



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3178

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**STEPHEN P. HALBROOK, PH.D.**  
ATTORNEY AND COUNSELLOR AT LAW  
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10605 JUDICIAL DRIVE  
FAIRFAX, VIRGINIA 22030  
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FAX (703) 355-0958

90 NOV 20 AM 10:39

MUR 3178

November 8, 1990

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

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 NOV 20 AM 11:46

Dear Mr. Noble:

Pursuant to 2 U.S.C. § 437(g) and 11 CFR § 111.4(a), Absalom F. Jordan, Jr., 1240 Savannah St., S.E., Washington, D.C. 20032, by and through his counsel Stephen P. Halbbrook, 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"), 1225 Eye St., N.W., Suite 1100, Washington, D.C. 20005, has solicited contributions in violation of the Federal Election Act, 2 U.S.C. §441b(b)(4).

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.

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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.

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

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to a degree sufficient to allow HCI to qualify as a membership organization under the Act.

HCI does not qualify as a "membership organization" for two interrelated reasons. First, amendments to the articles of incorporation and bylaws--and thus total control of the organization--are within the sole discretion of the board of directors, without any participation by the "members." Indeed, the directors have authority to change totally the objectives of HCI, and in fact did so by an amendment to the articles of incorporation on August 7, 1990. Second, the "members" are allowed to elect only one director out of 18 members of the board of directors. The bylaws 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. This only exacerbates the absence both of control and of a meaningful ability to participate in the operation of the organization resulting from the "members" lack of power to amend the articles of incorporation or the bylaws. Thus, any solicitations made to purported members are in violation of 2 U.S.C. §441b(b)(4).

I. THE DIRECTORS HAVE SOLE AND UNLIMITED  
DISCRETION TO AMEND THE ARTICLES OF  
INCORPORATION

Handgun Control, Inc. (hereafter "HCI") is a nonprofit corporation organized under the District of Columbia Nonprofit Corporation Act, §29-501 et. seq. HCI was originally

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incorporated in the District of Columbia on January 16, 1974 under the name "National Council to Control Handguns," and amended its name to "Handgun Control, Inc." by filing dated November 13, 1978.

Article 3 of the Articles of Incorporation of HCI filed with the District of Columbia on January 16, 1974, provides:

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. (Exhibit 1 herein.)

Article 6 of the HCI amended By-Laws provides: "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." (Exhibit 4 herein.) By check dated April 16, 1990, Mr. Jordan contributed \$15.00 to HCI. HCI deposited this check on or about April 23, 1990. Accordingly, Jordan is a member of HCI.

On or about July 19, 1990, Mr. Jordan filed a Verified Complaint for Injunctive Relief against HCI. (Absalom F. Jordan, Jr. v. Handgun Control, Inc., Civil No. 90-CA08054, Superior Court of the District of Columbia, Civil Division. Mr. Jordan alleged that certain acts and expenditures of HCI seeking

restrictions on possession of rifles and shotguns are invalid because HCI is without power to do such acts. Pursuant to D.C. Code §29-506, Mr. Jordan prayed the Court for an injunction against any further such ultra vires acts and expenditures by HCI.

As a direct result of Mr. Jordan's filing of the above complaint, on August 7, 1990 the HCI directors adopted Articles of Amendment to HCI's Articles of Incorporation. See Consent in Lieu of a Special Meeting of the Board of Directors of Handgun Control, Inc., Exhibit 5 herein. On August 10, 1990, HCI filed them with the District of Columbia. The amendment purported to change Article 3 of HCI's articles to delete as its purpose the adoption of measures "for the control of handguns," and to insert "for the prevention of gun violence." Exhibit 6 herein.

Although the Consent in Lieu of a Special Meeting of the Board of Directors of HCI indicates that the "directors" adopted the amendment, the above purported Articles of Amendment as filed with the District of Columbia state that "the resolution amending the Articles of Incorporation was adopted by a consent in writing signed by all members entitled to vote with respect thereto." (Exhibit 6 herein.)

Despite the fact that Article 4 of HCI's Articles of Incorporation provides that the members shall have voting rights as prescribed in the Bylaws (Exhibit 1 herein), the Bylaws make no provision for members to vote with respect to amending the

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Articles of Incorporation. Accordingly, the purported Articles of Amendment filed with the District of Columbia could not have been "adopted in writing signed by all members entitled to vote with respect thereto." Thus, while HCI's filing with D.C. claimed that "members" adopted the amendment, the Consent in Lieu of a Special Meeting (Exhibit 5) correctly indicates that the "directors" adopted the amendment.

Under HCI's Articles of Incorporation and Bylaws, HCI Directors are not even required to be members of HCI. See D.C. Code §29-518 ("Directors need not be . . . members of the corporation unless the articles of incorporation or the bylaws so require.")

Reflecting the lack of any member voting rights in the articles and bylaws, Mr. Jordan, an HCI member, received no notice of any proposed amendment to the Articles of Incorporation, and had no opportunity to vote on such resolution. The very purpose of HCI was radically altered without any notice to, or opportunity to participate by, its "members." No such organization is a "membership organization" in any sense of the term.

II. HCI'S BYLAWS 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

Article 6 of the Articles of Incorporation of HCI provides 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). (Exhibit 1.)

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Thus, 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 corporation.<sup>1</sup>

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 bylaws provide only that members have the authority to

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<sup>1</sup> Article 8 of the By-Laws (Exhibit 3) authorizes only the Governing Board to "alter, amend, repeal, or add to" the By-Laws. Moreover, while Article 9 of the amended By-Laws (Exhibit 4) provides for an annual meeting of members, it does not, in light of Article 6 of the Articles of Incorporation, supra, authorize the members to govern or manage the corporation at that meeting.

elect a single director. Article 4, 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 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). (Exhibit 4 herein.)

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, when that Board has total control over the operation and administration of the organization, 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 a result, 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.<sup>2</sup>

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<sup>2</sup> 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. Article 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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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. The legislative history relating to 2 U.S.C. §441b(b)(4)(A) is particularly instructive in understanding the 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. S3860 (daily ed., March 22, 1976).

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

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a "membership" organization. A bona fide membership organization is one which represents its members; that is not the case here.

AO 1977-67, 1 Federal Election Campaign Financing Guide, CCH ¶ 5326, p. 10,302 (June 28, 1978).<sup>3</sup>

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 it can change the very purpose of the corporation at whim, and 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, HCI does not qualify for the membership organization exemption under 2 U.S.C. §441b(b)(4)(C). As such, a July 13, 1990 solicitation sent by HCI to its "members," including Mr. Jordan, was in violation of 2 U.S.C. § 441b(b)(4). This solicitation is attached hereto as Exhibit 7.

CONCLUSION

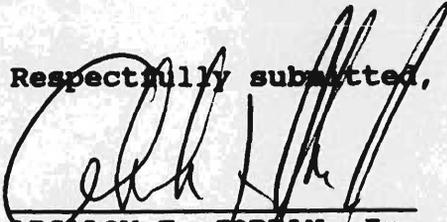
Handgun Control, Inc. has unlawfully solicited

<sup>3</sup> 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.

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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,



ABSALOM F. JORDAN, Jr.  
Complainant

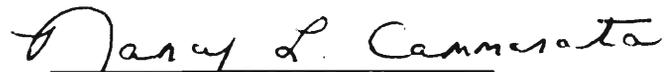
By: 

Stephen P. Halbrook  
Ste. B-3  
10605 Judicial Drive  
Fairfax, VA 22030  
(703) 385-8610  
Counsel for Complainant

STATE OF VIRGINIA

COUNTY/CITY of FAIRFAX

SUBSCRIBED and SWORN to by Stephen P. Halbrook before me this 9<sup>th</sup> day of November, 1990.

  
Notary Public

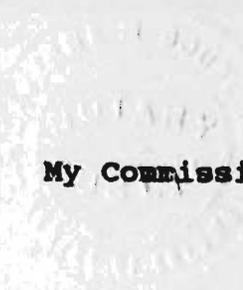
My Commission expires: June 1, 1993

STATE OF \_\_\_\_\_

~~COUNTY~~/CITY of Washington, D.C.

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SUBSCRIBED and SWORN to by Absalom F. Jordan, Jr. before me  
this 15th day of November 1990.

  
*Lawrence M. Douglas*  
Notary Public

My Commission expires: 04-30-92

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EXHIBITS

1. Articles of Incorporation filed Jan. 16, 1974
2. Articles of Amendment to Articles of Incorporation filed Nov. 13, 1978
3. By-Laws
4. [Amendments to By-Laws], Consent-in-Lieu of a Special Meeting of the Governing Board of Handgun Control Inc.
5. Consent in Lieu of a Special Meeting of the Board of Directors of Handgun Control, Inc.
6. Articles of Amendment to the Articles of Incorporation dated August 17, 1990
7. Handgun Control, Inc. solicitation dated July 13, 1990

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EXHIBIT 1

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GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
BUSINESS REGULATION ADMINISTRATION



**THIS IS TO CERTIFY** that the pages attached hereto constitute a full, true and complete copy of:

Certificate and Articles of Incorporation of THE NATIONAL COUNCIL TO CONTROL HANDGUNS, as received and filed on the 16th day of January, 1974.

as the same appears of record in this office.

**IN TESTIMONY WHEREOF**, I have hereunto set my hand and caused the seal of this office to be affixed, this the 18th day of September, 1987 .

Donald G. Murray  
Director

Henry C. Lee, III  
Acting Administrator

*Miriam Hellen Jones*  
Miriam Hellen Jones  
Superintendent of Corporations  
Corporations Division

Government of the District of Columbia  
Marion Barry, Jr., Mayor

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OFFICE OF RECORDER OF DEEDS, D. C.

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

740101

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 Incorporation

is hereby issued to the THE NATIONAL COUNCIL TO CONTROL HANDGUNS

as of the date hereinafter mentioned.

Date January 16, 1976



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

*Alfred Goldstein*  
Alfred Goldstein  
Superintendent of Corporations

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ARTICLES OF INCORPORATION

OF THE

NATIONAL COUNCIL TO CONTROL HANDGUNS

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INDEXING FEE

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FILED

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

--- JAN 16 1974 ---

BY: *(Signature)*

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 or 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.

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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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DISTRICT OF COLUMBIA) SS:

I, Harold Schuman a Notary Public, hereby certify that on the 9<sup>th</sup> day of July, 1974, MARK BORINSKY, JANET SUE BORINSKY, and MARTHA CAROL WEISS personally appeared before me, and the said persons, being by me first duly sworn, declared that they signed the Articles of Incorporation bearing date signed the 9<sup>th</sup> day of July, 1974 hereto annexed, as incorporators, and that the statements therein contained are true.

Given under my hand and seal this 9<sup>th</sup> day of July, 1974.

Harold Schuman  
Notary Public

My Commission expires July 31, 1976

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**EXHIBIT 2**

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GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
BUSINESS REGULATION ADMINISTRATION



**THIS IS TO CERTIFY** that the pages attached hereto constitute a full, true and complete copy of:

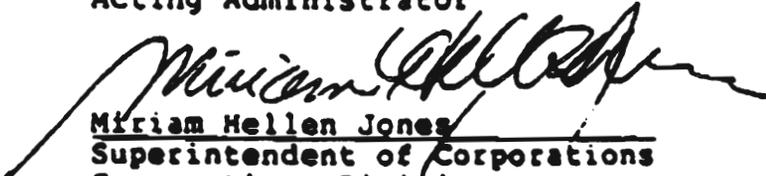
Certificate and Articles of Amendment of THE NATIONAL COUNCIL TO CONTROL HANDGUNS, changing the name to: HANDGUN CONTROL, INC., as received and filed on the 13th day of November, 1978.

as the same appears of record in this office.

**IN TESTIMONY WHEREOF**, I have hereunto set my hand and caused the seal of this office to be affixed, this the 18th day of September, 1987.

Donald G. Murray  
Director

Henry C. Lee, III  
Acting Administrator

  
Miriam Hellen Jones  
Superintendent of Corporations  
Corporations Division

Government of the District of Columbia  
Marion Barry, Jr., Mayor

21040355032

OFFICE OF RECORDER OF DEEDS, D. C.  
Corporation Division  
8th 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. Rindley,  
Recorder of Deeds, D. C.

  
John M. Dutz  
Assistant Superintendent of Corporations

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ARTICLES OF AMENDMENT  
to the  
ARTICLES OF INCORPORATION  
OF

INDEXING FEE

1. 20  
#7.00

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 Handg

By: Nelson T. Shields

Nelson T. Shields  
Chairman

Attest:

Mark Borinsky  
Mark Borinsky  
Secretary

FILED	NOV 13 1978
BY	<u>[Signature]</u>

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EXHIBIT 3

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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

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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.

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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.

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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

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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 or 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

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.

Article VII. ACCOUNTING PERIOD

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

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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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EXHIBIT 4

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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) hercof.

(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

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

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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 5

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CONSENT IN LIEU OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
OF HANDGUN CONTROL, INC.

