



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 8836

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SANTARELLI, SMITH, KRAUT & CARROCCIO
A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

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OF COUNSEL
LANGHORNE M. BOND
RICHARD E. HILL

March 14, 1989

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

Dear Mr. Noble:

Pursuant to 2 U.S.C. § 437(g) and 11 CFR § 111.4(a), the National Rifle Association ("NRA"), 1600 Rhode Island Avenue, N.W., Washington, D.C. 20036, by and through its counsel, Santarelli, Smith, Kraut & Carroccio, requests that you initiate an investigation to determine whether Handgun Control, Inc. ("HCI") or its separate segregated fund, Handgun Control Inc. - Political Action Committee ("HCI-PAC"), 1400 K Street, N.W., Washington, D.C. 20005, has solicited contributions in violation of 2 U.S.C. § 441b(b)(4). Specifically, NRA submits that, because the amended by-laws of HCI do not establish a procedure for at least a class of HCI members to control the organization through the election of all, or even a majority of, HCI's Board of Directors, HCI does not qualify as a "membership organization" and thus any solicitations made to purported members are in violation of 2 U.S.C. § 441b(b)(4).

By way of background, the Commission should note that on January 28, 1985, NRA initiated a complaint with the Federal Election Commission ("Commission") requesting that the Commission investigate whether HCI solicited contributions in violation of 2 U.S.C. § 441b(b)(4) and in knowing violation of a conciliation agreement reached between HCI and the Commission on July 16, 1985. In that complaint, designated as MUR 1891, NRA submitted that the procedure adopted by HCI "to elect" a director was not an election as the term was used in the conciliation agreement. In considering NRA's complaint, the Commission's General Counsel determined that the procedure adopted by HCI "satisfactorily established rights of" participation in the organization's affairs for those deemed members of the corporation. General Counsel's Report, In the Matter of Handgun Control, Inc., MUR 1604 (March 6, 1984).

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COMMUNICATIONS SECTION

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On December 17, 1985, NRA initiated a subsequent complaint, designated as MUR 2115, alleging that HCI had solicited contributions in violation of 2 U.S.C. § 441b(b)(4). In that complaint, NRA maintained that HCI's by-laws did not establish a procedure for its purported "members" to control the organization by electing directors as implicitly contemplated by the Federal Election Campaign Act of 1971, as amended (the "Act"). NRA further alleged that the election procedure established in HCI's amended by-laws did not constitute an election. In its consideration of NRA's complaint, the Commission's General Counsel determined that "HCI has in fact established by-laws authorizing the nomination and election of a member at large. This procedure should be considered to constitute the right to elect corporate officials noted by the Court in FEC v. NRWC, 459 U.S. 197 (1982)." General Counsel's Report, MUR 1891 (May 1, 1985).

Unlike the previous complaints initiated by NRA, the instant complaint alleges that, because HCI's by-laws do not establish a procedure for at least a class of HCI's members to elect all, or even a majority of, the directors comprising HCI's Governing Board, members of HCI cannot exercise control of the organization, participate in the operation or administration of the corporation, or control the expenditure of dues and contributions to a degree sufficient to allow HCI to qualify as a membership organization under the Act.^{1/}

^{1/} That this specific issue has not previously been raised by NRA with respect to HCI-PAC was determined by the United States Court of Appeals in National Rifle Association v. Federal Election Com'n, 854 F.2d 1330 (D.C. Cir. 1988), where the Court stated:

Nowhere in the third complaint [MUR 2115] does the NRA allege that the Act requires a procedure for the election of all directors; rather, the complaint states only that "HCI's By-Laws do not establish a procedure for its 'members' to control the organization by electing directors" as contemplated by the Act.

National Rifle Association v. Federal Election Com'n, 854 F.2d at 1335 n.12 (emphasis in original).

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- I. BECAUSE HCI'S BY-LAWS DO NOT ESTABLISH A PROCEDURE FOR AT LEAST A CLASS OF HCI'S MEMBERS TO CONTROL THE ORGANIZATION THROUGH THE ELECTION OF ALL, OR EVEN A MAJORITY OF THE DIRECTORS COMPRISING HCI'S GOVERNING BOARD, HCI DOES NOT QUALIFY AS A MEMBERSHIP ORGANIZATION UNDER THE FEDERAL ELECTION ACT.

HCI-PAC is a corporate political action committee within the meaning of 2 U.S.C. § 441b(b)(2)(C). In its statement of organization on file with the Commission, HCI-PAC has identified HCI, a corporation without capital stock, as its connected organization.

2 U.S.C. § 441b(b)(4)(A)(i) provides that a corporation, or a separate segregated fund established by a corporation, may only solicit contributions to such a fund from its stockholders and their families. An exception to this prohibition appears in § 441b(b)(4)(C) whereby a corporation without capital stock may solicit contributions to the fund from members of the corporation. The term "member" is defined at 11 C.F.R. § 114.1(e) as all persons who are currently satisfying the requirements for membership in a corporation without capital stock.

In Federal Election Commission v. National Right to Work Committee, 459 U.S. 197 (1982) (NRWC), the Supreme Court considered the meaning of the term "member" as it is employed in 2 U.S.C. § 441b(b). The Court determined that "some relatively enduring and independently significant financial or organizational attachment is required to be a member under § 441b(b)(4)(C)." 459 U.S. at 204. The Court considered the attributes of membership that make up an "independently significant . . . organizational attachment" to include inter alia: the ability to participate in the operation or administration of the corporation; regularly scheduled membership meetings; and the ability to control the expenditure of their dues and contributions.

NRA submits that, as structured, HCI does not qualify as a "membership organization" because no class of HCI's members can control the organization through the election of all, or even a majority of, HCI's directors. NRA submits that, absent a procedure for at least a class of members to elect all, or even a majority of, the Board of Directors, HCI members can neither control the governance and management of the corporation, nor can they control the expenditure of their own contributions.

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The articles of incorporation of HCI provide in pertinent part:

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The affairs of the Corporation shall be managed by a Board of Directors, hereafter referred to for all purposes as "the Governing Board". Qualifications for membership on the Governing Board shall be fixed by the By-Laws. The number of members of the Governing Board shall be fixed by the By-Laws, but in no event shall be less than three, and may be increased from time to time as provided in the By-Laws. Each member of the Governing Board shall be elected or appointed in the manner and for the term provided in the By-Laws and shall hold office for the term for which he or she is elected or appointed and until his other successor is elected or appointed and qualified. The Governing Board may, by resolution adopted by a majority of the Governing Board members in office, designate and appoint an Executive Committee, consisting of two or more members of the Governing Board. To the extent provided in such resolution, any such Executive Committee may have and exercise the authority of the Governing Board in the management of the Corporation. (emphasis added).

See HCI Articles of Incorporation, as amended, October 30, 1978, Paragraph 6, attached hereto as Exhibit A. Rather than affording at least a class of HCI members the opportunity to elect all, or even a majority of HCI's directors, HCI's by-laws provide only that members have the authority to elect a single director. Article IV, Paragraph 5 of HCI's amended by-laws provides:

Election of Directors:

(a) In General. All the Directors save one shall be elected by a majority of the Governing

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Board in office by a vote which may be taken at a meeting or by mail. One Director (the member-at-large), shall be elected pursuant to subparagraphs (c) and (d).

See HCI By-Laws, as amended, attached hereto as Exhibit B.

By not affording at least a class of its members the opportunity to elect all, or even a majority of, the directors on its Governing Board, HCI deprives its members of the ability to exercise the degree of control contemplated by FECA, and specified by the Supreme Court in NRWC, necessary to qualify HCI as a "membership organization." As expressed by the Articles of Incorporation, the Governing Board of HCI is solely responsible for the governance and management of the affairs of the corporation, including responsibility for the election of corporate officials and, more importantly, has complete and total control over the expenditure of members' contributions; HCI's purported members have no role in the governance and management of the affairs of the corporation.^{2/} NRA maintains that for HCI to qualify as a "membership organization" at least a class of its members must be permitted to elect the entire Governing Board, or at least a majority of the Board, as opposed to a single director. No other procedure would allow HCI's members the degree of control sufficient to allow HCI to qualify as a membership corporation.^{3/}

In FEC v. NRWC, the Supreme Court determined that members of nonstock corporations could be defined in part by analogy to stockholders of business corporations and members of labor unions. In this regard, the legislative history relating to 2 U.S.C. § 441b(b)(4)(A) is particularly instructive in understanding the

^{2/} Article VIII of the By-Laws authorizes only the Governing Board to "alter, amend, repeal, or add to" the By-Laws. Moreover, while Article IX of the amended By-Laws provides for an annual meeting of members, it does not, in light of Paragraph 6 of the Articles of Incorporation, supra, authorize the members to govern or manage the corporation at that meeting.

^{3/} Any argument that the election of a single director affords HCI members a sufficient degree of control is rendered meaningless by the fact that the Governing Board has the authority under the Articles of Incorporation to establish an executive committee of two or more Board members with the authority to run the affairs of the corporation. See paragraph 6, HCI Articles of Incorporation. Unless the entire Board, or at the very least a majority of the Board, is elected by HCI members, there is no assurance that HCI members will exert control over the corporation.

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critical importance of the right of at least a class of members of a membership organization to elect corporate directors or officers. As noted by Senator Cannon:

...it must be remembered and emphasized that stockholders who are being solicited, can vote out the corporate management who is doing the solicitation if they do not agree with it or if they do not agree with the contributions made from the political committees. By the same token, the union members are in a position to vote out the union management with which it disagrees. 122 Cong. Rec. S. 3860 (daily ed., March 22, 1976) (remarks of Senator Cannon).

Indeed, FEC Commissioners Thomas E. Harris and Neil Staebler, in their dissent to the Commission's decision in AO 1977-67 -- which preceded the Supreme Court's decision in FEC v. NRWC -- wrote:

Paramount among these is the right of members to direct the policies and activities of the corporation, for this is what characterizes a "membership" organization. Membership control can only be derived from a concomitant right in the membership to elect corporate directors or officers. It is the existence of this right, guaranteed by law to corporate shareholders and labor union members which creates the fiduciary relationship between such organizations and their shareholders or members. And it is the existence of the fiduciary relationship that the statutory scheme in Section 441b seeks to protect by providing that a corporation without capital stock may solicit its members. PSRC's "Articles of Incorporation" not only fail to provide this fundamental right they specifically deny it. In our view, the absence of this right and the resultant lack of control by the alleged "members" over the corporation's policies and actions is fatal to the corporation's contention that it is a "membership" organization. A bona fide membership organization is one which represents its members; that is not the case here.

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AO 1977-67, 1 Federal Election Campaign Financing Guide, CCH ¶ 5326, p. 10,302 (June 28, 1978).^{4/}

The absence of a procedure by which at least a class of HCI members can elect all, or even a majority of, directors to the Governing Board deprives HCI members of the ability to control their organization and the expenditure of their contributions. As such, HCI cannot and does not qualify as a membership organization under FECA.

III. BECAUSE HCI DOES NOT QUALIFY AS A MEMBERSHIP ORGANIZATION, ITS SOLICITATION OF PURPORTED MEMBERS WAS IN VIOLATION OF 2 U.S.C. § 441b(b)(4).

Because HCI does not afford at least a class of its members sufficient control of the organization through the election of all, or even a majority of, directors on its Governing Board, NRA submits that HCI does not qualify for the membership organization exemption under 2 U.S.C. § 441b(b)(4)(C). As such, NRA alleges that a May 25, 1988 solicitation believed to have been sent by HCI to its "members" was in violation of 2 U.S.C. § 441b(b)(4). Similarly, NRA alleges that a September 21, 1988 solicitation believed to have been sent by HCI to its "supporters" was in violation of 2 U.S.C. § 441b(b)(4).^{5/}

^{4/} As this AO preceded the Supreme Court's decision in FEC v. NRWC, it appears that the dissent is now the proper statement of the law.

^{5/} A copy of both solicitations are attached hereto as Exhibits C and D.

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CONCLUSION

Handgun Control, Inc. has unlawfully solicited contributions to HCI-PAC from individuals who are not members of HCI within the meaning of the Federal Election Campaign Act of 1971 as amended.

