

7/27/88
Date

BY: 
Lois G. Derner
Associate General Counsel

Attachments

1. Response and request for conciliation from the 1988 Pattersc Committee.

39040776254

- 2.
3. Response from the Dealers Committee.
4. Proposed Conciliation Agreement and letter to the 1988 Patterson Committee.
- 5.
6. Proposed letter to the Dealers Committee.

Staff assigned: Sandra H. Robinson

370407 / 3259



FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20461

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS /DELORES R. HARRIS^{OKN}
COMMISSION SECRETARY

DATE: AUGUST 2, 1989

SUBJECT: MUR 2777 - GENERAL COUNSEL'S REPORT
SIGNED JULY 27, 1989

The above-captioned document was circulated to the Commission on Monday, July 31, 1989 at 11:00 a.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens _____
Commissioner Elliott _____
Commissioner Josefiak X _____
Commissioner McDonald _____
Commissioner McGarry _____
Commissioner Thomas _____

This matter will be placed on the meeting agenda for Tuesday, August 8, 1989 at 10:00 a.m.

Please notify us who will represent your Division before the Commission on this matter.

390407/0250



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/DELORES R. HARRIS *DEH*
COMMISSION SECRETARY

DATE: AUGUST 3, 1989

SUBJECT: MUR 2777 - GENERAL COUNSEL REPORT
SIGNED JULY 27, 1989

The above-captioned document was circulated to the Commission on Mon., July 3, 1989 at 11:00 a.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	_____
Commissioner Elliott	_____
Commissioner Josefiak	_____ X _____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Thomas	_____ X _____

This matter will be placed on the meeting agenda for Tuesday, August 8, 1989 at 10:00 a.m.

Please notify us who will represent your Division before the Commission on this matter.

99040776257

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Liz Patterson for Congress 1988 and)
Lawrence E. Flynn, Jr., as treasurer)
) MUR 2777
Committee on Letter Carriers Political)
Education and Florence Johnson, as)
treasurer)
)
Dealers Election Action Committee and)
Anthony Ursomarso, as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of August 8, 1989, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 2777:

1. Enter into conciliation with Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer, prior to a finding of probable cause to believe.
- 2.
3. Take no further action against the Dealers Election Action Committee and Anthony Ursomarso, as treasurer, in this matter.

(continued)

89040773258

4. Approve the proposed conciliation agreement,
and three letters attached
to the General Counsel's report dated
July 27, 1989.

5. Close the file in this matter as it pertains
to Dealers Election Action Committee and
Anthony Ursomarso, as treasurer.

Commissioners Aikens, Elliott, Josefiak, McDonald, and
Thomas voted affirmatively for the decision; Commissioner
McGarry dissented.

Attest:

8-9-89

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

30040711259



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 15, 1989

William A. Newman, Esq.
c/o NADA
8400 Westpark Drive
McLean, Virginia 22102

RE: MUR 2777
Dealers Election
Action Committee
and Anthony
Ursomarso, as treasurer

Dear Mr. Newman:

On May 19, 1989, your clients, Dealers Election Action Committee and Anthony Ursomarso, as treasurer, were notified that the Federal Election Commission found reason to believe that your clients violated 2 U.S.C. § 441a(a)(2)(A). On June 6, 1989, you submitted a response to the Commission's reason to believe findings in this matter.

After considering the circumstances of the matter, the Commission determined on August 8, 1989, to take no further action against your clients, and closed the file as it pertains to them. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you of the importance of accurately disclosing information in financial reports filed with the Commission. The reporting of inaccurate information may lead to the appearance of making excessive contributions in violation of 2 U.S.C. § 441a(a)(2)(A), as occurred in this matter. You should take immediate steps to insure that this activity does not occur in the future.

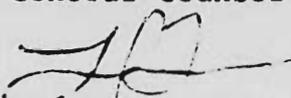
8904070260

William A. Newman, Esq.
Page 2

If you have any questions, please contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel



BY: Lois G. Lerner
Associate General Counsel

3 9 0 4 0 7 7 3 2 6 1



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 15, 1989

Lawrence E. Flynn, Jr., Treasurer
Liz Patterson for Congress 1988
P.O. Box 5564
Spartanburg, South Carolina 29304

RE: MUR 2777
Liz Patterson for Congress
1988 and Lawrence E.
Flynn, Jr., as treasurer

Dear Mr. Flynn:

On May 10, 1989, the Federal Election Commission found reason to believe that Liz Patterson for Congress 1988 and you, as treasurer, violated 2 U.S.C. §§ 441a(f) and 434(b); and 11 C.F.R. § 104.14(d). At your request, on August 8, 1989, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