The undersigned, constituting all of the Directors of Handgun Control, Inc., and acting by majority written consent pursuant to Sections 29-535 & 29-536 of the District of Columbia Code, Nonprofit Corporations Act, hereby adopt the following resolutions:

WHEREAS, Handgun Control, Inc. has been sued on the alleged ground that the Articles of Incorporation forbid the organization from working to promote any form of regulation of rifles and shotguns of any kind, and

WHEREAS, the Articles of Incorporation in their present form do authorize Handgun Control, Inc. to promote reasonable and practical regulation of rifles and shotguns when necessary to prevent gun violence in America, and

WHEREAS, amendment of the Articles of Incorporation as set forth below to confirm and clarify the foregoing may avoid the need for protracted litigation of the lawsuit,

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NOW, THEREFORE, BE IT

RESOLVED, that the Articles Of Incorporation of Handgun Control, Inc. be, and hereby are, amended, modified and altered as follows:

The following paragraph of Article 3 shall be deleted in full:

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

and shall be replaced with the following paragraph:

To operate on a nonprofit, nonpartisan basis for the promotion of social welfare of the United States by, among other activities, working for the formulation and adoption of reasonable and practical measures for the prevention of gun violence.

and.

RESOLVED, that each officer of Handgun Control, Inc. be, and hereby is, authorized to take such further actions and prepare, execute and files such documents as he or she may determine, in his or her absolute discretion, to be necessary or desirable to effectuate the purposes of the foregoing

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resolution, such determination to be evidenced conclusively by the performance of such actions.

IN WITNESS WHEREOF, we have hereunto set our hands:

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Sarah Brady

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Stanley E. Foster

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Edward O. Welles

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Charles J. Orasin

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Richard Aborn

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Mary Lewis Grow

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N.T. Pete Shields

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John Hechinger

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Lois Hess

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David Birenbaum

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Larry Lowenstein

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Senator Lee Fisher

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Helen Raiser

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Maurice Rosenblatt

resolution, such determination to be evidenced conclusively by the performance of such actions.

IN WITNESS WHEREOF, we have hereunto set our hands:

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Sarah Brady  
Sarah Brady

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Stanley E. Foster

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Mary Lewis Grow

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resolution, such determination to be evidenced conclusively by the performance of such actions.

IN WITNESS WHEREOF, we have hereunto set our hands:

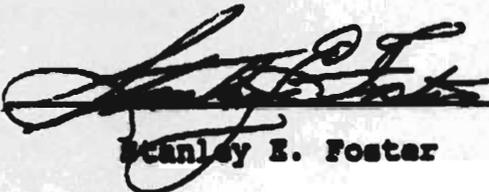
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Richard Aborn

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Mary Lewis Grow

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resolution, such determination to be evidenced conclusively by the performance of such actions.

IN WITNESS WHEREOF, we have hereunto set our hands:

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Sarah Brady

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Stanley E. Foster

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*Edward O. Welles*

Edward O. Welles

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Charles J. Orasin

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Richard Aborn

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Mary Lewis Grow

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resolution, such determination to be evidenced conclusively by the performance of such actions.

IN WITNESS WHEREOF, we have hereunto set our hands:

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Sarah Brady

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Stanley E. Foster

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Edward O. Welles

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*Charles J. Orasin*

Charles J. Orasin

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Richard Aborn

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Mary Lewis Grow

resolution, such determination to be evidenced conclusively by the performance of such actions.

IN WITNESS WHEREOF, we have hereunto set our hands:

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Stanley E. Foster

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Edward O. Welles

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Charles J. Orasin

*August 2<sup>nd</sup> 1990*

*Richard Aborn*

Richard Aborn

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Mary Lewis Grow

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resolution, such determination to be evidenced conclusively by the performance of such actions.

IN WITNESS WHEREOF, we have hereunto set our hands:

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Sarah Brady

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Stanley E. Foster

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*Mary Lewis Grow*

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*N. T. Shields*

N.T. Pete Shields

John Hechinger

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David Birenbaum

Larry Lowenstein

Senator Lee Fisher

Helen Raiser

Maurice Rosenblatt

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Lois Hess

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David Birenbaum

*August 3, 1990*

*Larry Lowenstein*

Larry Lowenstein

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Senator Lee Fisher

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Helen Raiser

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Maurice Rosenblatt

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John Hechinger

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David Birenbaum

Larry Lowenstein



Senator Lee Fisher

Helen Raiser

Maurice Rosenblatt

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Senator Lee Fisher

*August 2, 1990.*

*Helen Raiser*

Helen Raiser

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Maurice Rosenblatt

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Helen Raiser

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Maurice Rosenblatt

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John Phillips

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Jeanne Shields

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Odile Stern

Odile Stern

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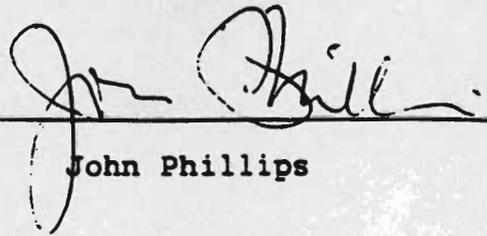
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Susan Swift

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John Phillips

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Jeanne Shields

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Odile Stern

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**EXHIBIT 6**

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GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
BUSINESS REGULATION ADMINISTRATION



CERTIFICATE

THIS IS TO CERTIFY that all applicable provisions of the DISTRICT OF COLUMBIA NONPROFIT CORPORATION ACT have been complied with and accordingly, this CERTIFICATE of Amendment is hereby issued to  
HANDGUN CONTROL, INC.

as of August 10th , 1990 .

Donald G. Murray  
Director

Henry C. Lee, III  
Administrator  
Business Regulation Administration

*Ruby Coston-White*  
Ruby Coston-White  
Superintendent of Corporations  
Corporations Division

Marion Barry, Jr.  
Mayor

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ARTICLES OF AMENDMENT TO THE  
ARTICLES OF INCORPORATION  
OF HANDGUN CONTROL, INC.

To: Department of Consumer & Regulatory Affairs  
Corporation Division

Pursuant to the provisions of the District of Columbia Nonprofit Corporation Act, the undersigned has adopted the following Articles of Amendment to its Articles of Incorporation:

FIRST, the following resolution amending the Articles of Incorporation was adopted by Handgun Control, Inc. in the manner prescribed by the District of Columbia Nonprofit Corporations Act:

RESOLVED, that the Articles Of Incorporation of Handgun Control, Inc. be, and hereby are, amended, modified and altered as follows:

The following paragraph of Article 3 shall be deleted in full:

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

and shall be replaced with the following paragraph:

To operate on a nonprofit, nonpartisan basis for the promotion of social welfare of the United States by, among other activities, working for the formulation and adoption of reasonable and practical measures for the prevention of gun violence.

FILED  
10 AUG 1990

BY: WCA

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**SECOND:** The resolution amending the Articles of Incorporation was adopted by a consent in writing signed by all members entitled to vote with respect thereto.

**DATE:** August 7, 1990

Handgun Control, Inc.

By: Charles J. Orasin  
Charles J. Orasin  
President

**Attest:**

Lois Hess

Lois Hess  
Secretary

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**EXHIBIT 7**

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# HANDGUN CONTROL

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

July 13, 1990

Dear Handgun Control Supporter:

The National Rifle Association is so afraid of what I am about to tell you about the Handgun Control Voter Education Fund that they had their high-priced lawyers go to court to try to put it out of business.

They've tried repeatedly to muzzle us. AND LOST!

Fortunately ... the Federal Election Committee and the courts rebuked the NRA's attempt to shut down our fund.

So now I'm free to tell you what the NRA doesn't want you to hear ... how we are planning to use our expanded Handgun Control Voter Education Fund to shape our nation's gun policy at the ballot box this November.

The NRA fears this election-year initiative more than they've feared any other program we've ever launched. And with good reason.

You see ... the biggest stumbling block barring the passage of new gun laws is that most voters don't realize the extent of the gun violence problem in America or what their elected representatives are doing about it.

As one of our loyal supporters, you already know that 91 percent of all Americans favor the Brady Bill (S.1236 and H.R.467) which would require a national seven-day "cooling off" period for anyone who wants to buy a concealable handgun from a gun dealer.

More than nine out of ten Americans want their representatives to support this legislation in Congress ... but don't know their politician's stand because legislators have always been very good at keeping their controversial votes hidden behind the scenes.

Until now. With your help, the Handgun Control Voter Education Fund can let this best-kept secret out of the bag by:

1. Supporting the campaigns of pro-gun control candidates for Congress;
2. Publicizing the gun control records of present Representatives and Senators; and,
3. Publicly identifying candidates and Members of Congress who have accepted money from the NRA's PAC.

For the first time, we can have a procedure in place for educating the voters about all candidates' gun control positions before the next

(over, please)

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important elections are held.

Your strong financial support is essential to this unprecedented project for piercing the veil of secrecy that many politicians have hidden behind while voting against the wishes of their constituents in return for NRA favors and PAC money.

**IMPORTANT:** Federal law forbids us from spending any Handgun Control, Inc. funds on the activities I have just outlined for you.

The only money we can spend in this way are dollars that have been contributed specifically to the Handgun Control Voter Education Fund.

And we need your donation ASAP. In the crucial period from Labor Day to Election Day, we will use Voter Education Fund money to shine OPERATION SPOTLIGHT on Senators, Representatives and candidates.

This innovative campaign will make the voters aware of what their legislators are doing in Washington, where candidates for office stand on national gun control policy and if they are on the NRA's PAC payroll.

And it will be a very powerful political force in making the 1990s the decade in which Congress finally gets down to business -- doing something about our handgun crime and violence epidemic.

With reapportionment, there will be many new legislators in many new Congressional Districts. With your help, we will educate voters about their gun control positions -- before the elections.

Will this plan work? Will pro-gun control voters really make a candidate's gun policy position a critical factor in their vote?

Consider what happened in a close Congressional primary in Maine in June: Polls showed that the state's well-known Attorney General had the race wrapped up over his four challengers. The Attorney General made it clear that he opposed waiting period legislation.

But candidate Tom Andrews pulled off a surprise move: He successfully pushed a plank supporting a seven-day waiting period for handgun sales through the Democratic State Convention.

Fearing controversy, some party leaders distanced themselves from Tom's sensible gun control platform plank.

The politicians may have steered clear of the gun control issue, but the voters didn't. When the votes were all in, pro-gun control candidate Thomas Andrews had pulled off a stunning upset!

Shortly before this political rabbit had been pulled out of the hat, our own Jim and Sarah Brady jointly endorsed the candidacy of Tom Andrews

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for Congress and praised him for persuading his party to adopt a waiting period as part of its platform. It was the first time the Bradys have made such a personal endorsement.

And that is what our Voter Education Fund can convince other voters to do ... personally support and work for the candidates in their District who support our legislative agenda for the 1990s.

With your help, we can turn a new chapter in how gun control affects the outcome of elections -- just as the NRA did in the 1970s when they claimed to defeat pro-gun control U.S. Senator Joe Tydings in Maryland and got the politicians running scared.

From that election on, politicians were afraid to vote against the NRA -- particularly if they had been elected by small margins -- fearing that they might become "the next Tydings."

This NRA hammerlock on Congress held firm throughout the 1970s, the formative years of our citizens' lobby.

Then ... with your help, we began to pry it loose.

In the 1980s Handgun Control, Inc. lobbied successfully to persuade legislators to ban "cop killer" bullets, undetectable plastic handguns, new machine guns and the importation of Saturday Night Special parts. And in 1988 we came within 24 votes of passing the Brady Bill, our cornerstone legislation for a national policy for preventing handgun crime and violence.

The NRA leaders were boiling mad. They decided it was time to teach us a political lesson. And they decided to do it, once again, in the state of Maryland where a statewide law banning Saturday Night Specials had recently been passed.

So ... along with working at the polls to defeat Representatives who voted for the Brady Bill, the NRA spent an unprecedented \$6.1 million to overturn the Maryland Saturday Night Special law by referendum.

But this time it was the NRA that learned a lesson. The hard way. Their referendum bid was defeated in a landslide ... and every Congressional handgun control incumbent was returned to office as well!

This momentum has continued to gather steam over the past two years as we won major victories in California, Connecticut, Florida, Oregon, Virginia and Rhode Island. Our lobbying campaigns are picking up votes for the Brady Bill in Congress -- we now have an unprecedented 148 sponsors! And more and more organizations are joining with us in the campaign to prevent handgun violence.

But although we have now turned the gun control issue into a two-horse race, we are not yet within sight of the finishing line. Experiencing a severe credibility problem with its hard-core members because of our many recent successes, the NRA's leadership is determined to win back the ground

(over, please)

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NOW  
150!

it has lost to us.

To do it, the NRA is amassing an unprecedented amount of money to defeat our local, state and federal supporters at the polls while rewarding its backers with PAC checks.

The latest NRA filing shows that it already has \$632,739 in the bank. The Handgun Control Voter Education Fund, on the other hand, has only \$19,500. We anticipate the NRA will have over \$2 million by Labor Day.

Unless we can raise \$250,000 within the next 45 days, we will be in severe danger of losing the momentum we have built up so methodically over the last ten years.

Please don't allow that to happen! Write a generous check, right now if possible, to make sure our Voter Education Fund can educate the American voters before the crucial elections coming up in November ... and then has the staying-power to watchdog the politicians and their promises after the elections are over.

Your special contribution will be used exclusively to support the campaigns of pro-gun control candidates for Congress and state legislators, publicize the gun control records of present Representatives and Senators and publicly identify candidates and members of Congress who have accepted money from the NRA.

With your help we will use TV, radio, newspapers and targeted direct mail to bring about a major shift in the American political process ... we will make handgun crime and violence an issue that must be addressed unequivocally by candidates.