Respectfully submitted,

NATIONAL RIFLE ASSOCIATION
OF AMERICA

By: Richard E. Gardiner
Richard E. Gardiner
1600 Rhode Island Avenue, N.W.
Washington, D.C. 20036
202/828-6348

SANTARELLI, SMITH, KRAUT
& CARROCCIO

By: R. J. Caccia
A. Thomas Carroccio
Ralph J. Caccia
1155 Connecticut Avenue, N.W.
Suite 900
Washington, D.C. 20036
202/466-6800

Attorneys for Complainant,
The National Rifle Association
of America.

District of Columbia: ss:

Subscribed and sworn to before me this 14th day of March, 1989.

William DeLaney
Notary

My Commission expires: _____

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EXHIBIT A

ARTICLES OF INCORPORATION
OF THE
NATIONAL COUNCIL TO CONTROL HANDGUNS

ATTACHMENT A

FILED

JAN 16 1974

To: Recorder of Deeds, D. C.
Washington, D. C.

BY: _____

We, the undersigned, desiring to associate ourselves as a Corporation for the purposes hereafter stated, pursuant to the provisions of Title 29, Chapter 10, of the District of Columbia Code, 1973 Edition, known as the District of Columbia Nonprofit Corporation Act, do hereby certify as follows: _____

1. The name of the Corporation is The National Council to Control Handguns, hereafter referred to as "the Corporation."
2. The Corporation is to have perpetual existence.
3. The purposes for which the Corporation is organized are as follows:

To operate on a nonprofit, nonpartisan basis for the promotion of the social welfare of the United States by working for the formulation and adoption of reasonable and practical measures for the control of handguns.

To promote legislative, executive, and administrative action and, where necessary, to take appropriate legal action to further these purposes.

To keep its members and the general public informed on these issues, thereby enabling them to make their voices heard on relevant legislative actions at the federal, state, and local levels.

4. The Corporation shall have members. The members shall have voting rights as prescribed in the By-Laws.

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5. The Corporation may exercise all power and authority granted to it under the District of Columbia Nonprofit Corporation Act or otherwise, including, but not limited to, the power to accept donations of money or property, whether real or personal, or any interest therein, wherever situated.

6. The affairs of the Corporation shall be managed by a Board of Directors, hereafter referred to for all purposes as "the Governing Board." Qualifications for membership on the Governing Board shall be prescribed in the By-Laws. The number of members of the Governing Board shall be fixed by the By-Laws, but in no event shall be less than three, and may be increased from time to time as provided in the By-Laws. Each member of the Governing Board shall be elected or appointed in the manner and for the term provided in the By-Laws and shall hold office for the term for which he or she is elected or appointed and until his other successor is elected or appointed and qualified. The Governing Board may, by resolution adopted by a majority of the Governing Board members in office, designate and appoint an Executive Committee, consisting of two or more members of the Governing Board. To the extent provided in such resolution, any such Executive Committee may have and exercise the authority of the Governing Board in the management of the Corporation.

The Governing Board shall have the power to make, alter, amend, or repeal the By-Laws of the Corporation, except that there shall be no provision therein which would enlarge or be contrary to the objects and purposes of the Corporation as set forth in Article 3 hereof. The first By-Laws of the Corporation may be adopted by the incorporators named in the Articles of Incorporation.

7. At all times, and notwithstanding merger, consolidation, reorganization, termination, dissolution, or winding up of this Corporation, voluntary or involuntary or by operation of law, or any other provisions hereof:

A. This Corporation shall not possess or exercise any power or authority either expressly, by interpretation, or by operation of law that will or might prevent it at any time from qualifying, and continuing to qualify, as a corporation described in Section 501(c)(4) of the Internal Revenue Code of 1954 (hereafter referred to as "the Code"); nor shall it engage directly or indirectly in any activity which might cause the loss of such qualification.

B. No part of the assets or net earnings of this Corporation shall ever be used, nor shall this Corporation ever be organized or operated, for purposes that do not exclusively promote social welfare within the meaning of Section 501(c)(4) of the Code.

C. This Corporation shall never be operated for the primary purpose of carrying on a trade or business for profit.

D. At no time shall this Corporation engage in any activities which are unlawful under the laws of the United States of America, the District of Columbia, or any other jurisdiction where its activities are carried on.

E. No compensation, loan, or other payment shall be paid or made to any officer, Governing Board member, Executive Committee member, incorporator of this Corporation, or substantial contributor to it, except as reasonable compensation for services rendered and/or as a reasonable allowance for authorized expenditures incurred on behalf of this Corporation; and no part of the assets or net earnings,

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current or accumulated, of this Corporation shall ever be distributed to, or divided among, any such person, or inure to, be used for, accrue to, or benefit any such person or private individual.

8. Upon the dissolution of the Corporation in any manner or for any reason, its assets, if any, remaining after payment (or provision for payment) of all liabilities of the Corporation, shall be distributed to one or more organizations having either exclusively charitable, religious, scientific, or educational purposes or a primary purpose to promote social welfare.

9. Any references herein to any provision of the Internal Revenue Code of 1954 shall be deemed to mean such provision as now or hereafter existing, amended, supplemented, or superseded, as the case may be.

10. The private property of the officers, Governing Board members, or Executive Committee members of the Corporation shall not be subject to payment of corporate debts to any extent whatever.

11. The Corporation's initial registered agent and the address of its initial registered office are as follows:

Jerome F. Donovan, Esquire
1707 H Street, N. W.
Washington, D. C. 20006

12. The number of members of the first Governing Board of the Corporation shall be three. Their names and addresses are as follows:

Mark Borinsky
4114 Davis Place, N. W.
Washington, D. C. 20007

Edward O. Welles
5186 Watson Street, N. W.
Washington, D. C. 20006

Lauri Fermi
5532 South Shore Drive
Chicago, Illinois 60637

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13. The name and address of each incorporator is as follows:

Mark Borinsky
4114 Davis Place, N. W.
Washington, D. C. 20007

Janet Sue Borinsky
3110 - 34th Street, N. W.
Washington, D. C. 20008

Martha Carol Weiss
3110 - 34th Street, N. W.
Washington, D. C. 20008

14. IN WITNESS WHEREOF, we have signed and acknowledged these Articles
of Incorporation this 9 day of January, 1974.

Mark Borinsky
Mark Borinsky

Janet Sue Borinsky
Janet Sue Borinsky

Martha Weiss
Martha Carol Weiss

33040764274

ARTICLES OF AMENDMENT
to the
ARTICLES OF INCORPORATION
OF

National Council to Control Handguns, Inc.

To: The Recorder of Deeds, D.C.
Washington, D.C.

Pursuant to the provisions of the District of Columbia Non-profit Corporation Act, the undersigned adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is: The National Council to Control Handguns, Inc.

SECOND: The following amendment of the Articles of Incorporation was adopted by the Corporation in the manner prescribed by the District of Columbia Non-profit Corporation Act:

"Be it resolved that effective December 1, 1978, the name of the National Council to Control Handguns be changed to HANDGUN CONTROL, Inc."

THIRD: The amendment was adopted by a consent in writing signed by all members entitled to vote with respect thereto.

Date: October 30, 1978

National Council to Control Handguns

By: Nelson T. Shields
Nelson T. Shields
Chairman

Attest:

Mark Borinsky
Mark Borinsky
Secretary

FILED	NOV 13 1978
BY	<u>WMA</u>

OFFICE OF RECORDER OF DEEDS, D. C.

Corporation Division
Sixth and D Streets, N. W.
Washington, D. C. 20001

CERTIFICATE

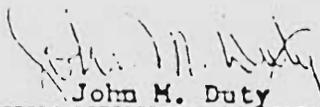
THIS IS TO CERTIFY that all provisions of the District of Columbia
Non-profit Corporation Act have been complied with and ACCORD-
INGLY this Certificate of Amendment

is hereby issued to the NATIONAL COUNCIL TO CONTROL HANDGUNS
(changed to:) HANDGUN CONTROL, INC.

as of the date hereinafter mentioned.

Date November 13, 1978

PETER S. RIDLEY,
Recorder of Deeds, D. C.


John M. Duty
Assistant Superintendent of Corporations

0104076-4231

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EXHIBIT B

BY-LAWS
OF THE
NATIONAL COUNCIL TO CONTROL HANDGUNS

Article I. NAME

The name of the corporation is the National Council to Control Handguns.

Article II. PURPOSE

The corporation (hereinafter the Council) has been organized as a nonprofit corporation under the District of Columbia Nonprofit Corporation Act—(hereinafter "Nonprofit Corporation Act")—to operate on a nonprofit basis for the promotion of social welfare, as more fully set forth in its Articles of Incorporation.

Article III. OFFICES AND REGISTERED AGENT

1. The principal office of the Council, and such other offices as it may establish, shall be located at such place or places, either within or without the District of Columbia, as may be designated by the Governing Board. The Council shall also continuously maintain within the District of Columbia a registered office in compliance with the Nonprofit Corporation Act, at such place as may be designated by the Governing Board.

2. The Council shall continuously maintain within in the District of Columbia a registered agent in compliance with the Nonprofit Corporation Act, which agent shall be designated by the Governing Board. Any change in the registered office or change in the registered agent shall be accomplished in compliance with the Nonprofit Corporation Act. Such agent may be an individual resident in the District of Columbia whose business office is identical with the registered office of the Council; a District of Columbia Corporation (whether for profit or not for profit); or a corporation formed outside the District of Columbia, provided such foreign corporation is authorized to transact business or conduct its affairs within the District of Columbia and has an office identical with the registered office of the Council.

Article IV. GOVERNING BOARD

1. General Powers. Management and conduct of the affairs of the Council shall be vested in and controlled by its Board of Directors, hereinafter referred to for all purposes as "the Governing Board." The members of the Governing Board shall possess, and may exercise, any and all powers granted to the Council under the District of Columbia Nonprofit Corporation Act and its Articles of Incorporation. In

furtherance, but not in limitation, of the authority to govern the Council, the Governing Board shall have the following powers:

(a) To elect one of its number as Chairman and one or more of its number as Vice-Chairmen. The Chairman shall serve a three-year term and Vice-Chairmen one-year terms, and be eligible for re-election.

(b) To apply and expend, for the purposes expressed herein and in the Articles of Incorporation, the net income of the Council and/or any or all of the principal or capital thereof.

(c) To employ agents and attorneys for the administration of the Council and, to this end, to delegate to such agents or attorneys such ministerial duties as are deemed proper. In no event, however, may such duties include determining the purposes for which the income and assets of the Council are to be devoted, or the selection of recipients of distributions from the Council, or the selection of activities in which the Council shall engage.

(d) To accept gifts, bequests, devises or grants or other contributions of real and personal property, or interests therein, on behalf of the Council, provided the terms and conditions under which such contributions are made shall not be inconsistent with the purposes and objects of the Council.

(e) To invest any money received by the Council in certificates of deposit, or any stocks, bonds or any other obligations or securities of any corporation or corporations as the Governing Board shall deem advisable.

(f) To vote in person or by proxy at any meeting of the stockholders of any corporation the stock of which shall be owned by the Council, on any question lawfully coming before such meeting.

(g) To designate, by vote of majority of the Governing Board then in office, an Executive Committee, consisting of at least two (2) Directors of the Governing Board, which to the extent provided in the resolution adopted by the Governing Board, shall have and exercise the authority of the Governing Board in the management of the Council. Election to the Executive Committee shall be taken by mail or at a regularly scheduled meeting of the Governing Board.

(h) To designate, or authorize the Chairman of the Governing Board to designate, any other committees, including an Honorary Board of Directors, not limited in membership to Directors of the Governing Board, to assist in and advise on the management of the Council, and whose members shall serve one-year terms.

(i) To pay all costs, expenses and charges in connection with the administration of the Council, including, but not limited to, attorneys' fees and agents' fees.

2. Number. The number of Directors on the Governing Board shall not be more than twenty-five (25) during the first year of the Council's existence. Thereafter, such number may be increased or decreased from time to time by amendment to these by-laws as specified in Article VIII hereof, provided, however, that the number of Directors comprising the Governing Board shall never be reduced to less than three (3), and provided, further, that no reduction in the number of Directors shall have the effect of shortening the term of any Director in office at the time such amendment becomes effective.