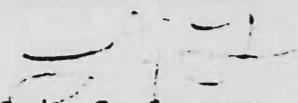
3 7 0 4 0 7 / 5 2 5 2

Lawrence E. Flynn, Jr., Treasurer
Page 2

If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

39040710265

South Carolina Republican Party
(803) 798-8999
FAX (803) 731-9338
S.C. WATS 1-800-277-5669

Barry D. Wynn
Chairman

Redington

06C 3786



August 11, 1989

R

Ms. Retha Dixon
Docket Chief
Federal Election Commission
Washington, D. C. 20463

RE: MUR2777

Dear Ms. Dixon:

We are inquiring as to any correspondence in relations to the above mention docket. Please notify us in writing, if anyone (i.e. defendent, press, etc.) has received correspondence concerning the file MUR 2777. We would also like confirmation that no correspondence has been sent to any of the defendents in MUR 2777 concerning any part of the case being dropped by the FEC.

Your help in this matter is greatly appreciated.

Sincerely,

Barry Wynn
Barry D. Wynn
State Chairman

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF THE CLERK
89 AUG 17 PM 3:19

H
C
2
3
7
4
0
5
0
0
8



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 22, 1989

Barry D. Wynn, Chairman
South Carolina Republican Party
P.O. Box 21765
Columbia, South Carolina 29221

RE: MUR 2777

Dear Mr. Wynn:

This is in response to your letter dated August 11, 1989, in which you request information pertaining to the complaint you filed on November 7, 1988, with the Federal Election Commission.

The Federal Election Campaign Act of 1971, as amended ("the Act") prohibits any person from making public the fact of any notification or investigation by the Commission, prior to closing the file in the matter, unless the party being investigated has agreed in writing that the matter be made public. See 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A). Because there has been no written agreement that the matter be made public, we are not in a position to release any information at this time.

As you were informed by letter dated November 16, 1988, we will notify you as soon as the Commission takes final action on your complaint.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in cursive script, appearing to read "Lois G. Lerner".

BY: Lois G. Lerner
Associate General Counsel

870907 / 5265

06C3835

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

89 AUG 23 AM 10:34

COHEN, WEISS AND SIMON

COUNSELLORS AT LAW

330 WEST 42ND STREET
NEW YORK, N.Y. 10036-6901

(212) 563-4100

TELECOPIER (212) 695-5436

DIRECT DIAL (212)

BRUCE H. SIMON
STANLEY M. BERMAN
ROBERT S. SAVELSON
STEPHEN B. MOLDOF
MICHAEL E. ABRAM
KEITH E. SECULAR
RICHARD N. GILBERG
PETER HERMAN
RICHARD M. SREITZER
JAMES L. LINSKY
JANI K. RACHLSON

BABETTE CECCOTTI
ANN E. OSHEA
CHRISTOPHER N. SOURIS
STEPHEN PRESSER
SOPHIA E. DAVIS
MICHAEL L. WINSTON
SUSAN DAVIS
JUDY PADOW*
EARL R. PFEPPER
RUSSELL HOLLANDER
RICHARD B. MILLER
CATHARINE A. GRAD
GARY GORDON*

COUNSEL

HENRY WEISS
SAMUEL J. COHEN

*ADMITTED IN N.J. ONLY

August 21, 1989

Sandra H. Robinson, Esq.
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2777
Committee on Letter
Carriers Political
Education and Florence
Johnson, as Treasurer

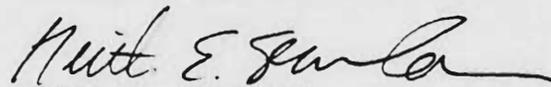
Dear Ms. Robinson:

In accordance with Ms. Lerner's letter to me dated August 15, 1989, I enclose the pre-probable cause conciliation agreement, which I have executed.

Please return to me a copy of the agreement reflecting Ms. Lerner's signature at your earliest convenience. Upon notification that the agreement has been approved by the Commission, respondents will pay the civil penalty specified in paragraph VI.

Please feel free to contact me if you require anything further.

Sincerely yours,


Keith E. Secular

KES:mek
Enclosure

89 AUG 23 AM 10:59

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF ADMINISTRATIVE COUNSEL

00351708000



FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

August 24, 1989

Lawrence E. Flynn, Jr., Treasurer
Liz Patterson for Congress 1988
P.O. Box 5564
Spartanburg, South Carolina 29304

RE: MUR 2777
Liz Patterson for Congress
1988 and Lawrence E.
Flynn, Jr., as treasurer

Dear Mr. Flynn:

On July 28, 1989, Liz Patterson for Congress 1988 ("the Committee") requested that the Federal Election Commission permit it to terminate pursuant to 2 U.S.C. § 433(d) and Section 102.3 of Commission regulations. Because of the ongoing enforcement matter involving the Committee, this request has been denied. Therefore, the Committee is reminded that it must continue to file all the required reports with the Commission until such time as the enforcement matter has been closed as to the Committee.