Because of the ridiculous lawsuits that NRA lawyers keep filing against Handgun Control's Voter Education Fund in an effort to shut it down, I am now legally required by the Federal Election Committee to tell you that Handgun Control, Inc. is not coercing you into giving money to the Voter Education Fund, and that your donation is entirely voluntary.

Please help us make this the election that sets the stage for enacting a new national policy on guns and violence during the 1990s by contributing to the Handgun Control Voter Education Fund today.

Sincerely,



Charles J. Orasin  
President

P.S. We have no illusions about raising the kind of money that the NRA is amassing. But we have a plan for spending smarter than they do to get extra mileage out of your donation. Please help our Voter Education Fund in time to make a difference in this year's elections.

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# NATION/ WORLD

## National Rifle Association throws its weight around

### ■ Cash-rich PAC supports political allies very solidly

JOHN KING ASSOCIATED PRESS

**T**exas Sen. Phil Gramm knows the rewards of having the National Rifle Association as an ally. Michael Dukakis, on the other hand, knows what it's like to lead the NRA's list of enemies.

The organization uses its cash-rich political action committee to support its political allies and in the past has dug deep into its coffers to attack candidates it views as opponents.

The current Senate debate over a major crime bill that includes bans on nine categories of semiautomatic weapons is the latest test of the NRA's clout.

The association won a round last Thursday when it got enough votes to stall action on the bill. But it likely will be tested

again in the coming weeks, as even Republican lawmakers considered staunch NRA allies seek a compromise so the Congress can pass an election-year crime bill.

History says the NRA will remember the votes come fall. And its PAC has the money to affect campaigns, holding more than \$431,000 at the end of May, according to Federal Election Commission records.

The PAC raised \$1.2 million in the 15 months ending in March — the 24th best showing among more than 4,500 registered committees — and already had donated \$320,000 to congressional candidates in the 1990 cycle.

Like many wealthy PACs, it not only gives directly to candidates but also uses media ads and mail appeals to influence targeted campaigns.

Gramm, a conservative Republican who is a natural NRA ally, received \$9,900 directly from the PAC for his 1984 election campaign. It also spent \$327,850 on an independent drive to support his candidacy.

Dukakis, the Massachusetts governor and 1988 Democratic presidential nominee, was on the other end of an NRA independent-expenditure campaign.

FEC records show the NRA spent more than \$1.5 million against Dukakis, much of that on radio ads and direct mail appeals that accused Dukakis of vowing to disarm his state.

Dukakis said the ads distorted his views and at one point he threatened to sue the NRA. Still, his campaign was forced to counter with ads of its own — diverting valuable campaign money and air time.

FEC records show most of the 37 senators whose vote helped the NRA's position in the Senate last Thursday have received campaign help from the organization.

Over the past six years, the NRA has spent nearly \$700,000 on behalf of 33 of the 37 senators, according to FEC records. The six-year period was chosen because 1984 was the last time some senators were up for re-election.

More than \$240,000 of the spending by the NRA's political committee was in the

form of campaign donations to the 33. The NRA's PAC spent an additional \$440,000 on advertising and other independent efforts to support five of the 33, including the nearly \$330,000 spent to support Gramm.

The Thursday vote came on a motion to limit the length of debate on the crime bill, with the Senate leadership falling three short of the 60 votes it needed.

Supporting the leadership in that unsuccessful effort were 21 senators who in the past six years have received financial help from the NRA.

The records show that NRA spent more than \$240,000 on behalf of the 21; \$112,600 in direct contributions and \$130,450 on independent efforts to support four of the 21.

Ten of the 21 lawmakers sided with the NRA two weeks ago when an amendment that would have removed the gun controls from the legislation failed on a 52-48 vote. But last week the 10 sided with the leadership in trying to limit debate.

Among them was Sen. Arlen Specter, R-

Pa., who according to FEC records benefited from a \$112,000 NRA independent expenditure campaign in 1986.

Specter is coauthor of a provision in the bill designed to speed up certain executions, and his vote Thursday was interpreted more as an effort to keep the overall crime bill alive than as a rebuke to the NRA.

Also among the 10 lawmakers who supported the NRA stance earlier but sided with the leadership last week was Sen. Strom Thurmond of South Carolina, ranking Republican on the Judiciary Committee, who has received \$15,000 from the NRA over the past six years.

If the bill clears the Senate with the bans on semiautomatic weapons, the NRA's lobbying effort will shift to the House, where it also has dozens of staunch allies. The NRA's PAC has donated more than \$2 million to House candidates in the past six years.

But its chances of deleting the bans from the legislation in the House are not considered as strong as in the Senate.

*There is no doubt about it - the NRA's PAC is enormously wealthy and influential.*

*However, the Senate's assault weapons vote proved that the NRA's hold on Congress is weakening. We can't let up now - the legislators know we are there and ready to hold them accountable for votes in exchange for NRA's PAC money.*

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**Yes! I want to make handgun  
crime and violence an issue in  
the '90 races ...**

**HANDGUN CONTROL**

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

Absalam F. Jordan, Jr.  
1240 Savannah St. S.E.  
Washington, DC 20032

... by supporting the work of the Handgun Control Voter Education Fund. Use my donation to support the campaigns of pro-gun control candidates for Congress and state legislatures, publicize the gun control records of present Representatives and Senators and publicly identify candidates and members of Congress who are on the NRA's PAC payroll. The NRA couldn't stop you from telling me about this exciting new campaign ... and they won't stop us from telling the American voters which politicians support public safety and which ones support only what the NRA tells them to support.

My check, payable to Handgun Control Voter Education Fund, is enclosed for:

\$15       \$25       \$30       \$35       Other \$ \_\_\_\_\_

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Please make your check payable to Handgun Control Voter Education Fund and return it with this form in the envelope provided to: Handgun Control Voter Education Fund, P.O. Box 96638, Washington, D.C. 20090-6637. Please see important information on the other side. Contributions to Handgun Control Voter Education Fund are not tax-deductible.

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Contributions to Handgun Control Voter Education Fund are entirely voluntary — you have the right to refuse to contribute without reprisal. ✓

Handgun Control Voter Education Fund cannot accept contributions from corporations. Please make sure you use a personal check when donating to our work. Thank you.

The Federal Election Committee requires all those contributing more than \$200 per calendar year to provide the following information:

Occupation \_\_\_\_\_ Employer \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_

A copy of the last Financial Report and Registration filed by this organization may be obtained by sending a stamped, self-addressed envelope to: Handgun Control, Inc., 1225 Eye Street, N.W., Room 1100, Washington, D.C. 20005, (202) 898-0792; or the Office of Charities Registration, 162 Washington Avenue, Albany, NY 12231; Office of the Secretary of State, Statehouse, Annapolis, MD 21401; of State Division of Consumer Affairs, Dept. of Agriculture & Consumer Services, P.O. Box 1163, Richmond, VA 23209. Residents of West Virginia may obtain a summary from: Secretary of State, State Capitol, Charleston, WV 25305. Registration with any of these governmental agencies does not imply endorsement by the state. MICS 9815.

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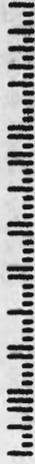


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Attn: Voter Education Fund  
P.O. Box 96638  
Washington, D.C. 20090-6637**



**HANDGUN CONTROL**

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

**The NRA went to court to try to stop me  
from telling you this ...**





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 30, 1990

Stephen P. Halbrook, Ph.D.  
Attorney and Counsellor at Law  
Suite B-3  
10605 Judicial Drive  
Fairfax, VA 22030

RE: MUR 3178

Dear Mr. Halbrook:

This letter acknowledges receipt on November 20, 1990, of the complaint you filed on behalf of Absalom F. Jordon, Jr. alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by the Handgun Control Voter Education Fund 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 3178. 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 H. Noble  
General Counsel

BY:

  
Lois G. Lerner  
Associate General Counsel

Enclosure  
Procedures

91040355083



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 30, 1990

Charles J. Orasin, President  
Handgun Control, Inc.  
1225 Eye Street, S.E.  
Suite 1100  
Washington, D.C. 20005

RE: MUR 3178

Dear Mr. Orasin:

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 3178. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 5 U.S.C. § 437g(a)(4)(B) and § 437g(a)(1)(2)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by 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 Xavier McDonnell, 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

21040855085



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 30, 1990

Edward O. Welles, Treasurer  
Handgun Control Voter Education Fund  
Suite 1100  
1225 Eye Street, S.E.  
Washington, D.C. 20005

RE: MUR 3178

Dear Mr. Welles:

The Federal Election Commission received a complaint which alleges that the Handgun Control Voter Education Fund, 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 3178. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 4370(a)(4)(B) and § 4370(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by 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 Xavier McDonnell, 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

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**FRIED, FRANK, HARRIS, SHRIVER & JACOBSON**

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(202) 639-7050

December 10, 1990

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 DEC 10 PM 3:43

By Hand

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

Re: MUR 3178

Dear Mr. Noble:

This letter responds to the complaint of Absalom F. Jordan, dated November 8, 1990, 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. § 437(g).

The present complaint alleges that HCI's membership rules do not afford the members "sufficient" control over the organization. As such, this complaint is simply the latest in a long series of repetitive and redundant efforts to harass HCI by attacking its membership rules.

In 1984, HCI and the Commission signed a Conciliation Agreement establishing new membership rules for HCI. Since that time, the National Rifle Association ("NRA") has three times tried to challenge the terms of that conciliation agreement. Each time the Commission has declined the invitation to void its ruling that "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 p. 5; see also [cite to FEC ruling on MUR 2836]; First General Counsel's Report, MUR 2115 (Feb. 18, 1989) at n. 2 & p. 12.

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Mr. Lawrence M. Noble  
 Page 2  
 December 10, 1990

The complaint argues that HCI's membership rules are defective because (a) they do not provide for the membership to elect all or a majority of the Directors, and (b) they provide that HCI's Board of Directors may amend the organization's Articles of Incorporation. The provision allowing members to elect one member of the Board was implemented six years ago as a requirement of the Conciliation Agreement, and the exclusive power of the Board of Directors to amend HCI's Articles has been in place since the organization's inception. Thus, both elements of the membership rules which the complainant attacks were part of the rules set in place by the Conciliation Agreement. The present complaint is simply another belated, collateral attack on the Conciliation Agreement approved long ago by the Commission.

I. Background

The present complaint is the fourth attack by those opposed to HCI's views to attack the organization's 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 three 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, 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

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Mr. Lawrence M. Noble  
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December 10, 1990

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.

Despite this ruling, 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).

Undaunted by this string of rebuffs from the Commission and the Courts, the NRA filed yet another complaint on March 14, 1989, designated MUR 2836, once again based on the assertion that HCI's membership procedures were inadequate because they allowed the membership to elect fewer than a majority of the Board of Directors. See NRA Complaint MUR 2836, dated March 14, 1989. Once again, the Commission denied this redundant attack on the Commission's prior decisions on this point. See In the Matter of Handgun Control, Inc., MUR 2836 (Aug. 24, 1989).

Whether or not the named complainant, Absalom F. Jordan, is acting independently of the NRA in bringing this complaint, the present complaint is barred by the Commission's prior rulings in the NRA cases on this issue. However, it plainly appears that Mr. Jordan is acting as a surrogate, agent or privy of the NRA. The present complaint repeats the NRA's most recent arguments in MUR 2836 in the same language -- in many cases in exactly the same words. Moreover, Mr. Halbrook, the attorney who signed the present complaint, has represented

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Mr. Lawrence M. Noble  
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 December 10, 1990

the NRA in previous efforts to to defeat gun controls through judicial means rather than public opinion. See Complaint in Fresno Rifle And Pistol Club, Inc. et al. v. John K. Van De Kamp (Eastern District of California, filed February 12, 1990).

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

The present complaint is an attack on the Conciliation Agreement, which binds both HCI and the Commission and therefore bars this complaint. The complainant does not assert 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 he challenges. Instead, the complainant 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 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 complaint does not argue here that HCI's member voting procedure violates the Conciliation Agreement.

If the complainant 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 present 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

The present complaint is also precluded by the Commission's previous rejection of three NRA complaints

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Mr. Lawrence M. Noble  
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 December 10, 1990

challenging the adequacy of HCI members' rights of participation under the same membership rules that the present complaint attacks.

"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).

Although the present complaint is brought in the name of Absalom F. Jordan, Jr., the use of Mr. Jordan is plainly just a device by the NRA to create the appearance that the present complaint is brought by an independent party. The NRA apparently believed that it could not file in its own name yet another complaint based on the same argument it has made, and lost, on three prior occasions with the Commission. That Mr. Jordan is acting merely as an agent or surrogate of the NRA is shown, in part, by the fact that his complaint repeats the NRA's most recent arguments in MUR 2836 in the same language -- in many cases in exactly the same words -- as used in the earlier complaint. The transparent device of using Mr. Jordan's name in this complaint should not allow the complainants to avoid preclusion by res judicata.

Indeed, even if Mr. Jordan were an interested citizen acting independently of the NRA, the Commission's prior rulings in the NRA cases should preclude the present complaint. An organization such as HCI -- or, for that matter, the NRA -- should not be subjected to repetitive de novo consideration of the same claims on which the Commission has already ruled in other cases. Permitting such claims would deprive organizations of the right to rely on the Commission's rulings, while inviting abusive actions filed over and over in the hopes of one day achieving a favorable result.