3. Residence. Directors of the Governing Board need not be residents of the District of Columbia.

4. Tenure. The Directors elected to the Governing Board during the first year of the Council's existence shall serve one-year terms and be eligible for re-election to additional terms. Thereafter, tenure of Directors may be increased or decreased from time to time by amendment to these by-laws pursuant to Article VIII hereof.

5. Election of Directors. The Directors elected to the Governing Board during the first year of the Council's existence shall be elected by a majority of the Governing Board in office by a vote which may be taken at a meeting or by mail. Thereafter, procedures for election of Directors may be adopted or altered from time to time by amendment to these by-laws pursuant to Article VIII hereof.

6. Termination of office of a Director; election of successor or new Director. The tenure of any Director of the Council shall automatically terminate upon the effective date of his or her resignation submitted in writing to the Governing Board, upon his or her death, or upon a vote at the time to remove him or her from office. Any vacancy occurring in the Governing Board shall be filled by the majority vote of the remaining Directors, which may be taken at a meeting of the Governing Board or by mail. A Director elected to fill a vacancy in the Governing Board shall be elected for the unexpired term of his or her predecessor in office. Such successor shall, upon assuming office as a Director, be subject to and governed by all the provisions of these by-laws. In the event the number of Directors is increased by amendment to these by-laws, the additional Directors shall be subject to and governed by all the provisions of these by-laws.

7. Decisions by the Governing Board; quorum for meetings. A quorum for the transaction of business by the Governing Board shall be one-third of the total number of Directors of the Governing Board in office at the time of the meeting. In the absence of a quorum, a majority of those Directors present may adjourn the meeting. The affirmative vote of a majority of the Directors present and voting at a Governing Board meeting at which a quorum is present shall be necessary and sufficient to the making of decisions by the Governing Board, except:

(a) as a larger vote at any time be otherwise specifically required by these by-laws, and

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(b) as the vote of a greater number or proportion of the Governing Board is, or may at any time be required by the Nonprofit Corporation Act for the taking of specific actions.

Decisions made in accord with the above provisions shall be the act of the Governing Board for any and all purposes.

8. Meetings

(a) In general. Except as otherwise provided in these by-laws, decisions of the Governing Board shall be made at duly constituted meetings. Regular meetings may be held either within or without the District of Columbia, and shall be held at such times and in such places as the Governing Board may by resolution determine in advance. Special meetings shall be convened at the request of the Chief Executive Officer of the Council, and shall be held at the time and place (either within or without the District of Columbia) as shall be specified in such request.

(b) Notice. Both regular and special meetings of the Governing Board, or any change in the time or place thereof, must be preceded by written notice thereof to each Director. Such notice shall specify the date, time, and place of the meeting, but need not specify the purpose for the meeting or the business to be conducted. Such notice must be given not less than two, nor more than thirty, days prior to the meeting date, and must be either delivered personally to each Director or mailed (including the sending of a telegram) to him at his business address. If such a notice is given by mail, it shall be deemed delivered when deposited in the United States mail, properly addressed, and with postage prepaid thereon. If such notice is given by telegram, it shall be deemed delivered when the content of the telegram is delivered to the telegraph company.

Notwithstanding the foregoing requirements, a Director may waive notice of the time and place of any regular or special meeting. Attendance at a regular or special meeting shall constitute a waiver of notice, except where the Director attends a meeting for the express purpose of objecting to the conduct of business on the ground that the meeting was not lawfully called or is not lawfully convened. A written statement filed with the Governing Board by any Director either before or after a meeting is held, which recites knowledge of date, time, and place of such meeting and specifically waives notice thereof, shall be considered effective to dispense with the requirement for prior written notice to such Director.

(c) Action by Governing Board without Meeting. Any action or decision required or permitted to be taken at a regular or special meeting of the Governing Board may be taken or made without the convening of a formal meeting, provided all members of the Governing Board so consent in writing and set forth in the same writing the action or decision to be taken or made. Such consent and writing shall have the same force and effect as a unanimous vote, and may be described as such in any document executed by the Council.

9. Compensation. Directors of the Council shall receive no compensation for their services but, by resolution of the Governing Board, may be reimbursed for expenses paid while acting on behalf of the Council. Upon written request of any Director of the Council, the Treasurer is authorized to reimburse said Director his or her reasonable out-of-pocket expenses incurred while acting on behalf of the Council, where such expenses are not otherwise reimbursed by the Director's business, organization, or agency.

Article V. OFFICERS

1. The Officers of the Council shall consist of a Chairman (to be known as the "Chief Executive Officer"), a President (to be known as the "Chief Operating Officer"), a Secretary, a Treasurer, and such other officers and assistant officers as the Governing Board may from time to time appoint, or authorize the Chief Executive Officer to appoint. The duties and term of office, not to exceed three years, of any such other officers and assistant officers shall be specified by the Governing Board or by the Chief Executive Officer if so authorized by the Governing Board.

2. Except as otherwise provided in paragraph 1 of this Article, the officers shall be elected by a majority of the Governing Board then in office. The Chief Executive Officer of the Council shall be elected from among the Directors of the Governing Board and shall serve a term of three years. Other officers need not also be Directors of the Governing Board and shall serve a term of one year. The tenure in office of any officer shall terminate by the same acts or events which are specified in paragraph 6 of Article IV as terminating the tenure of a Director of the Governing Board. In addition, however, any officer or assistant officer appointed by the Chief Executive Officer may be removed from office by the Chief Executive Officer upon such terms as the Chief Executive Officer may specify in writing to such officer.

3. Duties

(a) Chairman. The Chairman shall be the Chief Executive Officer of the Council. The Chairman shall preside at all meetings of the Governing Board and of the Executive Committee. He or she shall direct and supervise the execution, on behalf of the Council, of all decisions of or programs adopted by the Governing Board or the Executive Committee and shall have overall charge and supervision of the operations and affairs of the Council. He or she shall have such other powers and duties as shall be prescribed by the Governing Board or the Executive Committee from time to time. The Chief Executive Officer shall be subject in so acting to the continuing direction and supervision of the Governing Board and the Executive Committee.

(b) President. The President shall be the Chief Operating Officer of the Council. Under the general supervision of the Chief Executive Officer, he or she shall execute, on behalf of the Council, all decisions of or programs adopted by the Governing Board or the Executive Committee and shall conduct and administer the operation of

those powers and duties which normally pertain to the office of Chief Operating Officer, including but not limited to the authority to execute contracts or other instruments on behalf of the Council; to sign notes and other evidences of indebtedness of the Council; to lease or rent office space for the Council; to hire (at reasonable compensation) and discharge employees; and he or she shall have such other powers and duties as shall be prescribed from time to time by the Chief Executive Officer or by the Governing Board or Executive Committee, under all of whose direction and supervision he or she shall be.

(c) Secretary. The Secretary shall keep the minutes of all meetings of the Governing Board or the Executive Committee; keep all documents and records pertaining to the operation and activities of the Council; issue notices of all meetings; file all reports required pursuant to the state and federal law; and perform such other duties as the ~~Governing Board, Chief Executive Officer, or Chief Operating Officer~~ may direct.

(d) Treasurer. The Treasurer shall take custody of all funds, gifts received and other assets of the Council; place them in accounts in the name of the Council in such banks or other depositories as the Governing Board may direct; disburse such funds to other assets upon direction from the Governing Board, Chief Executive Officer, or Chief Operating Officer; keep and maintain accurate and complete financial records of the assets, receipts and disbursements of the Council; collect all monies due the Council, pay routine bills and expenses of the Council without specific resolution of the Governing Board, but subject to ratification by the Governing Board; and perform such other duties as the Governing Board, Chief Executive Officer, or Chief Operating Officer may direct.

4. The Governing Board may, in its discretion, require the Treasurer and/or any other officer to furnish a bond of a kind and in the amount required and approved by the Governing Board.

5. Both the Secretary and the Treasurer shall permit any Director or his or her duly authorized attorney to inspect all books and records of the Council for any proper purpose at any reasonable time.

Article VI. MEMBERS

A member of HANDGUN CONTROL INC. shall be anyone who has contributed funds to the organization within the last 24 months.

Article VII. ACCOUNTING PERIOD

Effective January 1, 1974, the annual accounting period of the Council shall be the calendar year.

Article VIII. AMENDMENTS

The Governing Board shall have the power to alter, amend, repeal, or add to any of the by-laws of the Council and to adopt new by-laws in the place of any provisions deleted.

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CONSENT-IN-LIEU OF A SPECIAL MEETING
OF THE GOVERNING BOARD
OF HANDGUN CONTROL INC.

WHEREAS, the undersigned constitute all of the Governing Board of HANDGUN CONTROL INC., a nonprofit corporation organized under the laws of the District of Columbia.

NOW, THEREFORE, BE IT RESOLVED, that the bylaws be, and hereby are, amended, modified and altered as follows:

Paragraph 5 of Article IV shall be deleted in full and replaced with the following:

5. Election of Directors

(a) In general. All the Directors save one shall be elected by a majority of the Governing Board in office by a vote which may be taken at a meeting or by mail. One Director (the Member-at-Large) shall be elected pursuant to subparagraphs(c) and (d) hereof.

(b) Nominating Committee. The Nominating Committee shall be composed of the President and two (2) to four (4) Members who shall be appointed by the President.

(c) Nominations. The Governing Board shall annually designate a date for the election of the Member-at-Large (the Election Date). No later than 60 days before the Election Date, the President shall give notice thereof to the Members and shall solicit the nomination of candidates for Member-at-Large during such period as shall be specified in the notice. The Nominating Committee shall select as candidates no fewer than two persons so

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nominated, provided that such persons shall be Members in good standing and shall, in the Nominating Committee's discretion, have demonstrated their commitment to the organization's governing principles and be otherwise qualified.

(d) Election. No later than 20 days before the Election Date, the President shall give notice to the Members of the candidates selected pursuant to subparagraph (c) hereof and shall provide the Members with ballots for voting by mail. The candidate who shall receive the greatest number of votes shall be elected.

(e) Notice. Notice, as provided in this section, shall be mailed to each Member at his address as it appears on the most current membership list of the organization. Such notice shall be deemed given when deposited in the United States mail, with postage prepaid thereon.

The following paragraph 6 of Article IV shall be added:

6. Removal. Any Director may be removed, with or without cause, by resolution of the Governing Board.

Former sections 6 through 9 of Article IV shall be redesignated and numbered sections 7 through 10.

Article VI shall be deleted in full and replaced with the following:

ARTICLE VI MEMBERS

1. A Member of HANDGUN CONTROL INC., shall be anyone who has contributed no less than 15 dollars to the organization within

the last 24 months. A Member shall enjoy, among other rights, the right to nominate and vote for the Member-at-Large.

2. A Contributing Member shall be anyone who has contributed funds to the organization within the last 24 months if such funds shall be less than 15 dollars. A Contributing Member shall have the same rights as a Member except that a Contributing Member shall not have the right to nominate or vote as provided in paragraph 5 hereof.

The following Article IX shall be added:

IX. ANNUAL MEETING

A meeting of the Members shall take place in June of each year, at a time and place to be designated by resolution of the Governing Board.

IN WITNESS WHEREOF, we have hereunto set our hands:

DATE:

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EXHIBIT C

POLITICAL/LEGISLATIVE UPDATE

TO: HCI Members
FROM: Pete Shields, Chairman **PS**
DATE: May 25, 1988

I have several exciting things to tell you today -- and each of them points toward a major shift in the politics of the handgun issue.

ONE: The State of Maryland has just passed landmark legislation to stop the sale of Saturday Night Specials and plastic undetectable handguns.

Maryland is the first state to take this historic step, and our victory is symbolic as well as real.

That's because it was in this same state that the National Rifle Association first began to establish its reputation as a political force not to be crossed -- by claiming to defeat pro-handgun control Senator Joseph Tydings.

Ever since then, the NRA has been trading on that success to intimidate legislators. The message was never very subtle: "Toe our line ... or suffer the same fate as Joe Tydings."

The banning of Saturday Night Specials and plastic handguns in Maryland has sent a nationwide message that the NRA no longer has that kind of raw power. They applied intensive pressure to Maryland legislators to stop this legislation ... yet those same legislators stood together and overwhelmingly voted against the NRA.