If you have any questions, please contact Sandra H. Robinson, the attorney handling this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in cursive script, appearing to read "L. G. Lerner".

BY: Lois G. Lerner
Associate General Counsel

89040775257

LIZ PATTERSON
for Congress

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

89 SEP -7 AM 9: 26

0603947

August 31, 1989

Federal Election Commission
Washington, D.C. 20463
Attn: Lois G. Lerner

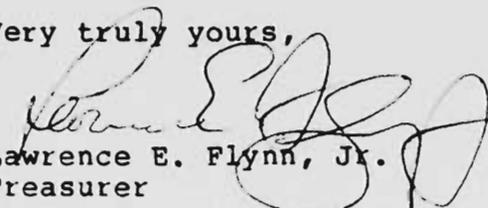
Re: MUR 2777

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF PUBLIC AFFAIRS
09 SEP -7 PM 3: 50

Dear Ms. Lerner:

This is a follow up to our telephone conversation concerning the above captioned matter. This is to advise that copies of the letter on the above captioned file which was sent to Elizabeth J. Patterson and the Palmetto Bank by date of May 19, 1989 have now been released to the public upon the consent of Mrs. Patterson and The Palmetto Bank. No other material in connection with MUR 2777 has been released to the public and it is not now our intention to release any further documentation pending the conclusion of this matter.

Very truly yours,


Lawrence E. Flynn, Jr.
Treasurer

LEF/sh

cc: Leon Patterson
The Palmetto Bank
P.O. Box 49
Laurens, S.C 29360

3 9 2 6 7 2 0 5 0 6 8

89 SEP -1 AM 10: 55

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
Committee on Letter Carriers Political)	MUR 2777
Education and Florence Johnson, as)	
treasurer)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Keith E. Secular, attorney of record for Committee on Letter Carriers Political Education and Florence Johnson, as treasurer ("Respondents"). Attachment I.

The attached agreement contains no changes from the agreement approved by the Commission on August 8, 1989. A check for the civil penalty was not submitted with the signed agreement. Counsel stated in his cover letter that upon receipt of notice of approval of the conciliation agreement by the Commission, his clients will pay the civil penalty.

II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Committee on Letter Carriers Political Education and Florence Johnson, as treasurer.
2. Close the file as it pertains to these respondents.
3. Approve the attached letter.

Lawrence M. Noble
General Counsel

8-31-89
Date

BY: 
Lois G. Lerner
Associate General Counsel

990407/0259

Attachments

- 1. Conciliation Agreement**
- 2. Letter to Respondent**

Staff Assigned: Sandra H. Robinson

8 9 0 4 0 7 / 3 2 7 0

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Committee on Letter Carriers Political) MUR 2777
Education and Florence Johnson, as)
treasurer)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on September 7, 1989, the Commission decided by a vote of 4-0 to take the following actions in MUR 2777:

1. Accept the conciliation agreement with Committee on Letter Carriers Political Education and Florence Johnson, as treasurer.
2. Close the file as it pertains to these respondents.
3. Approve the letter attached to the General Counsel's Report dated August 31, 1989.

Commissioners Aikens, Elliott, McDonald and McGarry voted affirmatively for the decision; Commissioners Josefiak and Thomas did not vote.

Attest:

9/8/89
Date

Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Friday, September 1, 1989 10:55
Circulated to the Commission: Friday, September 1, 1989 2:00
Deadline for vote: Wednesday, September 6, 1989 4:00
At the time of deadline a majority of votes had not been received.

39040715271



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 14, 1989

Keith E. Secular, Esq.
Cohen, Weiss and Simon
330 West 42nd Street
New York, New York 10036-6901

RE: MUR 2777
Committee on Letter
Carriers Political
Education and Florence
Johnson, as treasurer

Dear Mr. Secular:

On September 7, 1989, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of a violation of 2 U.S.C. § 441a(a)(2)(A), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to your clients. This matter will become a part of the public record within 30 days after it has been closed with respect to all other respondents involved. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

390407 / 3272

Keith E. Secular, Esq.
Page 2

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel



BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

390407 / 3273

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2777
Committee on Letter Carriers Political)
Education and Florence Johnson, as)
treasurer)

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by the South Carolina Republican Party, through its chairman, Van D. Hipp, Jr. The Federal Election Commission ("Commission") found reason to believe that Committee on Letter Carriers Political Education and Florence Johnson, as treasurer ("Respondents") violated 2 U.S.C. § 441a(a)(2)(A).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