#### 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 prior complaints on the same issues, it would fail on the merits. The complaint claims that membership organizations under § 441b(b)(4) must provide for membership election of a majority of the organization's board of directors, at least so

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Mr. Lawrence M. Noble  
 Page 6  
 December 10, 1990

long as the Board is to have the powers typically placed in a Board of Directors, such as the power to amend the organization's Articles of Incorporation. The sole authority on which NRA relies for this proposition is in fact contrary to NRA's position.

HCI's bylaws are perfectly consistent with District of Columbia Nonprofit Corporations Act in providing that only the Board of Directors may amend the Articles of Incorporation. See D.C. Code § 29-536. The complaint cites no authority whatsoever for the proposition that a nonprofit corporation may not accord its Directors sole authority to amend the Articles of Incorporation.

As have the prior NRA complaints, the present complaint relies on Federal Election Commission v. National Right To Work Committee ("NRWC"), 459 U.S. 197 (1982), in which 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, or that the membership must have the power to amend the Articles of Incorporation. 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.

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 or place in the membership the power to amend the Articles of Incorporation. See D.C. Code §§ 29-502(6), -512, -518, 519, 524 and -536. HCI membership rules fully comply with District of Columbia law.

Finally, the complaint relies on a patently false premise in claiming that HCI's recent change to the language of its Articles of Incorporation "radically altered" HCI's purposes. Mr. Jordan did recently file a lawsuit aimed to enjoin HCI from taking action in support of legislation controlling assault weapons. Amending the language on which Mr. Jordan relied simply represented the most efficient way to dispose of the suit, and has succeeded in doing so.

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Mr. Lawrence M. Noble  
Page 7  
December 10, 1990

HCI's support for controls on assault weapons is at the core of its traditional purposes. HCI has actively supported such legislation and has actively publicized its position on assault weapons both through mailings to its members and through publicity aimed at the public at large. The only person ever to complain about this activity is Mr. Jordan -- a man who is a public opponent of all gun control and who became a member of HCI simply in order to gain legal standing to file lawsuits aimed to harrass those with whom he disagrees.

V. Conclusion

The present complaint represents merely one more repetitive attempt to abuse the Commission's powers and harrass HCI. The complaint represents both a collateral attack on a valid Conciliation Agreement approved six years ago by the Commission and a transparent effort to reopen issues which the Commission has already conclusively determined on four previous occasions. The complaint has no basis in statute, regulations or judicial precedent. The Commission, therefore, should take no action on this complaint against HCI.

Respectfully submitted,



David E. Birenbaum  
Carleton K. Montgomery

0404b/(8012M)

91040355024

EXHIBIT A

91040855095

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Handgun Control, Inc.; )  
Handgun Control Political )  
Action Committee; )  
Charles Crasin, as treasurer )

MUR 1604

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by the National Rifle Association of America. The Commission found reason to believe that Handgun Control, Inc. ("HCI"), Handgun Control Political Action Committee ("HCI-PAC"), and Charles Crasin, as treasurer, violated 2 U.S.C. § 4379a (4) (A) (i).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 4379a (4) (A) (ii).

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

III. Respondents enter voluntarily into this agreement with the Commission.

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 3178

NAME OF COUNSEL: David E. Birenbaum  
Carleton K. Montgomery

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

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.

12-5-90  
Date

*Charly Dean*  
Signature

RESPONDENT'S NAME: Handgun Control, Inc.

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

HOME PHONE: (202) 898-0792

BUSINESS PHONE: \_\_\_\_\_

91040355097

CKM

**FRIED, FRANK, HARRIS, SHRIVER & JACOBSON**

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

CABLE STERIC WASHINGTON  
TELEX 882406

DEX 6200 (202) 639-7000  
DEX 6200 (202) 639-7003  
DEX 3500 (202) 639-7004  
DEX 4200 (202) 639-7005

ONE NEW YORK PLAZA  
NEW YORK, NEW YORK 10004-0000  
(212) 680-8000  
TELEX 680823

730 S. FLORENZA  
LOS ANGELES, CALIFORNIA 9007-9438  
(213) 680-2800

3 KING'S ARMS YARD  
LONDON, EC8R 7AD, ENGLAND  
101 600-1841  
TELEX 687608

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.

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§ 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

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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 PEC 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

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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).

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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.

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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

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- 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 Crasin 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-

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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(7) HCI contends its membership practices were in full compliance with the requirements for membership in the corporation and in full compliance with the laws of the District of Columbia.

(8) From 1979 through 1983, membership renewals were mailed by HCI to those individuals considered to be its members.

(9) From 1979 through 1983, HCI provided newsletters and regular publications, and other materials at no cost to those individuals considered to be its members.

(10) From 1979 through 1983, Respondents solicited contributions to HCI-PAC only from those individuals whom they considered to be members of HCI, and HCI-PAC received \$479,095 in contributions from those individuals.

V. The Commission has determined that Respondents violated 2 U.S.C. § 441b(b)(4)(A) by soliciting contributions to HCI-PAC from individuals who do not constitute "members" 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.

VI. For purposes of settling this matter with regards to the Respondents, Respondents will pay a civil penalty in the amount of Fifteen Thousand Dollars (\$15,000) to the United States Treasurer, pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. Respondent HCI agrees that, as requirements for membership in HCI, it shall establish a predetermined minimum amount of dues

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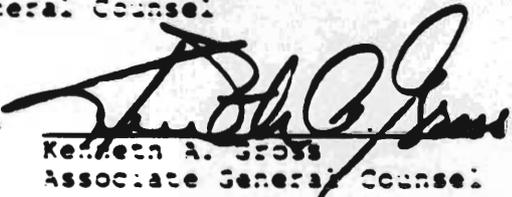
XII. Respondents shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

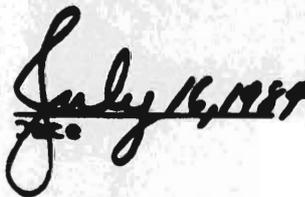
XIII. This Conciliation Agreement constitutes the entire Agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written Agreement shall be valid.

FOR THE COMMISSION:

Charles N. Steele  
General Counsel

BY:

  
Kenneth A. Gross  
Associate General Counsel

  
July 16, 1954  
Date

FOR THE RESPONDENTS:

Handgun Control, Inc.

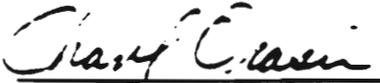
BY:

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

7-10-54  
Date

Handgun Control, Inc. -  
Political Action Committee

BY:

  
Charles Crasin, Treasurer

7-10-54  
Date

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CHARLES ORASIN

BY: Charles Orasin

7-10-54  
Date

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STATEMENT OF DESIGNATION OF COUNSEL

**NR** 2836

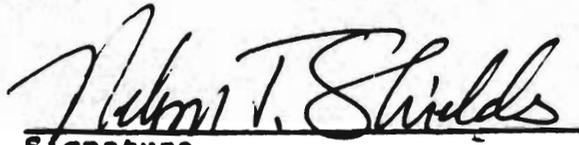
**NAME OF COUNSEL:** David E. Birenbaum

**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

  
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

21040355111

**HANDGUN CONTROL**

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

12/4 TO: Carleton  
Montgomery  
M/M & the same  
response -- can you  
draft a response?  
P.A. What is the  
status of the  
suicide

**Memorandum**

To: David Birenbaum  
Carleton Montgomery  
From: Charlie Orasin *Charlie*  
Date: December 3, 1990  
Re: New FEC complaint

We received the attached FEC complaint today,  
December 3rd.

You'll note the complaint is on behalf of Absalom  
Jordan, the individual who has filed previous papers.

Please advise how you want to proceed. The more  
success we have, the more we seem to be an invitation  
to complaints.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 30, 1990

Charles J. Orasin, President  
Handgun Control, Inc.  
1225 Eye Street, S.E.  
Suite 1100  
Washington, D.C. 20005

RE: MUR 3178

Dear Mr. Orasin:

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 3178. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and 5 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by 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.

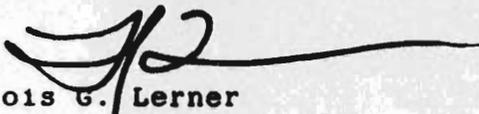
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If you have any questions, please contact Xavier McDonnell, the attorney assigned to this matter at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

  
Lois G. Lerner  
Associate General Counsel

**Enclosures**

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

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**DESCRIPTION OF PRELIMINARY PROCEDURES  
FOR PROCESSING COMPLAINTS FILED WITH THE  
FEDERAL ELECTION COMMISSION**

Complaints filed with the Federal Election Commission shall be referred to the Enforcement Division of the Office of the General Counsel, where they are assigned a MUR (Matter Under Review) number and assigned to a staff member. Within five days of receipt of a complaint, the Commission shall notify, in writing, the respondent listed in the complaint that the complaint has been filed and shall include with such notification a copy of the complaint. Simultaneously, the complainant shall be notified that the complaint has been received and will be acted upon. The respondent(s) shall then have 15 days to demonstrate, in writing, that no action should be taken against him/her in response to the complaint.

At the end of the 15 days, the Office of the General Counsel shall report to the Commission making a recommendation(s) based upon a preliminary legal and factual analysis of the complaint and any submission made by the respondent(s). A copy of respondent's submission shall be attached to the Office of the General Counsel's report and forwarded to the Commission. This initial report shall recommend either: (a) that the Commission find reason to believe that the complaint sets forth a possible violation of the Federal Election Campaign Act of 1971, as amended, (hereinafter "the Act"); or (b) that the Commission find no reason to believe that the complaint sets forth a possible violation of the Act and, accordingly, that the Commission close the file in the matter.

If, by an affirmative vote of four Commissioners, the Commission decides that it has reason to believe that a person has committed or is about to commit a violation of the Act, the Office of the General Counsel shall open an investigation into the matter. During the investigation, the Commission shall have the power to subpoena documents, to subpoena individuals to appear for deposition, and to order written answers to interrogatories. The respondent(s) may be contacted more than once by the Commission during its investigation.

If, during this period of investigation, the respondent(s) indicate a desire to enter into conciliation, the Office of the General Counsel may recommend that the Commission enter into conciliation prior to a finding of probable cause to believe a violation has been committed. Conciliation is an attempt to correct or prevent a violation of the Act by informal methods of conference and persuasion. Most often, the result of conciliation is an agreement signed by the Commission and the respondent(s). The Conciliation Agreement must be adopted by four votes of the Commission before it becomes final. After signature by the Commission and the respondent(s), the Commission shall make public the Conciliation Agreement.

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**STEPHEN P. HALBROOK, PH.D.**

**ATTORNEY AND COUNSELLOR AT LAW**

**SUITE B-3**

**10805 JUDICIAL DRIVE**

**FAIRFAX, VIRGINIA 22090**

**TELEPHONE (703) 385-8610**

**FAX (703) 389-0638**

MUR 3178

**November 8, 1990**

**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), Absalom F. Jordan, Jr., 1240 Savannah St., S.E., Washington, D.C. 20032, by and through his counsel Stephen P. Halbrook, 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"), 1225 Eye St., N.W., Suite 1100, Washington, D.C. 20005, has solicited contributions in violation of the Federal Election Act, 2 U.S.C. §441b(b)(4).

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.

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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.

~~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

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to a degree sufficient to allow HCI to qualify as a membership organization under the Act.

HCI does not qualify as a "membership organization" for two interrelated reasons. First, amendments to the articles of incorporation and bylaws--and thus total control of the organization--are within the sole discretion of the board of directors, without any participation by the "members." Indeed, the directors have authority to change totally the objectives of HCI, and in fact did so by an amendment to the articles of incorporation on August 7, 1990. Second, the "members" are allowed to elect only one director out of 18 members of the board of directors. The bylaws 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. This only exacerbates the absence both of control and of a meaningful ability to participate in the operation of the organization resulting from the "members" lack of power to amend the articles of incorporation or the bylaws. Thus, any solicitations made to purported members are in violation of 2 U.S.C. §441b(b)(4).

I. THE DIRECTORS HAVE SOLE AND UNLIMITED  
DISCRETION TO AMEND THE ARTICLES OF  
INCORPORATION

Handgun Control, Inc. (hereafter "HCI") is a nonprofit corporation organized under the District of Columbia Nonprofit Corporation Act, §29-501 et. seq. HCI was originally

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incorporated in the District of Columbia on January 16, 1974 under the name "National Council to Control Handguns," and amended its name to "Handgun Control, Inc." by filing dated November 13, 1978.

Article 3 of the Articles of Incorporation of HCI filed with the District of Columbia on January 16, 1974, provides:

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. (Exhibit 1 herein.)

Article 6 of the HCI amended By-Laws provides: "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." (Exhibit 4 herein.) By check dated April 16, 1990, Mr. Jordan contributed \$15.00 to HCI. HCI deposited this check on or about April 23, 1990. Accordingly, Jordan is a member of HCI.

On or about July 19, 1990, Mr. Jordan filed a Verified Complaint for Injunctive Relief against HCI. (Absalom F. Jordan, Jr. v. Handgun Control, Inc., Civil No. 90-CA08054, Superior Court of the District of Columbia, Civil Division. Mr. Jordan alleged that certain acts and expenditures of HCI seeking

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restrictions on possession of rifles and shotguns are invalid because HCI is without power to do such acts. Pursuant to D.C. Code §29-506, Mr. Jordan prayed the Court for an injunction against any further such ultra vires acts and expenditures by HCI.