TWO: The Reagan Administration, under intense pressure from our law enforcement allies, has now done a complete turnaround and decided to back our bill to stop the manufacture and sale of plastic undetectable handguns.

This is a remarkable and painful defeat for the NRA -- which only a few weeks ago was certain it had locked up White House support for its position.

THREE: Years of hard work -- and help from you -- have brought the handgun issue out of the shadows and placed it squarely in the forefront of the national agenda. So that every Presidential candidate now favors some form of handgun control.

Even George Bush (a life member of the NRA) spoke out against undetectable handguns at a New Hampshire gun owners' rally ... right in front of several members of the NRA's top brass.

I've enclosed a special sheet for you that spells out the leading candidates' position on handguns, and the conclusion is clear: No matter

[over, please]

who wins in November, the next Administration is going to be friendlier to our positions.

THE BOTTOM LINE IS THAT THE CHEMISTRY ON THE HANDGUN CONTROL ISSUE IS CHANGING IN OUR FAVOR.

Where the NRA once felt so dominant it simply ignored you, me, and Handgun Control, Inc., it now fears us -- and makes us and our backers the direct targets of its attacks whenever possible.

None of this is lost on the candidates and lawmakers. They can sense the shift in the political winds, and they are now willing to speak out.

But make no mistake -- our victories DO NOT MEAN THAT THE NRA HAS BEEN DEFEATED. They are still a dangerous and powerful opponent -- and their recent wounds are driving them to strike back at us with everything they have.

To silence law enforcement opposition, especially those police chiefs appearing in our ads, the NRA is launching vicious letter-writing campaigns to local city councils and mayors -- aimed at getting the chief gagged, fired, or not hired in another jurisdiction.

Already they are moving in to attack the legislators who dared to vote against them -- using their typical tactics of lies, distortions and threats ... backed up by their bulging multi-million dollar warchest.

And they have also had their lawyers attempt -- for the third time -- to actually close down our Political Action Committee. It's the kind of out-and-out harassment our lawyers have staved off before, and they were able to do so again. But I can promise you that we haven't seen the last of these kinds of tactics.

I can well understand why the NRA is so worried. Even before our big victory in Maryland, the NRA was still stinging politically from the 1986 elections. Their PAC spent hundreds of thousands of dollars -- yet every single one of our handgun control supporters in the Congress was reelected. In fact, while our PAC spent only a fraction of what the NRA did -- we helped elect even more handgun control supporters in the Senate and the House.

And these winning candidates have been helping us make important gains in this Congress. The Brady Bill now boasts more co-sponsors than any other piece of handgun control legislation in history ... and our bill to ban plastic handguns also enjoys widespread bi-partisan and public support -- support it had earned even before the White House and George Bush came aboard.

The NRA's leaders fear the momentum we've built. So they are now lashing out at lawmakers who have supported handgun control in order to defeat them in their reelection bids. THAT'S WHY OUR NEXT STEP MUST BE TO DEFEND THE LEGISLATORS WHO HAVE BEEN TRYING TO HELP US.

Legally, Handgun Control, Inc., is barred from financially defending our

supporters in Congress and state legislatures -- that's why we must have a Political Action Committee.

Whether any of us like PACs or not, they are the only legal way in which we can actively defend those courageous legislators who are willing to stand up against the NRA.

Those are the rules of the game, and until they change, we have to play by them. If we don't, we're simply handing victory to the National Rifle Association.

The upcoming elections are extremely important to the NRA. If they can't rebound with a decisive victory against the cause of handgun control ... and also prove that they can "punish" the legislators who stood up to them ... it will be a devastating body blow. And the NRA leaders know it.

That's why it's safe to assume they will try to raise and spend more money than ever before. Millions of dollars to try to avenge their recent defeats in Maryland, in the White House, on the Presidential campaign trail, on Capitol Hill ... and everywhere else.

And as you and I both well know, they won't be playing fair. We can expect them to inflame the passions of gun owners by distorting the records of their political targets. And we've already begun to see the early results of the millions of dollars they'll spend on TV, radio, direct mail, billboards and bumper stickers.

You can help us defeat the NRA by making a generous contribution to Handgun Control PAC today.

Remember: The only funds we can use to defend our friends and aid the courageous new candidates who support handgun control are the funds contributed to Handgun Control PAC.

There's one more important thing I have to tell you, and it illustrates just how desperate the NRA has become.

Because of the ridiculous nuisance suits their lawyers keep filing against Handgun Control PAC, I am now legally required by the Federal Election Commission to tell you that Handgun Control, Inc. is not coercing you into giving money to Handgun Control PAC, and that your donation is entirely voluntary!

I apologize for having to insult your intelligence -- this requirement is based on a broad interpretation of FEC regulations. And besides, you know your donation to Handgun Control PAC will provide direct support to friends and candidates who have the courage to stand up to the NRA.

Moreover, your Handgun Control PAC contribution will also help expose those senators and representatives who accept NRA money -- and make them reveal

[over, please]

to the voters exactly what promises they made to the NRA in order to get that money.

AND NOW YOU ALSO HAVE AN ADDITIONAL OPPORTUNITY to help put the heat on in the Congress to pass both of Handgun Control, Inc.'s, flagship bills before the next elections.

That's by sending a second, separate check to Handgun Control, Inc., ... to help us step up our successful TV, radio and print ad campaigns for both The Brady Bill and the bill to ban plastic handguns.

Your direct support of Handgun Control, Inc. will also help increase our grass roots organizing campaigns in key states and congressional districts. And it will encourage more and more law enforcement officers to speak out on the handgun control issue.

That's why I'm asking you to write out the first check to support the work of Handgun Control PAC ... and a second, separate check to support the work of Handgun Control, Inc.

It's a little inconvenient, but those are the rules that have been established by the Federal Election Commission, and we have to follow them.

I know I've thanked you before, but I want to take this opportunity to thank you again. Because it's your support that has helped bring us this far in our fight against the National Rifle Association. And it's your continued support that will someday give us victory.

That's why I'm making this special request for two checks.

Your first check will help defend our friends who are about to face the sharp political attacks of the NRA ... and need us to stand by them in the same way they courageously stood by us. Your second check will help keep the pressure on Congress to pass our legislation immediately.

Stronger handgun laws are now within our reach, but I need your help to put them in our grasp. Please take a moment now to contribute to the work of both Handgun Control, Inc., and Handgun Control PAC today.

P.S. Most political observers didn't give our bill to ban the sale of Saturday Night Specials a chance. But thanks to Sarah Brady, our law enforcement allies, key legislators, and our print and grassroots lobbying, things turned around very quickly.

Please help us repeat this victory in other states and in the Congress by making separate donations to both Handgun Control PAC and HCI, Inc. today!

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Presidential Candidates' Positions on Handgun Control



Vice President George Bush (R)

From 1967 to 1971, Bush represented Texas' 7th Congressional District in the House of Representatives and voted for the 1968 Gun Control Act.

At a 1988 candidate forum sponsored by the Gun Owners of New Hampshire, asked his views on S.465, legislation introduced by Senators Howard Metzenbaum (D-OH) and Strom Thurmond (R-SC) to prohibit undetectable plastic guns, Bush said, "I would not support S.465 and yes, I'd veto it. I'll tell you what troubles me though, and that is this whole question of detectability. I am concerned about it. (An undetectable weapon) ... can kill the pilot of an airplane. I don't want to see the Secret Service ... and the police officers' organizations ... on opposite sides of the NRA and of gun owners. It doesn't have to be that way....

"... But I would like to urge us — all of us here who are sportsmen — to understand that some of us have some responsibilities for protecting travelers in this country and keeping the peace. And so we ought not to automatically assume because the Secret Service opposes something — and the police officers — that they're all wrong.... The last thing you want to do is find yourselves opposed by those that are on the cutting edge of fighting narcotics, fighting against international terror, and trying to protect international safety."

In a statement on handgun control issued during the 1988 Presidential campaign, Bush stated, "I have always opposed federal gun registration (or) licensing of gun owners. I am a life-member of the National Rifle Association. In 1986, I joined with the NRA in supporting passage of the McClure-Volkmer Act modifying certain provisions of the 1968 Gun Control Act. Nevertheless, the right to bear arms is not a license to harm others.... While ensuring that Constitutional rights are not violated, we must do all we can to keep guns out of the hands of convicted criminals."

"... I have supported prohibitions on the interstate shipment of certain handguns whose sole purpose is the taking of human life ... (and) ... I have long been an advocate of mandatory prison sentences for individuals convicted of using a firearm during a criminal act."



Reverend Jesse Jackson (D)

In a statement issued during the 1988 Presidential campaign, Reverend Jackson stated, "The time has come to create a domestic disarmament — to end the gun killings that rob the vitality of so many in America. Guns are a public health problem of epidemic proportions from which we must free ourselves. We need to ban Saturday Night Specials, require federal registration of all guns, and prohibit the manufacture or importation of plastic handguns. Finally, we should consider giving jurisdiction over

this important issue to an agency that has a primary commitment to the protection of the public."

In an April 1988 interview with the New York Times, Jackson said, "There must be much more federal regulation, enforced regulations on gun control. I think that ... the silencer, the Saturday Night Special, the concealed weapon have no socially useful purpose." Asked if he would outlaw them, Jackson answered, "I would struggle to ban them. And I make a

(Over, please)

distinction between the concealed weapon, the silencer, the Saturday Night Special, and people registering guns who may have some useful purpose."

Asked if there should be a federal registry for other guns, Jackson said, "Yes, the same that we do with driving licenses."



Governor Michael S. Dukakis (D)

In a statement issued while campaigning for the Presidency in 1987, Dukakis said, "As Governor, I ... supported the Bartley-Fox Act, which set a mandatory minimum one-year sentence for persons illegally carrying a gun without a valid license. I also signed into law legislation which increased penalties by two years for felonies committed with a firearm.

"Moreover, I have worked closely with the Massachusetts Police Chiefs Association to ... make firearms licensing fairer and more consistent.

"As President, I will work to keep guns out of the hands of the criminally or mentally dangerous. I will support efforts ... calling for background checks to uncover prospective gun purchasers' criminal record or history of mental illness. "I will oppose shortsighted measures such as the McClure-Volkmer Act, which was opposed by virtually every law enforcement group in the country ... (and) will also support legislation to ban the importation or manufacture of weapons and ammunition which have no use other than to attack human beings....

"Moreover, nothing justifies continued availability of 'Saturday Night Specials' which are ... useful only at close range to wound or kill another person.

"I do not oppose the rights of sportsmen and hunters to bear arms for target practice and hunting. But breaking the cycle of violence which threatens the fabric of our society will require a serious effort to control the availability of ... handguns and ammunition whose only purpose is to take human life."

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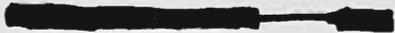
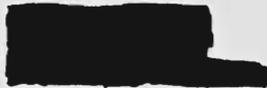
HANDGUN CONTROL

YES! I want to protect the legislators who helped shift the politics of the handgun control issue . . .

Please use the enclosed contribution to help defend our friends on Capitol Hill and in the state legislatures who have helped us win major victories such as the Maryland ban on Saturday Night Specials. My check, payable to *Handgun Control PAC*, is enclosed for:

- \$15
- \$25
- \$30
- \$35
- Other \$ _____

Please make your check payable to Handgun Control PAC and return in the envelope provided to: HCI PAC, P.O. Box 19249, Washington, D.C., 20036.



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HANDGUN CONTROL

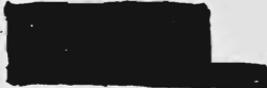
AND I ALSO WANT TO HELP Handgun Control, Inc. pass both of its flagship pieces of legislation . . .

Please use this additional donation to continue the important work that has placed both The Brady Bill and our bill to ban plastic handguns in excellent position to be passed before the November elections.

My separate check, payable to Handgun Control, Inc., is enclosed for:

- \$15
- \$25
- \$30
- \$35
- Other \$ _____

Please make your check payable to Handgun Control, Inc., and return in the envelope provided to: Handgun Control, Inc., P.O. Box 19249, Washington, D.C. 20036.



Because Handgun Control, Inc. works full time for legislation, contributions are not tax deductible.



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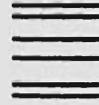
Contributions to Handgun Control PAC are entirely voluntary -- you have the right to refuse to contribute without any reprisal.

