FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4043

DATE FILMED 1/1/95 CAMERA NO. 2

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REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: March 22, 1994

ANALYST: ELFI BLUM-PAGE

I. COMMITTEE: Barden for Congress Committee
(C00254029)
Sylvia Barnes, Treasurer
P.O. Box 36174
Federal Way, WA 98003

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

III. BACKGROUND:

The Barden for Congress Committee ("the Committee") has accepted excessive contributions from seven (7) individuals and one (1) partnership totalling $33,460 during 1992. Of this amount, $29,000 is in the form of a loan from one (1) individual. The Committee has refunded $31,340 of the excessive amount; however, the refunds were not timely.

A. Violations Discovered During Initial Review

Schedule C of the Committee's 1992 October Quarterly Report discloses the receipt of a $34,000 loan made by the candidate in September 1992 (Attachment 2). In review of this report as well as rechecking earlier reports, the analyst also identified several contributions designated for the general election in which the candidate did not participate (Attachment 3).

On September 8, 1993, a Request for Additional Information ("RFAI") was mailed to the Committee asking to further clarify the source of the candidate loan and to seek a refund, redesignation, or reattribution for contributions received for the general election in which the candidate did not participate (Attachment 4).

The Committee's amended 1992 October Quarterly Report, received September 23, 1993, provided an inadequate response stating that the loan was a "personal loan from the candidate". The Committee also included a list of the refunds sent to those individuals whose contributions were designated for the general election (Attachment 5). Copies

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of the refund checks were received by the Commission on January 4, 1994 and disclosed on the Committee's Year End Report (Attachments 6 and 7). All the refunds were outside the sixty day window following the September 15, 1992 Primary Election.

To further clarify the candidate loan, the Committee sent another letter received on October 20, 1993. The letter states that the $34,000 loan was actually money the candidate obtained from a friend in exchange for a piece of real estate as collateral (Attachment 8).

On October 21, 1993, a Second Notice was sent to the Committee informing them that the loan constitutes an apparent excessive contribution and that the Committee should refund the excessive amount. The Notice also recommended that the Committee amend Schedule C to disclose the source of the loan (Attachment 9).

In its response received November 10, 1993, the Committee provided an undated copy of the Deed of Trust showing the exchange of real estate from the candidate to a friend, Vickie Schmitz (Attachment 10). This amendment prompted another RFAI sent December 15, 1993 stating that the real estate transaction constitutes an apparent excessive contribution and that the Committee should refund the excessive amount (Attachment 11).

In its response received December 27, 1993, the Committee admits to having received an "illegal loan", totalling $30,000. It further states that $4,000 of the total loan amount was made from the candidate's personal funds. This response also stated that the Committee refunded $10,000 on March 16, 1993 with funds donated to the campaign and the remaining $20,000 on December 17, 1993 with money the candidate received on refinancing his home (Attachment 12).[1/]

In telephone contacts on January 10 and January 11, 1994, the reports analyst sought to clarify the source of the money used to pay off the loan from the friend (Vickie Schmitz). The treasurer promised to research the source and to inform the Commission of her findings (Attachment 13).

On January 12, 1994, Ms. Barnes contacted the Commission to confirm that $10,000 was from donations to the campaign and the remaining $20,000 came from what the treasurer claims are the candidate's personal funds through equity he took out of the loan from his house (Attachment 13).

1/ The 1993 reports disclose a $10,000 refund to the candidate and a $20,000 refund to Vickie Schmitz.

On January 18, 1994, a written response was received from the Committee verifying that $20,000 loaned on December 17, 1993 was from the refinancing of the candidate's house (Attachment 14). The Committee's 1993 Year End Report discloses a $20,000 loan owed to the candidate on Schedule C.

B. Violations Discovered During Referral Preparations

In preparation of this referral, two apparent excessive contributions totalling $2,120 were identified. These excessive contributions are from one (1) individual and one (1) partnership (Attachment 15). The Committee has not been notified of these apparent excessives and they have not been refunded, redesignated, or reattributed by the Committee.