As a direct result of Mr. Jordan's filing of the above complaint, on August 7, 1990 the HCI directors adopted Articles of Amendment to HCI's Articles of Incorporation. See Consent in Lieu of a Special Meeting of the Board of Directors of Handgun Control, Inc., Exhibit 5 herein. On August 10, 1990, HCI filed them with the District of Columbia. The amendment purported to change Article 3 of HCI's articles to delete as its purpose the adoption of measures "for the control of handguns," and to insert "for the prevention of gun violence." Exhibit 6 herein.

Although the Consent in Lieu of a Special Meeting of the Board of Directors of HCI indicates that the "directors" adopted the amendment, the above purported Articles of Amendment as filed with the District of Columbia state that "the resolution amending the Articles of Incorporation was adopted by a consent in writing signed by all members entitled to vote with respect thereto." (Exhibit 6 herein.)

Despite the fact that Article 4 of HCI's Articles of Incorporation provides that the members shall have voting rights as prescribed in the Bylaws (Exhibit 1 herein), the Bylaws make no provision for members to vote with respect to amending the

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Articles of Incorporation. Accordingly, the purported Articles of Amendment filed with the District of Columbia could not have been "adopted in writing signed by all members entitled to vote with respect thereto." Thus, while HCI's filing with D.C. claimed that "members" adopted the amendment, the Consent in Lieu of a Special Meeting (Exhibit 5) correctly indicates that the "directors" adopted the amendment.

Under HCI's Articles of Incorporation and Bylaws, HCI Directors are not even required to be members of HCI. See D.C. Code §29-518 ("Directors need not be . . . members of the corporation unless the articles of incorporation or the bylaws so require.")

Reflecting the lack of any member voting rights in the articles and bylaws, Mr. Jordan, an HCI member, received no notice of any proposed amendment to the Articles of Incorporation, and had no opportunity to vote on such resolution. The very purpose of HCI was radically altered without any notice to, or opportunity to participate by, its "members." No such organization is a "membership organization" in any sense of the term.

II. HCI'S BYLAWS 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

Article 6 of the Articles of Incorporation of HCI provides 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). (Exhibit 1.)

Thus, 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 corporation.<sup>1</sup>

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 bylaws provide only that members have the authority to

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<sup>1</sup> Article 8 of the By-Laws (Exhibit 3) authorizes only the Governing Board to "alter, amend, repeal, or add to" the By-Laws. Moreover, while Article 9 of the amended By-Laws (Exhibit 4) provides for an annual meeting of members, it does not, in light of Article 6 of the Articles of Incorporation, supra, authorize the members to govern or manage the corporation at that meeting.

elect a single director. Article 4, 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 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). (Exhibit 4 herein.)

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, when that Board has total control over the operation and administration of the organization, 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 a result, 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.<sup>2</sup>

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<sup>2</sup> 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. Article 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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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. The legislative history relating to 2 U.S.C. §441b(b)(4)(A) is particularly instructive in understanding the 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. S3860 (daily ed., March 22, 1976).

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

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a "membership" organization. A bona fide membership organization is one which represents its members; that is not the case here.

AO 1977-67, 1 Federal Election Campaign Financing Guide, CCH ¶ 5326, p. 10,302 (June 28, 1978).<sup>3</sup>

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 it can change the very purpose of the corporation at whim, and 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, HCI does not qualify for the membership organization exemption under 2 U.S.C. §441b(b)(4)(C). As such, a July 13, 1990 solicitation sent by HCI to its "members," including Mr. Jordan, was in violation of 2 U.S.C. § 441b(b)(4). This solicitation is attached hereto as Exhibit 7.

CONCLUSION

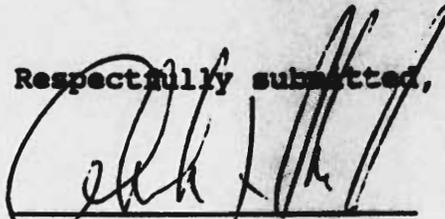
Handgun Control, Inc. has unlawfully solicited

<sup>3</sup> 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.

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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.

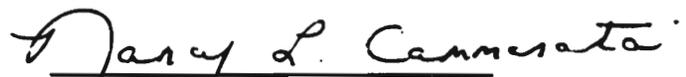
Respectfully submitted,

  
ABSALOM F. JORDAN, Jr.  
Complainant

By:   
Stephen P. Halbrook  
Ste. B-3  
10605 Judicial Drive  
Fairfax, VA 22030  
(703) 385-8610  
Counsel for Complainant

STATE OF VIRGINIA  
COUNTY/CITY of FAIRFAX

SUBSCRIBED and SWORN to by Stephen P. Halbrook before me  
this 9<sup>th</sup> day of November, 1990.

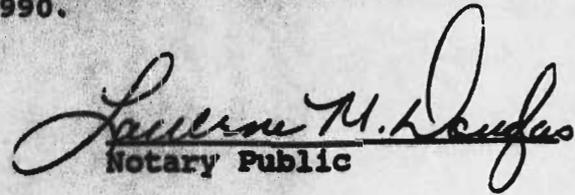
  
Notary Public

My Commission expires: June 1, 1993

STATE OF \_\_\_\_\_  
COUNTY/CITY of Washington, D.C.

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SUBSCRIBED and SWORN to by Absalom F. Jordan, Jr. before me  
this 15th day of November 1990.

  
Notary Public

My Commission expires: 04-30-92

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**EXHIBITS**

1. Articles of Incorporation filed Jan. 16, 1974
2. Articles of Amendment to Articles of Incorporation filed Nov. 13, 1978
3. By-Laws
4. [Amendments to By-Laws], Consent-in-Lieu of a Special Meeting of the Governing Board of Handgun Control Inc.
5. Consent in Lieu of a Special Meeting of the Board of Directors of Handgun Control, Inc.
6. Articles of Amendment to the Articles of Incorporation dated August 17, 1990
7. Handgun Control, Inc. solicitation dated July 13, 1990

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**EXHIBIT 1**

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GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
BUSINESS REGULATION ADMINISTRATION



**THIS IS TO CERTIFY** that the pages attached hereto constitute a full, true and complete copy of:

Certificate and Articles of Incorporation of **THE NATIONAL COUNCIL TO CONTROL HANDGUNS**, as received and filed on the 16th day of January, 1974. \_\_\_\_\_

\_\_\_\_\_ as the same appears of record in this office.

**IN TESTIMONY WHEREOF**, I have hereunto set my hand and caused the seal of this office to be affixed, this the 18th day of September, 1987.

Donald G. Murray  
Director

Henry C. Lee, III  
Acting Administrator

*Miriam Hellen Jones*  
Miriam Hellen Jones  
Superintendent of Corporations  
Corporations Division

Government of the District of Columbia  
Marion Barry, Jr., Mayor

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OFFICE OF RECORDER OF DEEDS, D. C.

Corporation Division  
24th and D Streets, N.W.  
Washington, D. C. 20001

740-1

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 Incorporation

is hereby issued to the THE NATIONAL COUNCIL TO CONTROL HANDGUNS

as of the date hereinafter mentioned.

Date January 16, 1974



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

Alfred Goldstein  
Superintendent of Corporations

Government of the District of Columbia  
Jan 16 1974

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ARTICLES OF INCORPORATION

OF THE

NATIONAL COUNCIL TO CONTROL HANDGUNS

FILING FEE  
INDEXING FEE

*11.00*  
2.00

FILED

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

-----JAN 16 1974

BY: \_\_\_\_\_ *(Signature)*

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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3. The Corporation may exercise all power or 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.

4. 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.

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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 301(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 301(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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DISTRICT OF COLUMBIA) SS:

I, Harold Schuman a Notary Public, hereby certify that on the 9<sup>th</sup> day of July, 1974, MARK BORINSKY, JANET SUE BORINSKY, and MARTHA CAROL WEISS personally appeared before me, and the said persons, being by me first duly sworn, declared that they signed the Articles of Incorporation bearing date signed the 9<sup>th</sup> day of July, 1974 hereto annexed, as incorporators, and that the statements therein contained are true.

Given under my hand and seal this 9<sup>th</sup> day of July, 1974.

Harold Schuman  
Notary Public

My Commission expires July 31, 1976

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**EXHIBIT 2**

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GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
BUSINESS REGULATION ADMINISTRATION



**THIS IS TO CERTIFY** that the pages attached hereto constitute a full, true and complete copy of:

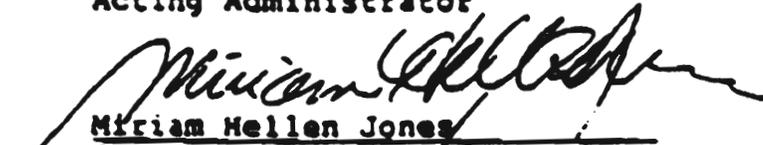
Certificate and Articles of Amendment of THE NATIONAL COUNCIL TO CONTROL HANDGUNS, changing the name to: HANDGUN CONTROL, INC., as received and filed on the 13th day of November, 1978.

as the same appears of record in this office.

**IN TESTIMONY WHEREOF**, I have hereunto set my hand and caused the seal of this office to be affixed, this the 18th day of September, 1987.

Donald G. Murray  
Director

Henry C. Lee, III  
Acting Administrator

  
Miriam Hellen Jones  
Superintendent of Corporations  
Corporations Division

Government of the District of Columbia  
Marion Barry, Jr., Mayor

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OFFICE OF RECORDER OF DEEDS, D. C.

Corporation Division  
5th 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. Rindler,**  
*Recorder of Deeds, D. C.*

*John M. Duty*  
**John M. Duty**  
Assistant Superintendent of Corporations

91040855139

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

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National Council to Control H:

By: Nelson T. Shields  
Nelson T. Shields  
Chairman

Attest:  
Mark Borinsky  
Mark Borinsky  
Secretary

FILED ..... NOV 13 1978  
BY SPS .....

EXHIBIT 3

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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

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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 Chairmen and one or more of its number as Vice-Chairmen. The Chairmen 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.

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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.

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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

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these 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 or 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

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.

Article VII. ACCOUNTING PERIOD

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

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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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**EXHIBIT 4**

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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) hercof.

(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

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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 5**

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CONSENT IN LIEU OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
OF HANDGUN CONTROL, INC.

The undersigned, constituting all of the Directors of Handgun Control, Inc., and acting by majority written consent pursuant to Sections 29-535 & 29-536 of the District of Columbia Code, Nonprofit Corporations Act, hereby adopt the following resolutions:

WHEREAS, Handgun Control, Inc. has been sued on the alleged ground that the Articles of Incorporation forbid the organization from working to promote any form of regulation of rifles and shotguns of any kind, and

WHEREAS, the Articles of Incorporation in their present form do authorize Handgun Control, Inc. to promote reasonable and practical regulation of rifles and shotguns when necessary to prevent gun violence in America, and

WHEREAS, amendment of the Articles of Incorporation as set forth below to confirm and clarify the foregoing may avoid the need for protracted litigation of the lawsuit,

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NOW, THEREFORE, BE IT

RESOLVED, that the Articles Of Incorporation of Handgun Control, Inc. be, and hereby are, amended, modified and altered as follows:

The following paragraph of Article 3 shall be deleted in full:

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

and shall be replaced with the following paragraph:

To operate on a nonprofit, nonpartisan basis for the promotion of social welfare of the United States by, among other activities, working for the formulation and adoption of reasonable and practical measures for the prevention of gun violence.

and,

RESOLVED, that each officer of Handgun Control, Inc. be, and hereby is, authorized to take such further actions and prepare, execute and files such documents as he or she may determine, in his or her absolute discretion, to be necessary or desirable to effectuate the purposes of the foregoing

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resolution, such determination to be evidenced conclusively by the performance of such actions.

IN WITNESS WHEREOF, we have hereunto set our hands:

DATE:

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Sarah Brady

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Stanley E. Foster

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Edward O. Welles

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Charles J. Orasin

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Richard Aborn

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Mary Lewis Grow

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N.T. Pete Shields

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John Hechinger

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Lois Hess

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David Birenbaum

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Larry Lowenstein

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Senator Lee Fisher

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Helen Raiser

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Maurice Rosenblatt

resolution, such determination to be evidenced conclusively by the performance of such actions.

IN WITNESS WHEREOF, we have hereunto set our hands:

DATE:

June 2 1940

Sarah Brady  
Sarah Brady

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Stanley E. Foster

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Edward O. Welles

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Charles J. Orasin

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Richard Aborn

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Mary Lewis Grow

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resolution, such determination to be evidenced conclusively by the performance of such actions.

IN WITNESS WHEREOF, we have hereunto set our hands:

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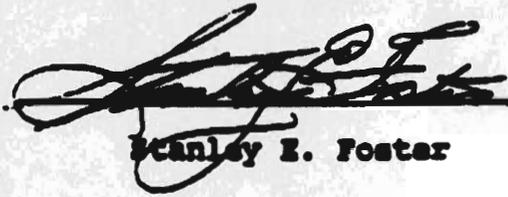
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Sarah Brady



Stanley E. Foster

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Edward O. Welles

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Charles J. Orasin

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Richard Aborn

\_\_\_\_\_

Mary Lewis Grow

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resolution, such determination to be evidenced conclusively by the performance of such actions.