Handgun Control PAC cannot accept contributions from corporations. Please make sure you use a personal check when donating to our effort. Thank you.

The Federal Election Commission requires all those contributing \$250 or more per calendar year to provide the following information:

Occupation _____ Employer _____

City _____ State _____



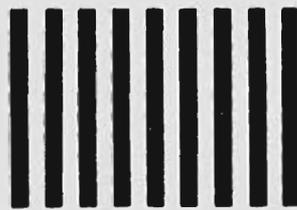
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P.O. Box 19249
Washington, D.C. 20077-6111



<ul style="list-style-type: none"> • Maryland <i>BANS</i> cheap Saturday Night Specials • Reagan Administration turns against NRA • All Presidential candidates speaking out for handgun control • <i>More inside . . .</i>

NEWS BULLETIN . . . NEWS BULLETIN . . . NEWS BULLETIN

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THE SUN
Maryland

WEDNESDAY,
APRIL 13, 1988

Brady's wife gave gun bill key push

By C. Fraser Smith

Maryland's new law against the Saturday Night Special surged to passage by the General Assembly Monday night on a wave of "common sense and sanity," according to the woman who was credited yesterday with giving the legislation a crucial push toward passage.

Sarah Brady, whose husband, James, was gravely wounded seven years ago in the assassination attempt on President Reagan, used her poignant and incontrovertible story to increase momentum for the bill, legislative leaders said yesterday.

Mrs. Brady, who was accompanied by her husband, the former presidential press secretary, returned the compliment. She hailed the Assembly yesterday at a press conference at the Brookshire Hotel for standing up to the pro-gun lobby — principally the National Rifle Association.

"Here in Maryland where the NRA cut its political teeth," she said, "legislators showed they can stand up to the NRA and they can win." She said the Maryland example will

*"Now people know
the NRA is just
a paper tiger."*

UNIDENTIFIED LOBBYIST

be a model for other states — several of which have made inquiries.

Legislators who joined Mrs. Brady at the press conference said the law has great significance because it was passed in Maryland, a state where the NRA claimed one of its most important political victories. After the defeat in 1970 of incumbent Sen. Joseph D. Tydings, a gun-control advocate, the NRA appeared able to fend off any gun-control legislation by promising to punish gun-control proponents at the ballot box.

One of the lobbyists who has worked on similar legislation for several years in Annapolis and who asked not to be identified said the fear generated by recollections of Mr. Tydings' political demise was, itself,

laid to rest this year.

"Now people know the NRA is just a paper tiger," he said.

The NRA overplayed its hand, according to Delegate Gilbert J. Genn, D-Montgomery. Delegates who once carefully followed the NRA line were saying the organization's refusal to consider reasonable proposals made it "an embarrassment and a liability," Mr. Genn said.

Mrs. Brady said, "The legislators always agreed with us on the merits, but they had to deal with a very important lobbying group."

The fear of an illegal drug market protected often by the cheap handguns called Saturday Night Specials earned the bill many supporters, Mr. Genn said. The atmosphere had changed so markedly that even the NRA, finally, offered suggestions that were incorporated into the legislation, said Delegate Joel Chasnoff, D-Montgomery.

The bill would begin to cut into the supply of cheap handguns used in crime by creating a list of guns that may be legally sold and owned

See **GUNS**, 3D, Col. 4

Brady's wife gave gun bill key push

GUNS, from 1D

in Maryland — guns that have a purpose deemed legitimate by a nine-member commission selected by the governor. Guns with no hunting or self-defense or target-shooting purpose could not be manufactured or sold in Maryland after 1990. A fine of \$2,500 would be levied against the seller of a gun not on the list, and manufacture of such a gun would carry a \$10,000 fine.

In its first version, the law provided that the chief of state police cre-

ate the list — but, in a compromise, that task was given to the commission, which will include a member of the NRA, a representative of gun-control groups, the state police chief, a gun manufacturer in Maryland and three citizen representatives.

The bill made it through heretofore hostile legislative waters, according to Baltimore County Police Chief Cornelius J. Behan, because "more legislators understood the ridiculousness of the NRA position. They could see the sanity leaving the NRA arguments."

Mrs. Brady was credited again yesterday with helping to win a major backer of the legislation — Gov. William Donald Schaefer. In the past, Mr. Schaefer has taken a number of positions on gun control. But after meeting with Mrs. Brady — who said yesterday he was not a "hard sell" — Mr. Schaefer put his support behind the bill.

When his wife's testimony was called crucial to the bill's enactment, Mr. Brady kidded her gently: "They said, 'If you don't pass this, she's going to come back.'"

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EXHIBIT D

HANDGUN CONTROL

ONE MILLION STRONG... working to
keep handguns out of the wrong hands.

September 21, 1988

Dear Supporter:

I wanted you to be among the first to know that 60 Minutes, America's top-rated television news show, is about to tell the extraordinary story of Jim and Sarah Brady -- and that of Handgun Control, Inc. -- to millions of viewers!

Normally, that would be major news all by itself. But today it has even more significance.

That's because if you are willing to help again today, I believe we can make this 60 Minutes broadcast the turning point in our long battle against the National Rifle Association and the wild west mentality it wants to re-create.

As you know, it hasn't been easy for us to get this far. We've had to walk a lot of hallways, knock on a lot of doors, and talk to a lot of different people -- in person, by telephone and through advertising. And a lot of determined friends like you and others in the media, in law enforcement and in Congress have helped us along the way.

It's taken many years and it's cost a lot of money, although I don't have to tell you about the money. Because you and a growing number of concerned and loyal HCI supporters have sacrificed and have dug deep time and time again to send the checks that have made the difference.

Believe me, when it comes to effective citizen action there are two essential ingredients: numbers and money. The truth is that no matter how critical it is to the future of our country that we end handgun violence, it just isn't going to happen until we have both the political and financial clout to help make it happen.

Here's why. For many years, national surveys have shown that voters want tougher handgun laws -- and by an overwhelming margin. The most recent surveys give us 80 percent support on this basic issue.

Still, even with that growing national support, you and I saw the White House and Capitol Hill stubbornly cling, year after year, to the minority position of the NRA -- opposing sensible legislation that would have made it tougher for criminals and drug addicts to get their hands around a deadly handgun.

And the reason was as clear and simple as three letters: N-R-A -- the organized strength and financial clout of the National Rifle Association, translated into brute political muscle.

For the last 30 years, the NRA has been building a computer base of frightening power -- nearly three million supporters.

Those three million people also represent much more than a virtually unlimited source of money. Organized by state and Congressional District,

they represent the true core of the NRA's power.

Those three million people are subjected to an endless barrage of NRA propaganda, ranging from distortions to outright lies about pending legislation. They're told that the Constitution "guarantees" everyone the absolute right to own a handgun. Or that a law that would prevent the sale of a handgun to a convicted felon or a lunatic is an attempt to "take away all guns from all citizens."

After years of this kind of brainwashing, the NRA is able to whip its army of supporters into an absolute frenzy every time a handgun vote is about to occur, whether in Washington or in a state legislature.

And since the NRA's mammoth computer list is organized by voting districts, NRA leaders are able to use those infuriated voters like a ~~spined club~~ -- spending millions of dollars to urge supporters to bury legislators under an avalanche of letters, telephone calls and telegrams.

For most politicians, this kind of assault by outraged gun proponents who also threaten to vote them out of office is the most basic kind of intimidation imaginable. And just to make sure the message is received loud and clear, the NRA uses its other weapon -- money -- to rub the point in.

Politicians who toe the NRA line and vote the NRA way receive steady financial support through political campaign contributions. Those who defy the NRA see money going to their opponents -- and risk having their own political careers destroyed by NRA-funded advertising that targets them not only for defeat, but for political extinction.

In the 1970s, the NRA launched just such a vicious campaign against Maryland Senator Joe Tydings, Jr. -- a handgun control supporter. Since he lost, the NRA has used the story ever since to terrorize other legislators.

What's more, the enclosed newsclipping about what the NRA is trying to do to Wisconsin Rep. James Sensenbrenner is just one example of how they are still up to the same old dirty tricks: back alley muggings of any legislator with the guts to look them in the eye and say "No."

But today there's a big difference. The NRA is losing its grip on our politicians. And concerned people like you are the reason why.

Everything began to change when Handgun Control, Inc. was formed by a small group of people who had experienced handgun violence firsthand. Some of us had been direct victims, while others -- like myself -- had lost loved ones in needless and preventable tragedies.

As word of our small but growing group of citizens spread, we received our first national exposure on 60 Minutes -- all the way back in 1977.

The program told how a stranger simply walked up behind my 23-year-old son Nick while he was loading his station wagon on a San Francisco street ... and fired three bullets into his back, killing him instantly.

That 60 Minutes story 11 years ago alerted millions of viewers across the nation to our mission of keeping handguns out of the wrong hands. Many

joined our cause -- and we have grown much, much stronger.

We're still no NRA -- but we've come a long way. We now have our own computer base of more than one million concerned Americans like you who want to do something about handgun violence.

Like you, they are determined to prevent needless tragedies like the shootings and murder of innocent Illinois schoolchildren in their own classroom ... or the massacre of innocent workers in a Florida brokerage office ... or the sudden and terrifying deaths of innocent passers-by caught in the withering crossfire of a Los Angeles drug war.

And -- also like you -- many of them give generously to our cause.

So even though we still can't match the NRA on a dollar-for-dollar or supporter-for-supporter basis, we can spend our more limited resources far more wisely.

And what's more ... we are beginning to win.

** We've defeated the NRA's absurd and irresponsible drive for mail order handguns ...

** Over NRA opposition, we passed legislation to:

STOP the importation of parts for Saturday Night Specials,

STOP the sale of "cop killer" armor-piercing ammunition; and,

STOP the sale of plastic "undetectable" handguns ...

** At the state level, we stopped the NRA from weakening laws in California, Minnesota, Ohio, Wisconsin, Colorado and Delaware ...

Now we're closer than ever to passing national legislation requiring a waiting period for the purchase of a handgun -- the Brady Amendment.

AND ... we are currently battling head-to-head against the NRA over two major ballot issues in Maryland and Florida.

Before I tell you about how you can help us win those two fights, let me tell you more about the upcoming new segment that will air on 60 Minutes this season (probably in October) and what it can mean to Handgun Control, Inc.

The new 60 Minutes segment will do more than just review Jim Brady's painful comeback from the terrible handgun wound he suffered at the hands of John Hinckley.

It will also talk about Sarah Brady's work on behalf of Handgun Control, Inc., and how she and HCI are trying to save other families from the terrible suffering she and Jim and their entire family have had to bear over the last seven years ...

... all before the largest television news audience in America.

Without question, Sarah and Jim's appearance on 60 Minutes -- including the story of her work with Handgun Control, Inc. -- will be the best opportunity we've ever had to put our message about handgun violence in front of the American people and recruit new supporters.

It's vital we take advantage of this important opportunity with an immediate two-step response program -- and that's what I'm asking you to help me do.

STEP 1: The very next day after Sarah and Jim appear on 60 Minutes, I want Monday morning newspaper readers all across America to see a full-page ad from Handgun Control, Inc. -- telling them who we are, reminding them of the 60 Minutes program they may have seen the night before, and making it as easy as possible to join us, simply by filling out a coupon.

STEP 2: I want to send out letters to households across the country, urging people to join us and to sign a petition to the new Congress in support of national handgun legislation. The letter will go to millions of Americans who will have seen the 60 Minutes broadcast.

Each of these steps will be expensive, but they need to be taken and I need your generous help to take them. I guarantee the NRA will be spending a small fortune to try to counteract the impact of the 60 Minutes broadcast.

Just how much the NRA is willing to spend to win a fight is being demonstrated in both Maryland and Florida -- two of the legislative fights in which we will be putting to work the newfound strength the 60 Minutes broadcast will bring us.

In Maryland, the NRA has mounted an unprecedented multi-million-dollar effort to overturn the historic law we helped pass banning Saturday Night Specials.

Because the governor, all of law enforcement, and a majority of the voters favor the law -- and are well aware of the kind of irresponsible, wild west gun laws the NRA now supports -- the NRA knows it can no longer win this argument on its merits.