III. Respondents enter voluntarily into this agreement with the Commission.

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

1. Committee on Letter Carriers Political Education is a political committee within the meaning of 2 U.S.C. § 431(4).

2. Florence Johnson is the treasurer of Committee on Letter Carriers Political Education.

39040718274

3. Respondents made the following contributions to the 1988 campaign committee of Elizabeth Patterson, a candidate for the U.S. House of Representatives in the 1988 federal elections: \$2,500 on June 16, 1987; \$250 on September 16, 1987; \$2,250 on December 2, 1987; \$1,000 on March 31, 1988; and \$225 on May 2, 1988. These contributions were for the 1988 primary election.

4. Respondents contend that the \$2,500 contribution made on June 16, 1987, was erroneously identified as for the 1986 primary election, due to a clerical error. The error was subsequently entered into Respondents' computer system. As a result of the clerical error, Respondents further contend that they inadvertently contributed an excessive amount of \$1,225 to the 1988 federal campaign of Elizabeth Patterson for the 1988 primary election.

5. The Federal Election Campaign Act of 1971, as amended, limits the aggregate amount a multi-candidate committee can contribute to a federal candidate for any election to \$5,000.

V. Respondents made an excessive contribution to the Elizabeth Patterson campaign for federal office in the amount of \$1,225, in violation of 2 U.S.C. § 441a(a)(2)(A).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of four hundred dollars (\$400), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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

80040710275

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 executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

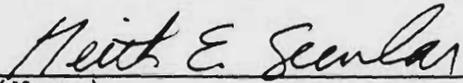
FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

9-13-89
Date

FOR THE RESPONDENTS:


(Name)
(Position)

9/21/89
Date

39040716276

LIZ PATTERSON
for Congress

HAND DELIVERED OGC 4257
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
89 OCT 12 AM 10:47

October 11, 1989

VIA FEDERAL EXPRESS

Federal Election Commission
Washington, D.C. 20463
Attn: Sandra H. Robinson

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF THE CLERK
89 OCT 13 PM 5:02

Dear Sandra:

Re: MUR 2777 - Liz Patterson for Congress 1988
Lawrence E. Flynn, Jr., Treasurer

3 7 0 4 0 7 1 5 2 7 1

As a follow up to our telephone conversations, enclosed is our proposed Conciliation Agreement which I have executed as Treasurer of the 1988 Liz Patterson for Congress Committee. I also enclose herewith, my personal check in the amount of \$800.00 which is the penalty to be assessed under this Conciliation Agreement.

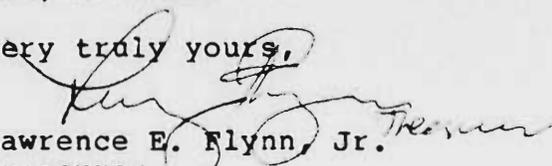
If this Conciliation Agreement is acceptable to the Federal Election Commission then and in that event we would request that the 1988 Liz Patterson for Congress Committee be terminated per our prior request. It is appropriate to terminate the 1988 Committee upon acceptance of the Conciliation Agreement since no additional monies will be paid or received in that Committee.

In addition, this will confirm our conversation in which you advised that the \$800.00 penalty payment will not need to be reported on any Federal Election Commission report since it is a direct payment from my personal account. I would also again request that as soon as the Conciliation Agreement has been accepted by the Federal Election Commission that you will notify me so that we can take appropriate steps to prepare for its release.

If you have any questions, or if we need to take any further steps in order to bring this matter to a conclusion, please do not hesitate to call.

With warm regards and best wishes, I remain

Very truly yours,


Lawrence E. Flynn, Jr.
Treasurer

LEF/sh
P. O. Box 1403
Greenville, S. C. 29602
Enclosure
803-235-1770

P. O. Box 1219
Union, S. C. 29379

P. O. Box 5564
Spartanburg, S. C. 29304
803-591-1051

LAWRENCE E. FLYNN, JR.
OR ANNE P. FLYNN

194 WESTMINSTER DR. 583-7554
SPARTANBURG, SC 29302

3228

10/12 19 89

67-118
502

Pay to the
Order of

Federal Election Commission

\$ 800.00

Eight hundred and no/100

Dollars



The Palmetto Bank

SPARTANBURG, S. C. 29302

For

MUR 2777

Lawrence E. Flynn, Jr.