IN WITNESS WHEREOF, we have hereunto set our hands:

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Sarah Brady

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Stanley E. Foster

3 Aug 1990

*Edward O. Welles*

Edward O. Welles

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Charles J. Orasin

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Richard Aborn

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Mary Lewis Grow

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resolution. such determination to be evidenced conclusively by the performance of such actions.

IN WITNESS WHEREOF, we have hereunto set our hands:

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Sarah Brady

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Stanley E. Foster

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Edward O. Welles

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*Charles J. Orasin*

Charles J. Orasin

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Richard Aborn

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Mary Lewis Grow

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resolution, such determination to be evidenced conclusively by the performance of such actions.

IN WITNESS WHEREOF, we have hereunto set our hands:

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Sarah Brady

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Stanley E. Foster

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Edward O. Welles

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Charles J. Orasin

August 2<sup>nd</sup> 1940

Richard Aborn

Richard Aborn

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Mary Lewis Grov

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resolution, such determination to be evidenced conclusively by the performance of such actions.

IN WITNESS WHEREOF, we have hereunto set our hands:

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Sarah Brady

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Stanley E. Foster

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Edward O. Welles

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Charles J. Orasin

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Richard Aborn

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Mary Lewis Crow

Mary Lewis Crow

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*N. T. Shields*

N.T. Pete Shields

John Hechinger

Lois Hess

David Birenbaum

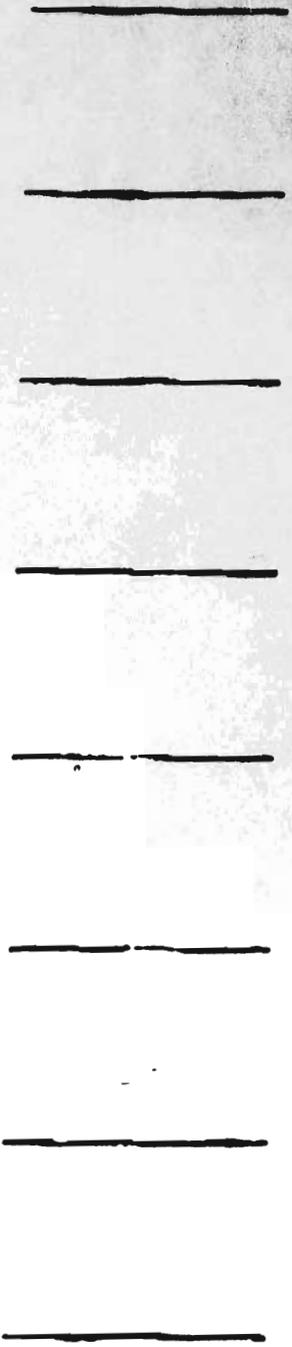
Larry Lowenstein

Senator Lee Fisher

Helen Raiser

Maurice Rosenblatt

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N.T. Pete Shields

*John W. Hechinger*

John Hechinger

Lois Hess

David Sirenbaum

Larry Lowenstein

Senator Lee Fisher

Helen Kaiser

Maurice Rosenblatt

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N.T. Pete Shields

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John Hechinger

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Lois Hess

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David Birenbaum

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Larry Lowenstein

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Senator Lee Fisher

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Helen Raiser

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Maurice Rosenblatt

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N.T. Pete Shields

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John Mechinger

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Lois Hess

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*David E. Birenbaum*  
David Birenbaum

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Larry Lowenstein

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Senator Lee Fisher

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Helen Raiser

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Maurice Rosenblatt

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*August 3, 1970*

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N.T. Pete Shields

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John Hechinger

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Lois Hess

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David Birenbaum

*Larry Lowenstein*

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Larry Lowenstein

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Senator Lee Fisher

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Helen Raiser

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Maurice Rosenblatt

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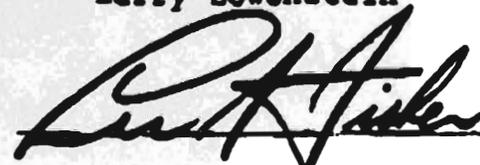
N.T. Pete Shields

John Hechinger

Lois Hess

David Birenbaum

Larry Lowenstein



Senator Lee Fisher

Helen Raiser

Maurice Rosenblatt

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N.T. Pete Shields

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John Hechinger

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Lois Hess

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David Birenbaum

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Larry Lowenstein

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Senator Lee Fisher

August 2, 1990.

*Helen Raiser*

Helen Raiser

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Maurice Rosenblatt

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N.T. Pete Shields

John Hechinger

Lois Hess

David Birenbaum

Larry Lowenstein

Senator Lee Fisher

Helen Raiser

*Maurice Rosenblatt*

Maurice Rosenblatt

2/4/90

*Susan Swift*  
Susan Swift

\_\_\_\_\_  
John Phillips

\_\_\_\_\_  
Jeanne Shields

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Odile Stern

7279M

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Susan Swift

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John Phillips

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*Jeanne Shields*  
Jeanne Shields

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Odile Stern

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Susan Swift

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John Phillips

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Jeanne Shields

8/6/90

Odile Stern

Odile Stern

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Susan Swift

*John Phillips*  
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John Phillips

Jeanne Shields

Odile Stern

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EXHIBIT 6

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GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
BUSINESS REGULATION ADMINISTRATION



CERTIFICATE

THIS IS TO CERTIFY that all applicable provisions of the DISTRICT OF COLUMBIA NONPROFIT CORPORATION ACT have been complied with and accordingly, this CERTIFICATE of Amendment is hereby issued to  
HANDGUN CONTROL, INC.

as of August 10th , 1990 .

Donald G. Murray  
Director

Henry C. Lee, III  
Administrator  
Business Regulation Administration

*Ruby Coston-White*  
Ruby Coston-White  
Superintendent of Corporations  
Corporations Division

Marion Barry, Jr.  
Mayor

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ARTICLES OF AMENDMENT TO THE  
ARTICLES OF INCORPORATION  
OF HANDGUN CONTROL, INC.

To: Department of Consumer & Regulatory Affairs  
Corporation Division

Pursuant to the provisions of the District of Columbia Nonprofit Corporation Act, the undersigned has adopted the following Articles of Amendment to its Articles of Incorporation:

FIRST, the following resolution amending the Articles of Incorporation was adopted by Handgun Control, Inc. in the manner prescribed by the District of Columbia Nonprofit Corporations Act:

RESOLVED, that the Articles of Incorporation of Handgun Control, Inc. be, and hereby are, amended, modified and altered as follows:

The following paragraph of Article 3 shall be deleted in full:

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

and shall be replaced with the following paragraph:

To operate on a nonprofit, nonpartisan basis for the promotion of social welfare of the United States by, among other activities, working for the formulation and adoption of reasonable and practical measures for the prevention of gun violence.

FILED  
10 AUG 1990

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SECOND: The resolution amending the Articles of Incorporation was adopted by a consent in writing signed by all members entitled to vote with respect thereto.

DATE: August 7, 1990

Handgun Control, Inc.

By: Charles J. Orasin

Charles J. Orasin  
President

Attest:

Lois Hess

Lois Hess  
Secretary

7336M

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EXHIBIT 7

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# HANDGUN CONTROL

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

July 13, 1990

Dear Handgun Control Supporter:

The National Rifle Association is so afraid of what I am about to tell you about the Handgun Control Voter Education Fund that they had their high-priced lawyers go to court to try to put it out of business.

They've tried repeatedly to muzzle us. AND LOST!

Fortunately ... the Federal Election Committee and the courts rebuked the NRA's attempt to shut down our fund.

So now I'm free to tell you what the NRA doesn't want you to hear ... how we are planning to use our expanded Handgun Control Voter Education Fund to shape our nation's gun policy at the ballot box this November.

The NRA fears this election-year initiative more than they've feared any other program we've ever launched. And with good reason.

You see ... the biggest stumbling block barring the passage of new gun laws is that most voters don't realize the extent of the gun violence problem in America or what their elected representatives are doing about it.

As one of our loyal supporters, you already know that 91 percent of all Americans favor the Brady Bill (S.1236 and H.R.467) which would require a national seven-day "cooling off" period for anyone who wants to buy a concealable handgun from a gun dealer.

More than nine out of ten Americans want their representatives to support this legislation in Congress ... but don't know their politician's stand because legislators have always been very good at keeping their controversial votes hidden behind the scenes.

Until now. With your help, the Handgun Control Voter Education Fund can let this best-kept secret out of the bag by:

1. Supporting the campaigns of pro-gun control candidates for Congress;
2. Publicizing the gun control records of present Representatives and Senators; and,
3. Publicly identifying candidates and Members of Congress who have accepted money from the NRA's PAC.

For the first time, we can have a procedure in place for educating the voters about all candidates' gun control positions before the next

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important elections are held.

Your strong financial support is essential to this unprecedented project for piercing the veil of secrecy that many politicians have hidden behind while voting against the wishes of their constituents in return for NRA favors and PAC money.

**IMPORTANT:** Federal law forbids us from spending any Handgun Control, Inc. funds on the activities I have just outlined for you.

The only money we can spend in this way are dollars that have been contributed specifically to the Handgun Control Voter Education Fund.

And we need your donation ASAP. In the crucial period from Labor Day to Election Day, we will use Voter Education Fund money to shine OPERATION SPOTLIGHT on Senators, Representatives and candidates.

This innovative campaign will make the voters aware of what their legislators are doing in Washington, where candidates for office stand on national gun control policy and if they are on the NRA's PAC payroll.

And it will be a very powerful political force in making the 1990s the decade in which Congress finally gets down to business -- doing something about our handgun crime and violence epidemic.

With reapportionment, there will be many new legislators in many new Congressional Districts. With your help, we will educate voters about their gun control positions -- before the elections.

Will this plan work? Will pro-gun control voters really make a candidate's gun policy position a critical factor in their vote?

Consider what happened in a close Congressional primary in Maine in June: Polls showed that the state's well-known Attorney General had the race wrapped up over his four challengers. The Attorney General made it clear that he opposed waiting period legislation.

But candidate Tom Andrews pulled off a surprise move: He successfully pushed a plank supporting a seven-day waiting period for handgun sales through the Democratic State Convention.

Fearing controversy, some party leaders distanced themselves from Tom's sensible gun control platform plank.

The politicians may have steered clear of the gun control issue, but the voters didn't. When the votes were all in, pro-gun control candidate Thomas Andrews had pulled off a stunning upset!

Shortly before this political rabbit had been pulled out of the hat, our own Jim and Sarah Brady jointly endorsed the candidacy of Tom Andrews

(next page, please)

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for Congress and praised him for persuading his party to adopt a waiting period as part of its platform. It was the first time the Bradys have made such a personal endorsement.

And that is what our Voter Education Fund can convince other voters to do ... personally support and work for the candidates in their District who support our legislative agenda for the 1990s.

With your help, we can turn a new chapter in how gun control affects the outcome of elections -- just as the NRA did in the 1970s when they claimed to defeat pro-gun control U.S. Senator Joe Tydings in Maryland and got the politicians running scared.

From that election on, politicians were afraid to vote against the NRA -- particularly if they had been elected by small margins -- fearing that they might become "the next Tydings."

This NRA hammerlock on Congress held firm throughout the 1970s, the formative years of our citizens' lobby.

Then ... with your help, we began to pry it loose.

In the 1980s Handgun Control, Inc. lobbied successfully to persuade legislators to ban "cop killer" bullets, undetectable plastic handguns, new machine guns and the importation of Saturday Night Special parts. And in 1988 we came within 24 votes of passing the Brady Bill, our cornerstone legislation for a national policy for preventing handgun crime and violence.

The NRA leaders were boiling mad. They decided it was time to teach us a political lesson. And they decided to do it, once again, in the state of Maryland where a statewide law banning Saturday Night Specials had recently been passed.

So ... along with working at the polls to defeat Representatives who voted for the Brady Bill, the NRA spent an unprecedented \$6.1 million to overturn the Maryland Saturday Night Special law by referendum.

But this time it was the NRA that learned a lesson. The hard way. Their referendum bid was defeated in a landslide ... and every Congressional handgun control incumbent was returned to office as well!

This momentum has continued to gather steam over the past two years as we won major victories in California, Connecticut, Florida, Oregon, Virginia and Rhode Island. Our lobbying campaigns are picking up votes for the Brady Bill in Congress -- we now have an unprecedented 148 sponsors! And more and more organizations are joining with us in the campaign to prevent handgun violence.

NOW!  
150!

But although we have now turned the gun control issue into a two-horse race, we are not yet within sight of the finishing line. Experiencing a severe credibility problem with its hard-core members because of our many recent successes, the NRA's leadership is determined to win back the ground

(over, please)

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it has lost to us.

To do it, the NRA is amassing an unprecedented amount of money to defeat our local, state and federal supporters at the polls while rewarding its backers with PAC checks.

The latest NRA filing shows that it already has \$632,739 in the bank. The Handgun Control Voter Education Fund, on the other hand, has only \$19,500. We anticipate the NRA will have over \$2 million by Labor Day.

Unless we can raise \$250,000 within the next 45 days, we will be in severe danger of losing the momentum we have built up so methodically over the last ten years.

Please don't allow that to happen! Write a generous check, right now if possible, to make sure our Voter Education Fund can educate the American voters before the crucial elections coming up in November ... and then has the staying-power to watchdog the politicians and their promises after the elections are over.