So the NRA is putting out ~~its lies and distortions~~ under the name of a puppet organization!

Millions of NRA dollars have already been spent to advertise an outright lie: telling voters that the law would ban ALL guns.

Handgun Control needs your support to pay for advertising that will tell voters the truth they cannot hear if the NRA continues to blanket the airwaves and newspapers with lies. We simply cannot allow the NRA to steal our victory away at the ballot box in November.

We also need your support in Florida, where the NRA is lavishing thousands and thousands of dollars on legislators not only to block new handgun laws, but to make it even easier to carry handguns in public.

Voters in Florida are already terrified of the carnage they see

happening in the streets almost every day, and are circulating a petition to put a handgun law on the ballot in their state.

Even though a poll shows that 77 percent of Florida voters favor better handgun laws, it will still take 350,000 valid signatures to put the measure on the ballot. Handgun Control, Inc. needs your support to help our friends in Florida gather those signatures in time.

But there's another way in which I need your help, as well, and it goes right to the heart of the NRA's ability to intimidate legislators.

That financial club is wielded by the NRA's feared Political Action Committee and its \$2 million war chest.

Right now, the NRA has put its PAC into high gear, doing whatever has to be done to defeat the 120 Representatives and Senators who have co-sponsored the Brady Amendment ... as well as to "pay back" those who have opposed the NRA's other absurd and irresponsible drives for plastic undetectable handguns, mail order handguns, unrestricted machine gun sales and "cop killer" bullets.

But the NRA PAC -- even though it can still pack a wallop -- can't pronounce the "political death sentence" it once could. And that's thanks to the generous support we've been able to get for HCI's own political action committee: HANDGUN CONTROL PAC.

Whether any of us likes PACs or not, we had no choice but to form one. Federal law simply forbids HCI from spending any money to defend our courageous supporters who've been targeted for defeat by the NRA. The only dollars we can spend to do that are those contributed to Handgun Control PAC.

Our PAC has been tremendously successful. So successful, in fact, that the NRA has even gone to court several times to try to close down our PAC entirely -- a maneuver our lawyers were able to defeat.

The NRA is right to worry. Thanks to the support of loyal friends like you who contributed to Handgun Control PAC, we were able to elect even more of our friends to Congress. And not a single one of our supporters on Capitol Hill was defeated by the NRA in the 1986 elections -- not one!

This has badly stung the NRA, which sees that the invincible image it has worked so hard to create is now crumbling.

That's why the NRA is so determined to crush our PAC and kill our legislation now. They know that the truth is on our side ... and that their time is running out.

We have to gain even more votes in Congress and in state legislatures by protecting our friends from NRA assaults and by gaining even more allies for them so they can pass the bold 1989 legislative agenda that we are putting together right now.

That's why I'm asking you to send a separate contribution to Handgun

Control PAC to go along with your contribution to Handgun Control, Inc.

And that means writing two separate checks. It's an inconvenience I have to apologize for, but we have no choice. Federal law says that we can defend our friends on Capitol Hill and in the state legislatures only with money donated to Handgun Control PAC. We can't use HCI funds. Period.

The Federal Election Commission requires me to tell you that your donation to Handgun Control PAC is entirely voluntary ... and that Handgun Control, Inc. isn't coercing you into giving money to Handgun Control PAC!

As if anyone had to force you to oppose the NRA's wild west agenda for America!

If you're anything like the thousands of others who support HCI and Handgun Control PAC, you're in this fight for one reason: to stop the handgun carnage that kills 22 Americans -- including children -- every day.

Unlike the NRA, we don't want to create an army of single issue voters. We just want voters to consider the crucial issue of handgun violence when they go to the polls. We want them to know where their legislators and candidates stand on this issue: on the side of law enforcement ... or in the pocket of the National Rifle Association.

That's why I'm urging you to take a moment right now, while my letter is still in front of you, and write two separate checks:

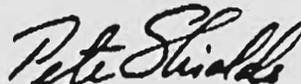
CHECK NUMBER 1 to Handgun Control, Inc. -- to help us make the most of Jim and Sarah Brady's appearance on 60 Minutes by enlisting thousands of additional concerned citizens as supporters of Handgun Control, Inc. ...

AND ...

CHECK NUMBER 2 to Handgun Control PAC -- to defend our friends in Congress and the state legislatures against the intimidating "political death sentences" of the NRA. And to also elect the additional legislative allies they will need to pass one of the most important legislative agendas of our time: the laws that will keep handguns out of the wrong hands.

I urge you to help us make the most of both Jim and Sarah Brady's appearance on 60 Minutes and the 1988 elections by making both of your checks as generous as possible -- and by sending them today.

Sincerely,



Pete Shields
Chairman

P.S. I've got a new button that says "JUST SAY NO TO THE NRA." It's really popular on Capitol Hill. If you'd like one, please check the box on the enclosed reply form. AND ... watch your local listings for an announcement on the airtime for the 60 Minutes segment on the Bradys.

8/11/88

Sensenbrenner attacks NRA for 'deception'

By JOHN W. KOLE
Journal Washington bureau

Washington, D.C. — Rep. F. James Sensenbrenner Jr. (R-Wis.), long an ally of the National Rifle Association in opposing gun-control measures, went to war with the NRA Thursday over his support for a seven-day waiting period for the purchase of handguns.

At a news conference, Sensenbrenner accused the NRA of "outright deception" in sending a letter to its members in his 9th Congressional District denouncing his support for the seven-day waiting period.

The NRA, with about 2.8 million members, has launched a massive lobbying campaign to kill the handgun provision, which was added to an omnibus drug bill by the House Judiciary Committee on June 30.

The committee approval came by a voice vote after a 22-12 vote knocked out an

amendment to kill the waiting period. Sensenbrenner was out of only five Republicans to support the waiting period on that roll call.

Declaring Thursday that he would continue to support the waiting period, Sensenbrenner called the NRA letter "downright erroneous, false and playing on hysteria in an attempt to get me to change my vote."

He said he understood that a similar NRA letter had been sent to the Illinois district of Rep. Henry Hyde, another conservative Republican who supported the waiting period in the committee. Members of Congress have long feared the NRA because it can mobilize its substantial membership to vote for or against candidates on a single issue, gun control.

Because Sensenbrenner has been on the NRA's side in opposing such proposals as handgun registration, the organization was shocked by his vote. But the Menomonee Falls congressman said a seven-day waiting period was reasonable so that police departments could check to make sure that handguns would not be sold to convicted felons or people who were mentally incompetent.

Besides, Sensenbrenner said, the NRA supported a 48-hour waiting period in 1975 when such a statute was passed by the Wisconsin Legislature. A total of 22 states have laws requiring some waiting period.

Wayne LaPierre, executive director of the NRA's Institute for Legislative Action, the organization's lobbying arm, said

the NRA switched its position on state waiting periods in the late 1970s because it decided that they were ineffective, causing red tape for ordinary citizens and having no impact on criminals.

LaPierre signed a letter to NRA members in the 9th District accusing Sensenbrenner of "attempting to scapegoat the drug problem on the backs of law-abiding American gun owners — to use it as an excuse to impose total federal gun control on America."

Sensenbrenner said that the letter was filled with inaccuracies, including a claim that the waiting period would mean that "you will have to submit to a government investigation" and that it would cause the expenditure of "millions and billions of your tax dollars investigating you and other honest citizens while criminals roam free untouched."

Sensenbrenner said the waiting period "is designed to ensure that someone who gets angry at their spouse or some other person cannot go off to a gun dealer and use it to commit a crime immediately. It allows people time to cool down."

"The NRA is really off base in sending out deceptive letters," Sensenbrenner said. "When I was elected to Congress, I did not give the NRA a blank proxy to cast my vote."

Rep. Robert W. Kastenmeier (D-Wis.) also supported the waiting period in the committee vote, but he has supported handgun control measures for many years.



F. James Sensenbrenner

HANDGUN CONTROL

YES! I want to help seize the opportunity created by the wave of support Handgun Control, Inc. can expect to receive as a result of Sarah Brady's 60 Minutes appearance ...

Please use the enclosed contribution to help finance our campaign to attract tens of thousands of new supporters to help us fight the NRA and the growing threat of handgun violence in our country.

My separate check, payable to Handgun Control, Inc. is enclosed for:

- \$15 \$25 \$30 \$40 OTHER \$ _____

Please send me the new "JUST SAY NO TO THE NRA" button.

Please make your check payable to Handgun Control, Inc., and return in the envelope provided to Handgun Control, Inc., 1225 Eye Street, N.W., Suite 1100, Washington, D.C. 20005-3932. Because Handgun Control, Inc. works full time for legislation, contributions are not tax-deductible.



DF06

HANDGUN CONTROL

YES! I ALSO want to protect the legislators who have brought us this far on the handgun control issue ...

Please use this additional donation to help defend legislators who have advanced our agenda ... to elect new candidates who will support handgun control ... and to force Senators and Representatives who will accept NRA money to reveal what they had to promise the NRA in return. This additional separate check, payable to Handgun Control PAC, is for:

- \$15 \$25 \$30 \$40 OTHER \$ _____

Please send me the new "JUST SAY NO TO THE NRA" button.

Please make your check payable to Handgun Control PAC, and return in the enclosed envelope to HCI PAC, 1225 Eye Street, N.W., Suite 1100, Washington, D.C. 20005-3932. Because Handgun Control PAC works full-time for legislation, contributions are not tax-deductible.



DE06

Over, please

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SPECIAL ADVANCE NOTICE ON 60 MINUTES BROADCAST ENCLOSED

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IF MAILED
IN THE
UNITED STATES



BUSINESS REPLY MAIL

FIRST CLASS PERMIT NO. 10848 WASHINGTON, D.C.

POSTAGE WILL BE PAID BY ADDRESSEE

Handgun Control, Inc.
P.O. Box 19249
Washington, D.C. 20077-6111





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 21, 1989

Handgun Control, Inc.
1225 Eye Street, NW
Suite 1100
Washington, DC 20005

Re: MUR 2836
Handgun Control, Inc.

Gentlemen:

The Federal Election Commission received a complaint which alleges that Handgun Control, Inc. 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 2836. 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 Handgun Control, Inc. 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.

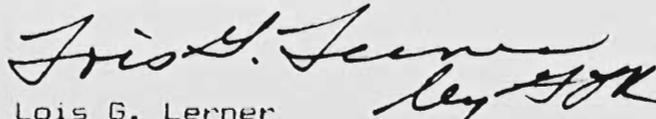
This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing 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 7 0 4 0 7 6 4 3 1 4

If you have any questions, please contact Deborah Curry, 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 1 0 4 0 7 6 5 3 1 5



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

March 21, 1989

Edward O. Welles, Treasurer
Handgun Control, Inc., PAC
1225 Eye Street, NW
Suite 1100
Washington, DC 20005

RE: MUR 2836
Handgun Control, Inc.,
PAC and Edward O. Welles,
as treasurer

Dear Mr. Welles:

The Federal Election Commission received a complaint which alleges that the Handgun Control, 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 2836. 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 Handgun Control, 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.