⑆053201186⑆ 053006658⑆ 3228

1 3 2 7 3

MEMORANDUM

TO: DEBRA A. TRIMIEW TO: CHERYL T WILLIAMS

FROM: CHERYL T WILLIAMS FROM: DEBRA A. TRIMIEW

CHECK NO. 3228 (A COPY OF WHICH IS ATTACHED) RELATING TO

MUR 2777 AND NAME Liz Patterson for Congress 1988
(Robinson)

WAS RECEIVED ON 10/13/89 PLEASE INDICATE THE ACCOUNT INTO

WHICH IT SHOULD BE DEPOSITED:

- / BUDGET CLEARING ACCOUNT { 95F3875.16 }
- / / CIVIL PENALTIES ACCOUNT { 95-1099.160 }
- / / OTHER _____

SIGNATURE Debra A. Trimiew

DATE 10/16/89

RECEIVED
FEDERAL ELECTION COMMISSION

89 OCT 25 AM 11:33

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Liz Patterson for Congress 1988 and)
Lawrence E. Flynn, Jr., as treasurer)

) MUR 2777

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Lawrence E. Flynn, Jr., the treasurer of Liz Patterson for Congress 1988.

370407/5279

3 9 0 4 0 7 / 6 2 3 0

II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer.

2. Close the file
3. Approve the attached letters.

Lawrence M. Noble
General Counsel

10/24/89
Date

BY: 
Lois G. Lerner
Associate General Counsel

Attachments

1. Conciliation Agreement
2. Photocopy of civil penalty check
3. Letter to respondent - Liz Patterson for Congress 1988
4. Letters to other respondents in this matter
5. Letter to Complainant

Staff Assigned: Sandra H. Robinson

89040713281

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Liz Patterson for Congress 1988 and) MUR 2777
Lawrence E. Flynn, Jr., as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 27, 1989, the Commission decided by a vote of 5-0 to take the following actions in MUR 2777:

1. Accept the conciliation agreement with Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer, as recommended in the General Counsel's Report dated October 24, 1989.
2. Close the file.
3. Approve the letter, as recommended in the General Counsel's Report dated October 24, 1989.

Commissioners Aikens, Elliott, Josefiak, McGarry, and Thomas voted affirmatively for the decision; Commissioner McDonald did not cast a vote.

Attest:

10-27-89

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Wednesday, October 25, 1989 11:38 a.m.
Circulated to the Commission: Wednesday, October 25, 1989 4:00 p.m.
Deadline for vote: Friday, October 27, 1989 4:00 p.m.

8 9 0 4 0 7 / 3 2 8 2



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 6, 1989

William A. Newman, Esq.
c/o NADA
8400 Westpark Drive
McLean, Virginia 22102

RE: MUR 2777
Dealers Election Action
Committee and Anthony
Ursomarso, as treasurer

Dear Mr. Newman:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in cursive script, appearing to read "L. G. Lerner".

BY: Lois G. Lerner
Associate General Counsel

39040773285



FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

November 6, 1989

Keith E. Secular, Esq.
Cohen, Weiss and Simon
330 West 42nd Street
New York, New York 10036-6901

RE: MUR 2777
Committee On Letter Carriers
Political Education and
Florence Johnson, as treasurer

Dear Mr. Secular:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in black ink, appearing to read "Lois G. Lerner", written over a horizontal line.

BY: Lois G. Lerner
Associate General Counsel

39040770284



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1989

Mr. Carroll L. Gilliam
Grove, Jaskiewicz, Gilliam
and Cobert
1730 M Street, N.W., Suite 501
Washington, D.C. 20036-4579

RE: MUR 2777
Carroll L. Gilliam

Dear Mr. Gilliam:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in cursive script, appearing to read "Lois G. Verner".

BY: Lois G. Verner
Associate General Counsel

8 9 0 4 0 7 7 5 2 8 5



FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

November 6, 1989

John R. Guthrie
216 Beachwood Drive
Spartanburg, S.C. 29302

RE: MUR 2777
John R. Guthrie

Dear Mr. Guthrie:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in cursive script, appearing to read "Lois G. Lerner".

BY: Lois G. Lerner
Associate General Counsel

8 0 0 4 0 7 / 3 2 8 5



FEDERAL ELECTION COMMISSION

WASHINGTON DC 20463

November 6, 1989

The Honorable Elizabeth J. Patterson
U.S. House of Representatives
1641 Longworth HOB
Washington, D.C. 20515-4004

RE: MUR 2777
Rep. Elizabeth J. Patterson

Dear Representative Patterson:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in cursive script, appearing to read "Lois G. Lerner".

BY: Lois G. Lerner
Associate General Counsel

Enclosure
First General Counsel's Report

390407 / 3287



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 6, 1989

David E. Burgess
Sr. Vice President
The Palmetto Bank
P.O. Box 49
Laurens, SC 29360

RE: MUR 2777
The Palmetto Bank

Dear Mr. Burgess:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in black ink, appearing to read "Lois G. Lerner", written over a horizontal line.