Your special contribution will be used exclusively to support the campaigns of pro-gun control candidates for Congress and state legislators, publicize the gun control records of present Representatives and Senators and publicly identify candidates and members of Congress who have accepted money from the NRA.

With your help we will use TV, radio, newspapers and targeted direct mail to bring about a major shift in the American political process ... we will make handgun crime and violence an issue that must be addressed unequivocally by candidates.

Because of the ridiculous lawsuits that NRA lawyers keep filing against Handgun Control's Voter Education Fund in an effort to shut it down, I am now legally required by the Federal Election Committee to tell you that Handgun Control, Inc. is not coercing you into giving money to the Voter Education Fund, and that your donation is entirely voluntary.

Please help us make this the election that sets the stage for enacting a new national policy on guns and violence during the 1990s by contributing to the Handgun Control Voter Education Fund today.

Sincerely,



Charles J. Orasin  
President

P.S. We have no illusions about raising the kind of money that the NRA is amassing. But we have a plan for spending smarter than they do to get extra mileage out of your donation. Please help our Voter Education Fund in time to make a difference in this year's elections.

2 1 0 4 0 3 5 5 1 8 4

# NATION/ WORLD

*There is no doubt about it - the NRA's PAC is enormously wealthy and influential.*

## National Rifle Association throws its weight around

*However, the Senate's assault weapons vote proved that the NRA's hold on Congress is weakening. We can't let up now - the legislators know we are there and ready to hold them accountable for votes in exchange for NRA's PAC money.*

### ■ Cash-rich PAC supports political allies very solidly

JOHN KING ASSOCIATED PRESS

**T**exas Sen. Phil Gramm knows the rewards of having the National Rifle Association as an ally. Michael Dukakis, on the other hand, knows what it's like to lead the NRA's list of enemies.

The organization uses its cash-rich political action committee to support its political allies and in the past has dug deep into its coffers to attack candidates it views as opponents.

The current Senate debate over a major crime bill that includes bans on nine categories of semiautomatic weapons is the latest test of the NRA's clout.

The association won a round last Thursday when it got enough votes to stall action on the bill. But it likely will be tested

again in the coming weeks, as even Republican lawmakers considered staunch NRA allies seek a compromise so the Congress can pass an election-year crime bill.

History says the NRA will remember the votes come fall. And its PAC has the money to affect campaigns, holding more than \$631,000 at the end of May, according to Federal Election Commission records.

The PAC raised \$1.2 million in the 15 months ending in March - the 24th best showing among more than 4,500 registered committees - and already had donated \$320,000 to congressional candidates in the 1990 cycle.

Like many wealthy PACs, it not only gives directly to candidates but also uses media ads and mail appeals to influence targeted campaigns.

Gramm, a conservative Republican who is a natural NRA ally, received \$9,900 directly from the PAC for his 1984 election campaign. It also spent \$327,850 on an independent drive to support his candidacy.

Dukakis, the Massachusetts governor and 1988 Democratic presidential nominee, was on the other end of an NRA independent-expenditure campaign.

FEC records show the NRA spent more than \$1.5 million against Dukakis, much of that on radio ads and direct mail appeals that accused Dukakis of vowing to disarm his state.

Dukakis said the ads distorted his views and at one point he threatened to sue the NRA. Still, his campaign was forced to counter with ads of its own - diverting valuable campaign money and air time.

FEC records show most of the 37 senators whose vote helped the NRA's position in the Senate last Thursday have received campaign help from the organization.

Over the past six years, the NRA has spent nearly \$700,000 on behalf of 33 of the 37 senators, according to FEC records. The six-year period was chosen because 1984 was the last time some senators were up for re-election.

More than \$340,000 of the spending by the NRA's political committee was in the

form of campaign donations to the 33. The NRA's PAC spent an additional \$440,000 on advertising and other independent efforts to support five of the 33, including the nearly \$330,000 spent to support Gramm.

The Thursday vote came on a motion to limit the length of debate on the crime bill, with the Senate leadership falling three short of the 60 votes it needed.

Supporting the leadership in that unsuccessful effort were 21 senators who in the past six years have received financial help from the NRA.

The records show that NRA spent more than \$240,000 on behalf of the 21; \$112,600 in direct contributions and \$130,450 on independent efforts to support four of the 21.

Ten of the 21 lawmakers sided with the NRA two weeks ago when an amendment that would have removed the gun controls from the legislation failed on a 52-48 vote. But last week the 10 sided with the leadership in trying to limit debate.

Among them was Sen. Arlen Specter, R-

Pa., who according to FEC records benefited from a \$112,000 NRA independent expenditure campaign in 1988.

Specter is coauthor of a provision in the bill designed to speed up certain executions, and his vote Thursday was interpreted more as an effort to keep the overall crime bill alive than as a rebuke to the NRA.

Also among the 10 lawmakers who supported the NRA stance earlier but sided with the leadership last week was Sen. Strom Thurmond of South Carolina, ranking Republican on the Judiciary Committee, who has received \$15,000 from the NRA over the past six years.

If the bill clears the Senate with the bans on semiautomatic weapons, the NRA's lobbying effort will shift to the House, where it also has dozens of staunch allies. The NRA's PAC has donated more than \$2 million to House candidates in the past six years.

But its chances of deleting the bans from the legislation in the House are not considered as strong as in the Senate.

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**Yes! I want to make handgun  
crime and violence an issue in  
the '90 races ...**

**HANDGUN CONTROL**

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

Absalam F. Jordan, Jr.  
1240 Savannah St. S.E.  
Washington, DC 20032

... by supporting the work of the Handgun Control Voter Education Fund. Use my donation to support the campaigns of pro-gun control candidates for Congress and state legislatures, publicize the gun control records of present Representatives and Senators and publicly identify candidates and members of Congress who are on the NRA's PAC payroll. The NRA couldn't stop you from telling me about this exciting new campaign ... and they won't stop us from telling the American voters which politicians support public safety and which ones support only what the NRA tells them to support.

My check, payable to Handgun Control Voter Education Fund, is enclosed for:

\$15       \$25       \$30       \$35       Other \$ \_\_\_\_\_

03883212      JE34

Please make your check payable to Handgun Control Voter Education Fund and return it with this form in the envelope provided to: Handgun Control Voter Education Fund, P.O. Box 96638, Washington, D.C. 20090-6637. Please see important information on the other side. Contributions to Handgun Control Voter Education Fund are not tax-deductible.

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Contributions to Handgun Control Voter Education Fund are entirely voluntary — you have the right to refuse to contribute without reprisal.

Handgun Control Voter Education Fund cannot accept contributions from corporations. Please make sure you use a personal check when donating to our work. Thank you.

The Federal Election Committee requires all those contributing more than \$200 per calendar year to provide the following information:

Occupation \_\_\_\_\_

Employer \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

A copy of the last Financial Report and Registration filed by this organization may be obtained by sending a stamped, self-addressed envelope to: Handgun Control, Inc., 1225 Eye Street, N.W., Room 1100, Washington, D.C. 20005, (202) 898-0792; or the Office of Charities Registration, 162 Washington Avenue, Albany, NY 12231; Office of the Secretary of State, Statehouse, Annapolis, MD 21401; or State Division of Consumer Affairs, Dept. of Agriculture & Consumer Services, P.O. Box 1163, Richmond, VA 23209. Residents of West Virginia may obtain a summary from: Secretary of State, State Capitol, Charleston, WV 25305. Registration with any of these governmental agencies does not imply endorsement by the state. MICS 9815.

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help save us money.*



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UNITED STATES



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**Handgun Control, Inc.**  
**Attn: Voter Education Fund**  
P.O. Box 96638  
Washington, D.C. 20090-6637



**HANDGUN CONTROL**

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

**The NRA went to court to try to stop me  
from telling you this . . .**



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FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

STEPHEN P. HALBROOK, PH.D.  
ATTORNEY AND COUNSELLOR AT LAW  
SUITE B-3  
10608 JUDICIAL DRIVE  
FAIRFAX, VIRGINIA 22090  
TELEPHONE (703) 866-8610  
FAX (703) 866-0988

December 14, 1990

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

Re: MUR 3178

Dear Mr. Noble:

This is to supplement the above-referenced complaint which I filed on behalf of Absalom F. Jordan, Jr..

Enclosed is an amended Certificate of Amendment issued to Handgun Control, Inc. on December 11, 1990. This reflects that the Articles of Amendment to the Articles of Incorporation of Handgun Control, Inc., dated December 5, 1990, which changed the purpose of the organization, were adopted "by a majority of the Board of Directors of Handgun Control, Inc."

This is submitted in further support of our position that the corporation is not a "membership organization" because, inter alia, amendment to its articles of incorporation may be made by the directors only and may not be made by the "members."

Respectfully submitted,

ABSALOM F. JORDAN, Jr.

By Counsel

By: Stephen P. Halbrook  
Stephen P. Halbrook, Esq.

STATE OF VIRGINIA  
COUNTY/CITY of FAIRFAX

SUBSCRIBED and SWORN to by Stephen P. Halbrook before me this 14<sup>th</sup> day of Decemeber 1990.

Nancy L. Cannarata  
Notary Public

My Commission expires: June 1, 1993

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GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
BUSINESS REGULATION ADMINISTRATION



CERTIFICATE

THIS IS TO CERTIFY that all applicable provisions of the DISTRICT  
OF COLUMBIA NONPROFIT CORPORATION ACT have been complied with and  
accordingly, this **CERTIFICATE of AMENDMENT** is hereby issued to  
HANDGUN CONTROL, INC.

as of **DECEMBER 11TH, 1990**.

Donald G. Murray  
Director

Henry C. Lee, III  
Administrator  
Business Regulation Administration

*Ruby Coston White*  
Ruby Coston - White  
Superintendent of Corporations  
Corporations Division

Marion Barry, Jr.  
Mayor

91040355190

ARTICLES OF AMENDMENT TO THE  
ARTICLES OF INCORPORATION  
OF HANDGUN CONTROL, INC.

To: Department of Consumer & Regulatory Affairs  
Corporation Division

Pursuant to the provisions of the District of Columbia Nonprofit Corporation Act, the undersigned has adopted the following Articles of Amendment to its Articles of Incorporation:

FIRST, the following resolution amending the Articles of Incorporation was adopted by Handgun Control, Inc. in the manner prescribed by the District of Columbia Nonprofit Corporations Act:

RESOLVED, that the Articles of Incorporation of Handgun Control, Inc. be, and hereby are, amended, modified and altered as follows:

The following paragraph of Article 3 shall be deleted in full:

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

and shall be replaced with the following paragraph:

To operate on a nonprofit, nonpartisan basis for the promotion of social welfare of the United States by, among other activities, working for the formulation and adoption of reasonable and practical measures for the prevention of gun violence.

FILED  
DEC 11 1990

RCW

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**SECOND:** The resolution amending the Articles of Incorporation was adopted by a consent in writing signed by a majority of the Board of Directors of Handgun Control, Inc.

**DATE:** December 5, 1990

Handgun Control, Inc.

By: *Charles J. Orasin*

Charles J. Orasin  
President

Attest:

*Lois Hess*

Lois Hess  
Secretary

8009M

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**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

December 21, 1990

**Stephen P. Halbrook, Esquire**  
Suite B-3  
10605 Judicial Drive  
Fairfax, VA 22030

**RE: MUR 3178**  
Handgun Control, Inc.,  
Handgun Control Voter  
Education Fund, and  
Edwin O. Welles, as treasurer

**Dear Mr. Halbrook:**

This letter acknowledges receipt on December 18, 1990, of the supplement to the complaint you filed on November 20, 1990, against Handgun Control Inc., Handgun Control Voter Education Fund and Edwin O. Welles, as treasurer (the "respondents"). The respondents will be sent copies of the supplement. You will be notified as soon as the Federal Election Commission takes final action on your complaint.

Sincerely,

Lawrence M. Noble  
General Counsel

**BY: Lois G. Lerner**  
Associate General Counsel

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

December 21, 1990

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

RE: MUR 3178  
Handgun Control, Inc.  
Handgun Control Voter  
Education Fund, and  
Edward O. Welles, as treasurer

Dear Mr. Birenbaum and Mr. Montgomery:

By letter, dated November 30, 1990, your clients in the above referenced matter were notified that the Federal Election Commission received a complaint from Absalom F. Jordan, Jr. alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On December 10, 1990, the Office of General Counsel received the response which you submitted on behalf of your clients.

On December 18, 1990, the Commission received additional information from the complainant pertaining to the allegations in the complaint. Enclosed is a copy of this additional information.

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

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
Supplement to Complaint

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**FRIED, FRANK, HARRIS, SHRIVER & JACOBSON**

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATION

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RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE SERVICES BRANCH

1001 PENNSYLVANIA AVENUE, N.W., SUITE 800  
WASHINGTON, DC 20004 · 2808  
202 · 639 · 7000  
FAX · 202 · 639 · 7008

91 JAN -8 AM 10:47

WRITER'S DIRECT LINE

(202) 639-7050

January 7, 1991

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

Re: Handgun Control, Inc.'s Response to the  
Complainant's Supplement Filing In MUR 3178

Dear Mr. Noble,

This letter responds on behalf of Handgun Control, Inc. ("HCI") to your letter of December 21, 1990, in the above-referenced matter. Your letter sought HCI's response to a supplemental filing by the complainant in this matter.