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If you have any questions, please contact Deborah Curry, 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

Lois G. Lerner
by JHK

By: Lois G. Lerner
Associate General Counsel

Enclosures

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

3 7 0 4 0 7 6 4 3 1 7



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 21, 1989

Mr. Richard E. Gardiner
National Rifle Association
Of America
1600 Rhode Island Avenue, NW
Washington, DC 20036

RE: MUR 2836

Dear Mr. Gardiner:

This letter acknowledges receipt on March 14, 1989, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by the Handgun Control, Inc., PAC and Edward O. Welles, as treasurer, and Handgun Control, Inc. 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 2836. 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

Lois G. Lerner
By: Lois G. Lerner
Associate General Counsel

Enclosure
Procedures

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

March 21, 1989

Ralph J. Caccia, Esquire
Santarelli, Smith, Kraut &
Carroccio
1155 Connecticut Avenue, NW
Washington, DC 20036

RE: MUR 2836

Dear Mr. Caccia:

This letter acknowledges receipt on March 14, 1989, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by the Handgun Control, Inc., PAC and Edward O. Welles, as treasurer, and Handgun Control, Inc. 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 2836. 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

Lois G. Lerner

By: Lois G. Lerner
Associate General Counsel

Enclosure
Procedures

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60 2437

FRIED, FRANK, HARRIS, SHRIVER & JACOBSON

SUITE 800
1001 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20004-2505
(202) 639-7000

CABLE: STERIC WASHINGTON

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DEX 6200 (202) 639-7008

DEX 6200 (202) 639-7003

DEX 3500 (202) 639-7004

DEX 4200 (202) 639-7005

ONE NEW YORK PLAZA
NEW YORK, NEW YORK 10004-9801
(212) 820-8000
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725 S. FIGUEROA
LOS ANGELES, CALIFORNIA 90017-5438
DIX: 689-5800

3 KING'S ARMS YARD
LONDON EC2P 2AD, ENGLAND
DIX: 6000-14
TELEX: 881606

DAVID E. BIRENBAUM
(202) 639-7050

April 10, 1989

By Hand

Mr. Lawrence M. Noble
General Counsel
Federal Election Commission
999 E Street, N.W., Room 657
Washington, D.C. 20463

Re: MUR 2836

Dear Mr. Noble:

This letter responds to the complaint of the National Rifle Association ("NRA"), dated March 14, 1989, alleging that Handgun Control, Inc. ("HCI") or Handgun Control, Inc. Political Action Committee ("HCI-PAC") has solicited contributions in violation of 2 U.S.C. § 441b.

The present complaint is simply one more in a series of efforts by the NRA to harrass HCI by attacking its membership procedures. Since HCI and the Commission signed a Conciliation Agreement establishing new membership rules for HCI, the NRA has twice before tried to challenge the procedures laid down in that settlement. Each time the Commission has declined NRA's invitation to reopen the validity of HCI's membership rules because "HCI has satisfactorily established rights of participation in the organization's affairs for those deemed members of the organization." General Counsel's Report, MUR 1891 (May 1, 1985) at 5; see also First General Counsel's Report, MUR 2115 (Feb. 18, 1989) at n. 2 & 12.

Now the NRA yet again attacks HCI's membership rules. HCI's by-laws provide that members elect one Director to the organization's Governing Board. Although this procedure was implemented nearly five years ago as an express requirement of a formal Conciliation Agreement, the NRA now argues that this right is insufficient to constitute "membership" under 2 U.S.C.

FRIED, FRANK, HARRIS, SHRIVER & JACOBSON
Mr. Lawrence M. Noble
April 10, 1989
Page 2

§ 441b(b)(4)(C). In fact, since the Conciliation Agreement mandated this voting procedure, the NRA's latest complaint is simply a belated, collateral attack on the Conciliation Agreement approved long ago by the Commission

In sum, the present complaint should be dismissed for three reasons: first, it raises claims already resolved by the Conciliation Agreement and decided by the Commission; second, the NRA's previous challenges to the member voting process are res judicata to the present complaint; and, finally, the present complaint lacks any basis on the merits.

I. Background

The present complaint is not the first, but the third time the NRA has attacked the same HCI membership procedures since HCI put these procedures into place as required by the Conciliation Agreement in MUR 1604.

In December 1983, the NRA filed a complaint with the Commission charging that HCI was not properly a "membership organization" as defined by 2 U.S.C. § 441b(b)(4)(C). In response to this complaint, HCI and the Commission entered into a Conciliation Agreement which provided, inter alia, that "the rights of membership in HCI shall include the right to . . . elect a Director to the Governing Board of HCI" See Conciliation Agreement, In the Matter of Handgun Control Inc., MUR 1604, attached as Exhibit A, at ¶ VII.

Following the Conciliation Agreement, HCI instituted a voting procedure whereby the members "elect a Director to the Governing Board of HCI" as mandated by the Agreement. The present NRA complaint attacks precisely this voting procedure, alleging that it gives members insufficient control of HCI.

On two occasions since the Conciliation Agreement, the NRA has brought repetitive complaints asserting that HCI's membership criteria do not meet the requirements of § 441b(b)(4)(C) on the ground that the rule permitting members to elect a Director provide members with insufficient power over the organization.

In the first case, as the NRA itself concedes, the General Counsel of the Commission determined that HCI's election procedures "'satisfactorily established rights of participation in the organization's affairs for those deemed members of the corporation.'" See NRA Complaint MUR 2836 at 1, quoting General

Counsel's Report, MUR 1891 (May 1, 1985) at 5. The Commission adopted the General Counsel's recommendations and dismissed the complaint. In the Matter of Handgun Control, Inc., MUR 1891 (May 8, 1985). The NRA chose not to appeal this decision for judicial review.

Undaunted, the NRA filed another complaint alleging once again that HCI's by-laws failed to provide members sufficient control of the organization through one elected Director. And, again, the General Counsel concluded that the HCI by-laws authorizing member election of one Director "should be considered to constitute the right to elect corporate officials noted by the Court in FEC v. NRWC, 459 U.S. 197 (1982)." See NRA Complaint MUR 2836 at 2, quoting First General Counsel's Report, MUR 2115 (Feb. 18, 1986) at 12. The Commission again adopted the General Counsel's recommendations and found no reason to believe HCI had violated § 441b(b)(4). In the Matter of Handgun Control, Inc., MUR 2115 (Feb. 21, 1986).

When the NRA attempted to appeal the Commission's decision in MUR 2115, the District Court and the District of Columbia Circuit Court of Appeals ruled that it was precluded from doing so, because the complaint raised the same arguments as had the complaint in MUR 1891, which the NRA had failed to appeal. See National Rifle Association of America v. Federal Election Commission, 854 F.2d 1330 (D.C. Cir. 1988).

II. This Complaint Is Barred By The Conciliation Agreement in MUR 1604

The present NRA complaint is in reality an attack on the Conciliation Agreement, which binds both HCI and the Commission and therefore bars this complaint. The NRA does not argue that HCI has failed to institute the membership rules required by the Conciliation Agreement, or that the Conciliation did not mandate the very voting procedure the NRA now challenges. Instead, the NRA attempts to second-guess the Agreement by arguing that the voting procedures mandated in the Conciliation Agreement, which the Commission approved nearly five years ago, are illegal. The NRA's complaint thus would require that the Commission now rule its own Conciliation Agreement illegal and void.

The Federal Election Campaign Act Of 1971 (the "Act") specifically provides that the Federal Election Commission "shall attempt . . . to correct or prevent [any violation of the Act] by informal methods of conference, conciliation, and persuasion, and to enter into a conciliation agreement with any

person involved. . . . A conciliation agreement, unless violated, is a complete bar to any further action by the Commission" 2 U.S.C. § 437g(a)(4)(A)(i). Again, the NRA does not argue here that HCI's member voting procedure violates the Conciliation Agreement.

If a complainant such as the NRA were permitted to challenge the specific terms of a Conciliation Agreement entered several years earlier pursuant to the statutory authority, the Commission's power to enter such agreements would be effectively negated. Neither the private party nor the Commission could have any confidence that a Conciliation Agreement settled the dispute at hand. For this reason, Congress mandated that such an agreement is "a complete bar to any further action by the Commission" Id. The NRA's complaint, therefore, is barred by the Conciliation Agreement in MUR 1604.

III. The Commission's Decision In MUR 1891 Is Res Judicata To The Latest NRA Complaint

Beyond being barred by the Conciliation Agreement, the present complaint is also precluded by the Commission's previous rejection of two NRA complaints challenging the adequacy of HCI members' rights of participation under the same membership rules the NRA now attacks.

In three previous actions, the NRA had the opportunity to raise the specific challenge to the member voting procedures it raises here. For the fourth time now it seeks to challenge HCI's member voting procedures, but merely with a slightly different legal theory. Such efforts to split up legal claims arising from the same facts are barred equally in the administrative realm as in the judicial.

"Under res judicata, 'a final judgment on the merits of an action precludes the parties or their privies from relitigating issues that were or could have been raised in that action.'" Arakawa v. Reagan, 666 F. Supp. 254, 261 (D.D.C. 1987) (quoting Allen v. McCurry, 449 U.S. 90, 94 (1980)). Res judicata applies to administrative proceedings in which the agency acted in a judicial or quasi-judicial capacity and "bars both claims that were actually litigated and those that could have been litigated" in the administrative proceeding. Id.; see also United States v. Utah Constr. Co., 384 U.S. 394 (1965).

The NRA first chose not to challenge the by-law permitting members to elect one Board Member when it failed to challenge the terms of the Conciliation Agreement entered in an action the NRA itself had brought. The NRA twice again chose not to challenge the member voting procedure on the present legal theory when it failed to raise this theory in its complaints in MUR 1891 and MUR 2836. In each of these actions, the NRA attacked HCI member voting rights and had every opportunity to do so on the ground now raised in the current complaint. The present complaint relies on no new facts that have arisen since the Conciliation Agreement was signed, so there can be no argument that the NRA was unable to raise the present challenge in any one of the earlier proceedings.

Thus, the NRA has not only waited nearly five years since the current procedures were implemented under the Conciliation Agreement, but it has left the current legal theory out of two subsequent complaints. Rather than raise the present challenge in any of its three previous actions attacking HCI's member voting rights, the NRA chose to split its claims in an apparent effort to multiply litigation in its unceasing campaign to harrass HCI. The current complaint, therefore, is barred by res judicata.

IV. HCI's Membership Rules Meet The Statutory Requirements

Finally, even if this complaint were not precluded by the Conciliation Agreement and the Commission's rejection of the NRA's prior complaints, it would fail on the merits. NRA claims that membership organizations under § 441b(b)(4) must provide for membership election of a majority of the organization's board of directors. The sole authority on which NRA relies for this proposition is in fact contrary to NRA's position.

In Federal Election Commission v. National Right To Work Committee ("NRWC"), 459 U.S. 197 (1982), the Supreme Court agreed with the Commission's view that membership organizations under § 441b(b)(4) must provide criteria of membership more specific than mere contribution to the organization. The Court never laid down specific requirements for membership and certainly never stated that membership organizations must provide that members elect a majority or any other portion of its directors. At most, the Court suggested that some degree of control over the election of officers is among the indicia of membership which NRWC's contributors lacked.

FRIED, FRANK, HARRIS, SHRIVER & JACOBSON
Mr. Lawrence M. Noble
April 10, 1989
Page 6

In fact, the Court in NRWC also agreed with the Commission's view that local state law definitions of membership for nonprofit organizations provide a valid standard for judging membership criteria under § 441b(b)(4), even though "in many States the board of directors of a nonprofit corporation may be an autonomous, self-perpetuating body." Id. at 205. The law of the District of Columbia, under which HCI is organized, includes no requirement that members of nonprofit corporations elect a majority of its directors. See D.C. Code §§ 29-502(6), -512, -518, 519 & 524. HCI membership rules fully comply with District of Columbia law.

V. Conclusion

The NRA's latest complaint represents merely one more repetitive attempt to abuse the Commission's powers and harrass HCI. Not only does it entirely lack a basis in law, but the charges the NRA now brings represent both a collateral attack on a valid Conciliation Agreement approved nearly five years ago by the Commission and a transparent effort to reopen issues which the Commission has already conclusively determined on three previous occasions. The Commission, therefore, should take no action on the NRA's latest complaint against HCI.

Respectfully submitted,


David E. Birenbaum
Carleton K. Montgomery

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

- A. (1) HCI is a corporation without capital stock and incorporated in the District of Columbia.
- (2) HCI-PAC is a political committee which has been registered with the Commission since September 17, 1979.
- (3) HCI is the connected organization of HCI-PAC.
- (4) Charles Orasin is the treasurer of HCI-PAC.
- B. (1) Section 441b(b)(4)(A)(i) of Title 2, United States Code, provides that a corporation, or a separate segregated fund established by a corporation, may only solicit contributions to such a fund from its stockholders and their families and its executive or administrative personnel and their families, except that under Section 441b(b)(4)(C) of Title 2, United States Code, a corporation without capital stock, may solicit contributions from members of the corporation without capital stock.
- (2) Section 114.1(e) of Title 11, Code of Federal Regulations, defines the term "member" to mean all persons who are currently satisfying the requirements for membership in a corporation without capital stock.
- (3) In interpreting its regulations, the Commission has concluded that a person can only be considered a "member" of a corporation without capital stock if: he or she has knowingly taken some affirmative steps to become a member of the organization; the membership relationship is evidenced by the existence of rights and obligations vis-

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a-vis the corporation; and, there is a predetermined minimum amount for dues or contributions.