BY: Lois G. Lerner
Associate General Counsel

Enclosure
First General Counsel's Report

890407 / 0285



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1989

Bradford W. Wyche
Wyche, Burgess, Freeman
& Parham, P.A.
P.O. Box 10207
Greenville, SC 29603

RE: MUR 2777
Bradford W. Wyche

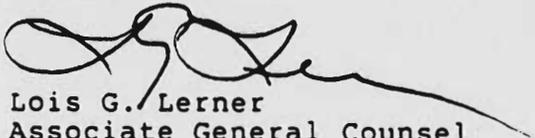
Dear Mr. Wyche:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel


BY: Lois G. Lerner
Associate General Counsel

Enclosure
First General Counsel's Report

890407/3289



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 6, 1989

Frank S. Holleman, III
Wyche, Burgess, Freeman
& Parham, P.A.
P.O. Box 10207
Greenville, SC 29603

RE: MUR 2777
Frank S. Holleman, III

Dear Mr. Holleman:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

Enclosure
First General Counsel's Report

8904071020



FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

November 6, 1989

Jan W. Baran, Esq.
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 2777
CSX Transportation, Inc. PAC
and Alem Woldehawariat, as
treasurer

Dear Mr. Baran:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
First General Counsel's Report

370907/0291



FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

November 6, 1989

William L. Grabowski
Route 202-206
P.O. Box 2500
Somerville, NJ 08876

RE: MUR 2777
Hoechst Celanese FAC and
William L. Grabowski, as
treasurer

Dear Mr. Grabowski:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel


BY: Lois G. Lerner
Associate General Counsel

Enclosure
First General Counsel's Report

990407/5292



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 6, 1989

John J. Gill, Esq.
American Bankers Association
1120 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2777
American Bankers Association
BankPAC and Brian M. Meyer,
as treasurer

Dear Mr. Gill:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel


BY: Lois G. Lerner
Associate General Counsel

Enclosure
First General Counsel's Report

390407/6293



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 6, 1989

Doris A. Caranicas, Treasurer
2425 E. Franklin Avenue, 301
Minneapolis, MN 55406

RE: MUR 2777
Martin Olav Sabo for Congress
Volunteer Committee and
Doris A. Caranicas, as
treasurer

Dear Ms. Caranicas:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in dark ink, appearing to read "L. G. Lerner", written over a horizontal line.

BY: Lois G. Lerner
Associate General Counsel

Enclosure
First General Counsel's Report

390407 / 0294



FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

November 6, 1989

Harry R. Sullivan, Treasurer
Food Marketing Institute PAC
1750 K Street, N.W.
Suite 700
Washington, D.C. 20006

RE: MUR 2777
Food Marketing Institute PAC
and Harry R. Sullivan, as
treasurer

Dear Mr. Sullivan:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

Enclosure
First General Counsel's Report

390407 / 5295



FEDERAL ELECTION COMMISSION

WASHINGTON DC 20461

November 6, 1989

Nancy C. O'Connor, Treasurer
Bankers Trust PAC
280 Park Avenue
New York, New York 10015

RE: MUR 2777
Bankers Trust PAC and
Nancy C. O'Connor, as
treasurer

Dear Ms. O'Connor:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in black ink, appearing to be "Lois G. Lerner", written over a horizontal line.

BY: Lois G. Lerner
Associate General Counsel

Enclosure
First General Counsel's Report

3 9 0 4 0 7 / 6 2 9 6



FEDERAL ELECTION COMMISSION

WASHINGTON DC 20463

November 6, 1989

Lawrence E. Flynn, Jr., Treasurer
Liz Patterson for Congress 1988
P.O. Box 5564
Spartanburg, South Carolina 29304

RE: MUR 2777
Liz Patterson for Congress
1988 and Lawrence E.
Flynn, Jr., as treasurer

Dear Mr. Flynn:

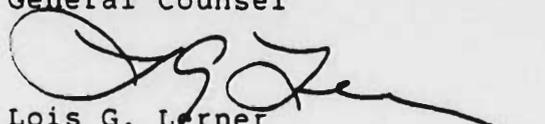
On October 27, 1989, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your behalf in settlement of a violation of 2 U.S.C. §§ 441a(f) and 434(b), provisions of the Federal Election Campaign Act of 1971, as amended; and 11 C.F.R. § 104.14(d), a provision of Commission regulations. Accordingly, the file has been closed in this matter. This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

89040718297

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Liz Patterson for Congress 1988 and) MUR 2777
Lawrence E. Flynn, Jr., as treasurer)

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by the South Carolina Republican Party, through its chairman, Van D. Hipp, Jr. The Federal Election Commission ("Commission") found reason to believe that Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer ("Respondents") violated 2 U.S.C. §§ 441a(f) and 434(b); and 11 C.F.R. § 104.14(d).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

III. Respondents enter voluntarily into this agreement with the Commission.

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

1. Liz Patterson for Congress 1988 is a political committee within the meaning of 2 U.S.C. § 431(4), and a principal campaign committee within the meaning of 2 U.S.C.