The complainant's supplemental filing consisted of a copy of a Certificate of Amendment dated December 11, 1990, issued by the District of Columbia for an amendment to HCI's articles of incorporation. The Articles of Amendment attached to the Certificate reflect the fact that HCI accomplished the amendment by a majority vote of its Board of Directors. Under HCI's by-laws, the articles of incorporation may be amended only by a majority vote of the Board of Directors.

In its initial response to the complaint in this matter, HCI refuted the complainant's assertion that the by-laws give legally insufficient powers to the members at large. Specifically, the provisions governing the respective rights and powers of members and the Board of Directors, which the complainant challenges, are consistent with District of Columbia law governing nonprofit corporations and were approved by the 1984 Conciliation Agreement between HCI and the Federal Election Commission in MUR 1604. The present complaint is merely one more in a long series of abusive efforts by the National Rifle Association to overturn the 1984 Conciliation Agreement. It should receive the same response as before -- denial.

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FEDERAL ELECTION COMMISSION  
GENERAL COUNSEL

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Mr. Lawrence M. Noble  
Page 2  
January 1991

If you have any further questions regarding this matter, please contact us at your convenience.

Sincerely,



David E. Birenbaum

Carleton K. Montgomery

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OBC 1609

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MAIL ROOM

**STEPHEN P. HALBROOK, PH.D.**

ATTORNEY AND COUNSELLOR AT LAW

SUITE B-3

10605 JUDICIAL DRIVE  
FAIRFAX, VIRGINIA 22030

TELEPHONE (703) 388-8610  
FAX (703) 388-0938

91 JUN 19 AM 11:07

June 17, 1991

Lois G. Lerner  
Associate General Counsel  
Federal Election Commission  
Washington, D.C. 20463

Re: MUR 3178

Dear Ms. Lerner:

On November 20, 1990, I filed a complaint on behalf of Absalom F. Jordan alleging possible violation of the Federal Election Campaign Act of 1971 against Handgun Control Voter Education Fund. This complaint was supplemented on December 18, 1990.

To date, I have not received notice of any action by the Federal Election Commission. I would appreciate it if you would advise me of this status of this matter.

Thank you for attention to the above.

Sincerely,



Stephen P. Halbrook

SPH:jds

91 JUN 19 PM 3:12

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FEDERAL ELECTION COMMISSION  
COUNSEL

21040355197



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 27, 1991

Stephen P. Halbrook, Esquire  
Suite B-3  
10605 Judicial Drive  
Fairfax, VA 22030

RE: MUR 3178  
Handgun Control, Inc.,  
Handgun Control Political Action  
Committee, and  
Edwin O. Welles, as treasurer

Dear Mr. Halbrook:

This is in response to your letter dated June 17, 1991, in which you request information pertaining to the complaint you previously filed with the Federal Election Commission.

The Federal Election Campaign Act of 1971, as amended ("the Act") prohibits any person from making public the fact of any notification or investigation by the Commission, prior to closing the file in the matter, unless the party being investigated has agreed in writing that the matter be made public. See 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A). Because there has been no written agreement that the matter be made public, we are not in a position to release any information at this time. We will notify you as soon as the Commission takes final action on your client's complaint.

If you have any further questions, please direct them to Xavier K. McDonnell, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lisa E. Klein  
Assistant General Counsel

91040855198

FEDERAL ELECTION COMMISSION  
999 E Street, N.W. JUL 19 1990  
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

**SENSITIVE**

MUR #3178  
DATE COMPLAINT RECEIVED  
BY OGC: November 10, 1990  
DATE OF NOTIFICATION TO  
RESPONDENTS: November 30, 1990  
STAFF MEMBER: Xavier McDonnell

**COMPLAINANT:** Absalom F. Jordon, Jr.

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

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

**INTERNAL REPORTS CHECKED:** MURs 1604, 1891, 2215 and 2836

**FEDERAL AGENCIES CHECKED:** None

**I. BACKGROUND**

Absalom F. Jordon, Jr. ("Complainant") filed a complaint (with a supplement) against Handgun Control, Inc. ("HCI"), Handgun Control Political Action Committee ("HCI-PAC"), and Edwin O. Welles, as treasurer ("Respondents"), alleging that HCI does not qualify as a membership organization, and that therefore its solicitations of purported members to HCI-PAC violate 2 U.S.C. § 441b(b)(4). Responses to the complaint and supplement have been submitted. See Attachments.

This is the fifth complaint filed with the Commission which has alleged that HCI does not qualify as a membership organization, and that its solicitations violate 2 U.S.C. § 441b(b)(4). See MUR 1604, MUR 1891, MUR 2115

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and MUR 2836.<sup>1</sup>

1. The issue raised in the instant complaint was first addressed in MUR 1604, filed by the National Rifle Association ("NRA"). In that matter, the Commission found reason to believe that HCI and HCI-PAC violated 2 U.S.C. § 441b(b)(4)(A)(i) by soliciting contributions to HCI-PAC from individuals who did not constitute "members" as that term has been interpreted by the Supreme Court and by the Commission. See FEC v. National Right to Work Committee, 459 U.S. 197 (1982); 2 U.S.C. § 441b(b)(4); 11 C.F.R. § 114.1(e). MUR 1604 was settled through a conciliation agreement which required, among other things, that HCI's members have certain rights, including the right to "participate in annual meetings and to elect a Director to the Governing Board of HCI." HCI subsequently amended its bylaws in response to the requirements imposed by the Conciliation Agreement.

The second administrative complaint, MUR 1891, also filed by the NRA, alleged that HCI's amended bylaws were still inadequate for it to qualify as a membership organization, in part because HCI members were alleged to have insufficient rights in the governance of the organization. The General Counsel's Report concluded that, through its amended bylaws, which provide that members are entitled to elect one at-large Director (nominated by HCI's President and a committee consisting of from two to four members appointed by the President), and which provide for an annual membership meeting, HCI had "satisfactorily established rights of participation in the organization's affairs for those deemed members of the corporation." See General Counsel's Report in MUR 1891.

In the third administrative complaint, MUR 2115, the NRA again alleged that HCI's bylaws were inadequate to qualify it as a membership organization, asserting that HCI did not provide members with sufficient rights in the corporation, in part, because members did not "control" the corporation "by electing directors as implicitly contemplated" by the Act. With respect to this issue, the Office of General Counsel concluded that the allegation made was "virtually identical" to that raised in MUR 1891, and in any event was not supported by law. See General Counsel's Report in MUR 2115, dated February 14, 1986. Therefore, the Commission found no reason to believe HCI and HCI-PAC violated 2 U.S.C. § 441b(b)(4)(A)(i). The third complaint was appealed pursuant to 2 U.S.C. § 437g(a)(8), and the U.S. Court of Appeals agreed with the U.S. District court and the Commission that the second and third complaints were "substantially similar," although the lower court's decision was affirmed on grounds which are not relevant here. National Rifle Association v. Federal Election Commission, 854 F.2d 1330 (D.C. Cir. 1988).

In its fourth complaint against HCI and HCI-PAC, MUR 2836, the NRA once again alleged that HCI was not a qualified membership organization because its by-laws did not provide members with sufficient rights of control or participation in the organization, this time asserting that to conform with the requirements of the Act, members of HCI should be permitted to elect all, or a

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In this complaint, Mr. Jordon argues that because members of HCI are not permitted to vote on amendments to the articles of incorporation and because they do not elect "all, or even a majority of the directors" of the organization, HCI does not qualify as a membership organization. This complaint presents a claim which is substantially similar to that which has been previously made against the same Respondents in four prior complaints; that HCI's bylaws do not provide members with sufficient rights of control in the governance of the organization to qualify it as a membership organization.<sup>2</sup> The Commission has already determined what rights HCI must provide to its members for it to be in compliance with the Act, and the Commission has concluded that HCI's current bylaws satisfy those requirements. See MUR 1604, MUR 1891 and MUR 2115. The issue raised in the instant matter has been conclusively resolved. This complaint amounts to another request that the Commission reconsider its prior decisions. The Office of General counsel recommends that

(Footnote 1 continued from previous page)  
majority of its Directors. In that complaint, the complainants again challenged the Commission's earlier determinations as to what rights must be provided to HCI members for it to be in compliance with the Act. The Office of General Counsel concluded that the claim presented in MUR 2836 was "identical" to that presented in the prior three complaints. See General Counsel's Report in MUR 2836, dated August 24, 1989. The Commission therefore declined to reopen the issue and dismissed the complaint. A suit seeking a review of the Commission's action is currently pending. See National Rifle Association v. Federal Election Commission, Civil Action NO. 89-3011 (D.D.C. filed, November 2, 1989).

2. In fact, the argument advanced in Section II of this complaint, that HCI's bylaws do not establish a procedure for at least a class of members to elect all, or even a majority of the Directors, is precisely the same argument which was advanced in MUR 2836. Moreover, a substantial portion of the instant complaint is identical to the complaint in MUR 2836, using the same language, form and content and citing and quoting the same sources. See NRA's Complaint in MUR 2836, at pages 3-7.

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the Commission decline to reopen the issue resolved in prior matters.<sup>3</sup>

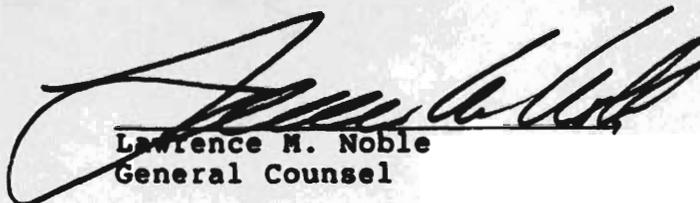
**II. RECOMMENDATIONS**

1. Decline to reopen issues resolved in MURs 1604, 1891 and 2115.
2. Dismiss the complaint in MUR 3178.
3. Close the file.
4. Approve the appropriate letters.

Date

7/18/91

Lawrence M. Noble  
General Counsel



Attachment  
Responses

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3. The complaint indicates that Mr. Jordon is a member of HCI. Complaint at page 4. The Respondents, on the other hand, suggest that Mr. Jordon is acting as a surrogate of the NRA. Attachment 1 at page 4. In either case, however, Mr. Jordon's claim that HCI's solicitations violate the Act is identical to that raised and resolved in prior matters. If Mr. Jordon wishes to expand his membership rights within HCI beyond that which is required by the Act, or if he wishes to challenge HCI's decision-making as it relates to expenditures made on behalf of certain political causes or committees, he may be able to do so under the laws of the District of Columbia, but such actions are not within the jurisdiction of this agency. See e.g., Stern v. General Electric Company, 924 F.2d 472 (2d Cir. 1991). In fact, the complaint indicates that Mr. Jordon filed suit in D.C. Superior Court, Civil Division, seeking injunctive relief against the membership organization for allegedly taking actions beyond the scope of its authority.

21040355202

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Handgun Control, Inc.;	)	MUR 3178
Handgun Control, Inc. Political	)	
Action Committee and	)	
Edwin O. Welles, as treasurer.	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 24, 1991, the Commission decided by a vote of 5-0 to take the following actions in MUR 3178:

1. Decline to reopen issues resolved in MURs 1604, 1891, and 2115.
2. Dismiss the compliant in MUR 3178.
3. Close the file.
4. Approve the appropriate letters, as recommended in the General Counsel's Report dated July 18, 1991.

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

Attest:

7-24-91  
Date

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

Received in the Secretariat:	Fri., July 19, 1991 11:36 a.m.
Circulated to the Commission:	Mon., July 22, 1991 11:00 a.m.
Deadline for vote:	Wed., July 24, 1991 11:00 a.m.

91040855203



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 29, 1991

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Stephen P. Halbrook, Esquire  
Suite B-3  
10605 Judicial Drive  
Fairfax, VA 22030

RE: MUR 3178  
Handgun Control, Inc., Handgun  
Control Political Action Committee,  
and Edwin O. Welles, as treasurer

Dear Mr. Halbrook:

On July 24, 1991, the Federal Election Commission reviewed the allegations of the complaint (and supplement) in the above-captioned matter which you submitted on behalf of Absalom F. Jordon, Jr. Also on July 24, 1991, the Commission voted to decline to reopen the issue presented in your complaint, which has already been resolved in previously settled matters involving the same Respondents. Accordingly, the Commission has dismissed the complaint and closed the file in this matter.

The Federal Election Campaign Act of 1971, as amended ("the Act") allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

*Lawrence M. Noble (L.M.N.)*

Lawrence M. Noble  
General Counsel

Enclosure  
General Counsel's Report

91040855204



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 29, 1991

**CLOSED**

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

RE: MUR 3178  
Handgun Control, Inc.  
Handgun Control Political Action  
Committee, and  
Edward O. Welles, as treasurer

Dear Mr. Birenbaum and Mr. Montgomery:

On November 30, 1990, the Federal Election Commission notified Handgun Control, Inc., Handgun Control Political Action Committee, (the "Committee") Charles Orasin, President, and Edward O. Welles, as treasurer, ("your clients") of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On July 24, 1991, the Commission, on the basis of the information in the complaint and information provided by your clients, declined to reopen the issue presented in the complaint, which has been resolved in previously settled matters. Accordingly, the Commission closed its file in this matter.

This matter will become a part of the public record within 30 days. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

Sincerely,

*Lawrence M. Noble (7/2)*

Lawrence M. Noble  
General Counsel

Enclosure  
General Counsel's Report

9104035205



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3178

DATE FILMED 8/13/91 CAMERA NO. 4

CAMERAMAN AS

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