C. (1) Prior to June 10, 1980, Article VI of HCI's bylaws stated: "The Council shall have members. The Governing Board may in its discretion, by resolution, establish the terms and conditions of such membership and the dues which members shall be required to pay."

(2) On June 10, 1980, Article VI of HCI's bylaws were amended to state: "A member of Handgun Control, Inc. shall be anyone who has contributed to the organization within the last 24 months."

(3) From 1979 through 1983 individuals who made a financial contribution to HCI were considered to be members of HCI for the ensuing 24 month period. No predetermined minimum amount for dues or contributions was required.

(4) From 1979 through 1983, the only requirement for membership in HCI was a financial contribution of any amount.

(5) From 1979 through 1983, those individuals HCI considered to be its members were not entitled to a vote in HCI affairs or entitled to vote for HCI officials.

(6) From 1979 through 1983, some of HCI's solicitations to potential members stated that "suggested dues" were \$15. Such solicitations also informed individuals that a contribution to HCI would result in membership in HCI.

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or contributions which shall not be less than the current "suggested dues" and that the rights of membership in HCI shall include the right to participate in annual meetings and to elect a Director to the Governing Board of HCI and Respondents agree that they will not solicit contributions to HCI-PAC from any individual who does not constitute a "member" of HCI within the meaning of the Federal Election Campaign Act of 1971, as amended, the Commission's regulations, and the Commission's interpretation thereunder.

VIII. Respondents agree that they shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

IX. It is agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. §437g(a)(5)(A) and 2 U.S.C. §437g(a)(4)(A), and this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission against the Respondents with respect to all solicitations by HCI and HCI-PAC for contributions to HCI-PAC prior to the execution of this Agreement.

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

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

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

XIII. 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 valid.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY:

Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

July 16, 1984
Date

FOR THE RESPONDENTS:

Handgun Control, Inc.

BY:

Charles Orasin
Charles Orasin, Executive
Vice-President of Handgun
Control, Inc.

7-10-84

Handgun Control, Inc. -
Political Action Committee

BY:

Charles Orasin
Charles Orasin, Treasurer

7-10-84
Date

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CHARLES ORASIN

BY: Charles Orasin

7-10-84
Date

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 2836

NAME OF COUNSEL: David E. Birenbaum

ADDRESS: Fried, Frank, Harris, Shriver & Jacobson
1001 Pennsylvania Ave., N.W. - Suite 800
Washington, D.C. 20004-2505

TELEPHONE: (202) 639-7000

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.

04/05/89
Date

N.T. Pete Shields
Signature

RESPONDENT'S NAME: N.T. Pete Shields

ADDRESS: Handgun Control, Inc.
1225 Eye Street, N.W.
Washington, D.C. 20005

HOME PHONE: (302) 652-4441

BUSINESS PHONE: 202/898-0792

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FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

MUR #2836
DATE COMPLAINT RECEIVED BY OGC:
3-14-89
DATE OF NOTIFICATION TO
RESPONDENTS: 3-21-89
STAFF MEMBER: Debby Curry

COMPLAINANT: National Rifle Association of America

RESPONDENTS: Handgun Control, Inc.
Handgun Control, Inc. Political Action Committee and
Edward O. Welles, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 441b(b)(4)(A)(i)

INTERNAL REPORTS CHECKED: MURs 1604, 1891 & 2115

FEDERAL AGENCIES CHECKED: None

I. **BACKGROUND**

On March 14, 1989, the National Rifle Association of America ("NRA") filed a signed and notarized complaint against Handgun Control, Inc. ("HCI") and Handgun Control, Inc. Political Action Committee ("HCI-PAC") alleging a violation of 2 U.S.C. § 441b(b)(4). Specifically, NRA alleges that because HCI's amended bylaws do not establish a procedure for HCI members to elect all or even a majority of HCI's Board of Directors, HCI does not qualify as a "membership organization" and, therefore, any solicitations by HCI to such members are in violation of 2 U.S.C. § 441b(b)(4). On April 10, 1989, HCI and HCI-PAC responded to the complaint.

This matter is the fourth in a series of complaints filed by

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NRA against HCI and HCI-PAC.^{1/} The instant matter raises issues

1/ The initial complaint filed by NRA (MUR 1604) against Respondents alleged that HCI and HCI-PAC had solicited contributions in violation of 2 U.S.C. § 441b(b)(4)(A)(i). MUR 1604 was settled through a conciliation agreement wherein HCI and HCI-PAC agreed, among other things, to allow members the right to "participate in annual meetings and to elect a Director to the Governing Board...." The bylaws of HCI were subsequently amended to conform with the requirements of the conciliation agreement.

The second complaint by NRA (MUR 1891) against HCI and HCI-PAC alleged violation of the solicitation provisions of the Act because, among other things, HCI's amended bylaws were still inadequate to qualify HCI as a membership organization under the Act or the conciliation agreement. The General Counsel's Report in MUR 1891 concluded that HCI's amended bylaws relating to the establishment of a Member-at-Large "satisfactorily established rights of participation in the organization's affairs for those deemed members of the corporation." Therefore, the amended bylaws of HCI and HCI-PAC satisfied the conciliation agreement's requirement that members have a right of participation in the organization's affairs. Accordingly, the Commission dismissed the complaint in MUR 1891 and notified NRA. NRA chose not to petition for review of the Commission's dismissal of MUR 1891.

NRA's third administrative complaint (MUR 2115) against Respondents again alleged that HCI-PAC had solicited contributions in violation of 2 U.S.C. § 441b(b)(4) because HCI's amendment to its bylaws were inadequate to qualify HCI as a membership organization. With regard to this issue, the report of the General Counsel concluded that NRA's allegations were "virtually identical to those raised in MUR 1891." Therefore, the Commission found no reason to believe HCI and HCI-PAC had violated 2 U.S.C. § 441b(b)(4)(A)(i).

Subsequently, NRA filed a complaint in district court, pursuant to 2 U.S.C. § 437g(a)(8), seeking review of the Commission's dismissal of the 2 U.S.C. § 441b(b)(4) allegation in MUR 2115. The district court found that "it is apparent that the issues and facts in all three complaints are substantially similar. More importantly, however, it is clear that plaintiff failed to appeal defendant's decision on the second complaint within the time period allowed by law. 2 U.S.C. § 437g(a)(8)(B)." National Rifle Association v. Federal Election Commission, Civil Action No. 86-2285 (D.D.C. Oct. 19, 1987).

NRA appealed and the United States Court of Appeals also concluded that the two administrative complaints (MURs 1891 and 2115) were substantially similar. The Court of Appeals noted, however, that the Commission had addressed the merits of the third complaint potentially subjecting it to judicial review.

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already resolved by the Commission in prior matters involving the same respondents, the same facts and the same legal issues.

Here, NRA presents a slightly different legal argument in support of its repetitive claim that HCI's Bylaws do not qualify it as a membership organization. It now contends that individuals cannot qualify as "members" of HCI pursuant to 2 U.S.C. § 441b(b)(4)(C) because they do not elect "all, or even a majority of the directors" of the organization.^{2/} This argument, however, is part of the identical claim now advanced before the Commission for the fourth time: that HCI's bylaws provide its members insufficient participatory rights for it to qualify as a membership organization under the Act. This claim was conclusively resolved in MUR 1891, where the General Counsel's Report reasoned in relevant part that HCI's amended bylaws "authorizing the nomination and election of a 'Member-at-Large' of the Board by members of HCI....satisfactorily established rights of participation in the organization's affairs for those deemed members." The Commission adopted the recommendation of the General Counsel and dismissed NRA's complaint in MUR 1891 and NRA chose not to petition for review of the Commission's dismissal of the matter.

(Footnote 1 continued from previous page)

Nonetheless, the Court of Appeals concluded that NRA's failure to raise the reopening argument in the District Court precluded NRA from advancing this argument before the Court of Appeals.

^{2/} NRA points to a footnote in the Court of Appeals' decision which states that this precise allegation was missing from NRA's earlier complaints. National Rifle Association v. FEC, 854 F.2d 1330, 1335 n.12 (D.C. Cir. 1988).

Accordingly, NRA's contention that control by the members through election of all or a majority of directors is a necessary requirement simply amounts to a request that the Commission reconsider its decision in MUR 1891 that participation through election of one Director is satisfactory. The Commission has never dictated, however, that the "organizational attachment...required to be a member under § 441b(b)(4)(C)," FEC v. National Right to Work Committee, 459 U.S. 197, 204 (1982), must extend beyond participation in the organization's governance to actual control of the organization. See, e.g., AO 1984-63, 1 Fed. Election Camp. Fin. Guide ¶ 5804, at p. 11,150. Therefore, this Office sees insufficient reason for the Commission to reopen its 1985 decision in MUR 1891, and recommends the Commission refuse to do so.

II. **RECOMMENDATIONS**

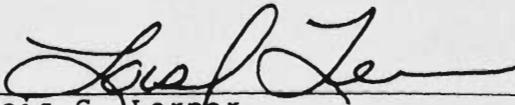
1. Decline to reopen issues resolved in MUR 1891.
2. Dismiss the complaint filed in MUR 2836.
3. Close the file.

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4. Approve the attached letters.

Lawrence M. Noble
General Counsel

8/24/89
Date

BY: 
Lois G. Lerner
Associate General Counsel

Attachments

1. Complaint
2. Response of HCI and HCI-PAC
3. Proposed Letters

Staff Assigned: Debby Curry

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
Handgun Control, Inc.)	
Handgun Control, Inc. Political Action)	MUR 2836
Committee and Edward O. Welles, as)	
treasurer)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 28, 1989, the Commission decided by a vote of 5-0 to take the following actions in MUR 2836:

1. Decline to reopen issues resolved in MUR 1891.
2. Dismiss the complaint filed in MUR 2836, as recommended in the General Counsel's report dated August 24, 1989.
3. Close the file.
4. Approve the letters as recommended in the General Counsel's report dated August 24, 1989.

Commissioners Aikens, Elliott, Josefiak, McDonald and McGarry voted affirmatively for the decision. Commissioner Thomas did not cast a vote.

Attest:

8/28/89
Date

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

Received in the Secretariat:	Thursday, August 24, 1989,	11:06
Circulated to the Commission:	Thursday, August 24, 1989,	4:00
Deadline for vote:	Monday, August 28, 1989,	4:00

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20004

September 6, 1989

Ralph J. Caccia, Esquire
Santarelli, Smith, Kraut &
Carroccio
1155 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2836

Dear Mr. Caccia:

On March 14, 1989, in the above-referenced matter, the Federal Election Commission (the "Commission") received from you and Richard E. Gardiner, of the National Rifle Association of America, a complaint alleging a possible violation of the Federal Election Campaign Act of 1971, as amended (the "Act") by Handgun Control, Inc. and Handgun Control, Inc. Political Action Committee. The Respondents were notified of the complaint.

On August 28, 1989, the Commission dismissed the complaint and closed its file in the above-referenced matter.

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
General Counsel's Report

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 6, 1989

David E. Birenbaum, Esquire
Fried, Frank, Harris, Shriver &
Jacobson
1001 Pennsylvania Avenue, N.W.
Suite 800
Washington, D.C. 20004-2505

RE: MUR 2836
Handgun Control, Inc.
Handgun Control, Inc. Political
Action Committee and Edward
O. Welles, as treasurer

Dear Mr. Birenbaum:

On March 14, 1989, in the above-referenced matter, the Federal Election Commission (the "Commission") received a complaint from Richard E. Gardiner of the National Rifle Association of America and Ralph J. Caccia, counsel for National Rifle Association of America, alleging a possible violation of the Federal Election Campaign Act of 1971, as amended (the "Act") by Handgun Control, Inc. and Handgun Control, Inc. Political Action Committee. On March 21, 1989, you were notified of the complaint.

On August 28, 1989, the Commission dismissed the complaint and closed its file in the above-referenced matter.

This matter will become part of the public record within thirty (30) days. If your client wishes to submit any materials to appear on the public record, please do so within ten (10) days. Please send such materials to the Office of the General Counsel.

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

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2836

DATE FILMED 9/20/89 CAMERA NO. 4

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