3 9 0 4 0 7 7 0 2 9 8

§ 431(5).

2. Lawrence E. Flynn, Jr. is the treasurer of Liz Patterson for Congress 1988.

3. Respondents received a \$500 contribution from the Dealers Election Action Committee in August 1987. Respondents failed to properly disclose receipt of that contribution in their Liz Patterson for Congress 1988 financial disclosure report filed with the Commission. The \$500 contribution received from Dealers Election Action Committee in August 1987 was deposited in the account of the Patterson for Congress '86 Committee and disclosed in that committee's 1988 Year End Report. In their 1989 Mid-Year Report Respondents disclosed the receipt of a transfer of \$500 from the Patterson for Congress '86 Committee for this contribution. Respondents received a \$5,000 contribution from the Dealers Election Action Committee that was designated in writing for the 1988 primary election, after the date of such election. Respondents did not have any outstanding net debts from the primary election. Respondents amended their 1988 July Quarterly Report on December 16, 1988, to redesignate the \$5,000 contribution for the general election. Respondents failed to properly redesignate such contribution in a timely manner which constituted the acceptance of an excessive contribution.

4. Respondents received contributions from Letter Carriers Political Education which exceeded the contribution limitation by \$1,225. Respondents received excessive contributions from Carroll Gilliam in the amount of \$300 and from

990907/3297

John R. Guthrie in the amount of \$10. Respondents inaccurately disclosed information regarding certain contributions received from political committees and individuals in their financial reports filed with the Commission, and failed to amend such reports in a timely manner. Respondents filed an amendment to the 1988 April Quarterly Report on June 9, 1989, and amended the 1988 July Quarterly Report on December 16, 1988, correcting the above errors.

5. Respondents contend that such errors were inadvertent and clerical in nature and not due to any purpose to circumvent the disclosure requirements of the law. Respondents further contend that they promptly prepared and filed amended disclosure reports with the Commission upon receipt of notification that certain information was inaccurate and promptly refunded the excess contributions. Respondents contend that the filing of such inaccurate information was an inadvertent administrative error and was not motivated by any improper purpose.

6. The Federal Election Campaign Act of 1971, as amended, (the "Act") limits the aggregate amount a person can contribute to a federal candidate for any election to \$1,000. 2 U.S.C. § 441a(a)(1)(A). The Act limits the aggregate amount a multi-candidate committee can contribute to a federal candidate for any election to \$5,000. 2 U.S.C. § 441a(a)(2)(A). The Act further prohibits a candidate or political committee from knowingly accepting any contribution in violation of the provisions of Section 441a, and any officer or employee of any political committee is prohibited from knowingly accepting a

8 2 0 4 0 7 / 3 3 0 0

contribution in violation of any limitation imposed on contributions under this section. 2 U.S.C. § 441a(f).

7. Commission regulations at Part 110 specify the requirements for designating contributions for a particular election, depending on the date of receipt and whether a written designation accompanies such contributions. A contribution not designated in writing shall be designated for the next federal election that follows the date on which the contribution is made. A contribution designated in writing for a particular election, but made after that election shall be made to the extent that the contribution does not exceed net debts outstanding from such election. To the extent that such contribution exceeds net debts, the regulations outline procedures and deadlines for returning such excess to the contributor. The regulations also provide an alternative means for redesignating such contribution. The requirements outlined in the regulations are the same whether the contributions are made by individuals or made by multi-candidate committees. 11 C.F.R. §§ 110.1(b) and 110.2(b).

8. Commission regulations specify that a contribution shall be considered to be made when the contributor relinquishes control over the contribution. Control is considered relinquished when the contribution is delivered to the candidate, the political committee, or an agent of the political committee. A contribution that is mailed is considered made on the date of the postmark. 11 C.F.R. §§ 110.1(b)(6) and 110.2(b)(6).

9. The Act requires each reporting committee to identify each political committee from which it receives a

3 9 0 4 0 7 7 3 3 0 1

contribution during the reporting period, together with the date and amount of any such contribution. 2 U.S.C. § 434(b)(3)(B). Section 104.14(d) of Commission regulations further provides that the treasurer of a political committee shall be personally responsible for the timely filing of complete reports and statements, and for the accuracy of any information contained therein.

V. a) Respondents accepted excessive contributions from Letter Carriers Political Education Committee, Dealers Election Action Committee, Carroll Gilliam and John Guthrie, in violation of 2 U.S.C. § 441a(f).

b) Respondents failed to disclose a contribution received from Dealers Election Action Committee, in violation of 2 U.S.C. § 434(b).

c) Respondents failed to accurately disclose information about certain contributions received from political committees and individuals in financial disclosure reports filed with the Commission and failed to amend such reports in a timely manner, in violation of 11 C.F.R. § 104.14(d).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of eight hundred dollars (\$800), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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

39040773302

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 executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY:

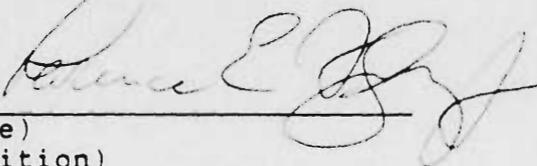

Lois G. Lerner
Associate General Counsel

Date

November 3, 1989

FOR THE RESPONDENTS:

(Name)
(Position)



Date

October 11, 1989

3 9 0 4 0 7 7 3 3 0 2



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 6, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Barry D. Wynn, Chairman
South Carolina Republican Party
P.O. Box 21765
Columbia, South Carolina 29221

CLOSED

RE: MUR 2777

Dear Wynn:

This is in reference to the complaint you filed with the Federal Election Commission on November 7, 1989, concerning certain financial activity reported by the Liz Patterson for Congress '86 and Liz Patterson for Congress 1988 committees.

The Commission found that there was reason to believe Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer, violated 2 U.S.C. §§ 441a(f) and 434(b), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"); and 11 C.F.R. § 104.14(d), a provision of Commission regulations, and conducted an investigation in this matter. On October 27, 1989, a conciliation agreement signed by Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer, was accepted by the Commission. Accordingly, the Commission closed the file in this matter on October 27, 1989. A copy of this agreement is enclosed for your information.

The Commission also found that there was reason to believe Committee on Letter Carriers Political Education and Florence Johnson, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A), a provision of the Act, and conducted an investigation in this matter. On September 7, 1989, a conciliation agreement signed by counsel for Letter Carriers Political Education and Florence Johnson, as treasurer, was accepted by the Commission. A copy of this agreement is enclosed for your information.

On May 10, 1989, the Commission found there was reason to believe Carroll L. Gilliam and John R. Guthrie violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Act. On that same date, the Commission determined to take no further action against these respondents. On May 10, 1989, the Commission also found reason

9 0 0 4 0 7 7 6 3 0 4

Barry D. Wynn, Chairman
Page 2

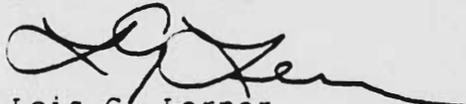
to believe Dealers Election Action Committee and Anthony Ursomarso, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A) and conducted an investigation into this matter. However, after considering the circumstances, on August 8, 1989, the Commission determined to take no further action against these respondents.

On May 10, 1989, on the basis of information provided in your complaint and information provided by the respective respondents, the Commission found that there was no reason to believe Elizabeth J. Patterson, Liz Patterson for Congress '86 and Lawrence E. Flynn, Jr., as treasurer, and the Palmetto Bank violated 2 U.S.C. § 441b(a). On that same date, the Commission found no reason to believe American Bankers Association BankPAC and Brian M. Meyer, as treasurer; Martin Olav Sabo for Congress Volunteer Committee and Doris A. Caranicas, as treasurer; Hoechst Celanese Corporation PAC and William L. Grabowski, as treasurer; Bankers Trust PAC and Nancy C. O'Connor, as treasurer; Food Marketing Institute PAC and Harry B. Sullivan, as treasurer; and CSX Transportation, Inc. PAC and Alem Woldehawariat, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A); and no reason to believe Frank S. Holleman, III, and Bradford W. Wyche violated 2 U.S.C. § 441a(a)(1)(A). Finally, on May 10, 1989, the Commission found no reason to believe Liz Patterson for Congress 1988 and Lawrence E. Flynn, Jr., as treasurer, violated 2 U.S.C. § 441a(f) with respect to certain contributions received from the above named individuals and political committees.

If you have any questions, please contact Sandra H. Robinson, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel



BY: Lois G. Lerner
Associate General Counsel

Enclosures
Conciliation Agreements
First General Counsel's Report

300407/3395



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2777

DATE FILMED 11/22/89 CAMERA NO. 4

CAMERAMAN AS

39040775306