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FEDERAL ELECTION COMMISSION
1991-1992
ARCHIVE INDEX OF SUPPORTING DOCUMENTS - (E)

DATE 21MAR94
PAGE 1

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/	PARTY	RECEIPTS PRIMARY	RECEIPTS GENERAL	DISBURSEMENTS PRIMARY	DISBURSEMENTS GENERAL	COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
							TYPE OF FILER		
BARDEN, PAUL	HOUSE 09	REPUBLICAN PARTY				WASHINGTON	1992 ELECTION	ID#	H2WA09016
1. STATEMENT OF CANDIDATE									
1991 STATEMENT OF CANDIDATE							4SEP91	1	91HSE/434/1036
STATEMENT OF CANDIDATE							16DEC91	1	91HSE/435/4049
2. PRINCIPAL CAMPAIGN COMMITTEE									
BARDEN FOR CONGRESS							ID #C00254029 HOUSE		
1991 STATEMENT OF ORGANIZATION							4SEP91	2	91HSE/434/1037
STATEMENT OF ORGANIZATION - AMENDMENT							16DEC91	1	91HSE/435/4048
YEAR-END			83,975		57,332		30DEC90 -31DEC91	36	92HSE/441/0443
YEAR-END		- AMENDMENT	-		-		30DEC90 -31DEC91	1	92HSE/453/3604
YEAR-END		- AMENDMENT	-		-		30DEC90 -31DEC91	1	92HSE/462/3912
YEAR-END		- AMENDMENT	-		-		30DEC90 -31DEC91	2	92HSE/466/5285
REQUEST FOR ADDITIONAL INFORMATION							30DEC90 -31DEC91	2	92FEC/753/3522
REQUEST FOR ADDITIONAL INFORMATION 2ND							30DEC90 -31DEC91	3	92FEC/756/1910
1992 48 HOUR CONTRIBUTION NOTICE							4SEP92	1	92HSE/466/1605
48 HOUR CONTRIBUTION NOTICE							7SEP92	1	92HSE/466/2882
48 HOUR CONTRIBUTION NOTICE							10SEP92	1	92HSE/466/4207
STATEMENT OF ORGANIZATION - AMENDMENT							11SEP92	1	92HSE/466/5391
48 HOUR CONTRIBUTION NOTICE							11SEP92	1	92HSE/466/4517
48 HOUR CONTRIBUTION NOTICE							14SEP92	1	92HSE/466/4609
48 HOUR CONTRIBUTION NOTICE							14SEP92	1	92HSE/466/4824
48 HOUR CONTRIBUTION NOTICE							14SEP92	1	92HSE/466/4610
APRIL QUARTERLY			43,685		39,942		1JAN92 -31MAR92	15	92HSE/447/4122
APRIL QUARTERLY		- AMENDMENT	-		-		1JAN92 -31MAR92	1	92HSE/453/3499
APRIL QUARTERLY		- AMENDMENT	-		-		1JAN92 -31MAR92	2	92HSE/462/3910
APRIL QUARTERLY		- AMENDMENT	-		-		1JAN92 -31MAR92	2	92HSE/466/5329
1'ST LETTER INFORMATIONAL NOTICE							1JAN92 -31MAR92	1	92FEC/757/2849
JULY QUARTERLY			30,128		52,640		1APR92 -30JUN92	16	92HSE/455/0596
JULY QUARTERLY		- AMENDMENT	-		-		1APR92 -30JUN92	2	92HSE/466/5331
JULY QUARTERLY		- AMENDMENT	-		-		1APR92 -30JUN92	2	93HSE/505/2616
REQUEST FOR ADDITIONAL INFORMATION							1APR92 -30JUN92	1	93FEC/859/5371
PRE-PRIMARY			26,457		17,544		1JUL92 -26AUG92	14	92HSE/466/0430
PRE-PRIMARY		- AMENDMENT	-		-		1JUL92 -26AUG92	7	93HSE/505/2618
REQUEST FOR ADDITIONAL INFORMATION							1JUL92 -26AUG92	1	93FEC/859/5369
OCTOBER QUARTERLY			82,999		97,077		27AUG92 -30SEP92	14	92HSE/470/1370
OCTOBER QUARTERLY		- AMENDMENT	-		-		27AUG92 -30SEP92	11	93HSE/505/2629
OCTOBER QUARTERLY		- AMENDMENT	82,999		127,077		27AUG92 -30SEP92	2	93HSE/506/4013
REQUEST FOR ADDITIONAL INFORMATION							27AUG92 -30SEP92	3	93FEC/859/5365
REQUEST FOR ADDITIONAL INFORMATION 2ND							27AUG92 -30SEP92	3	93FEC/864/5487
REQUEST FOR ADDITIONAL INFORMATION							27AUG92 -30SEP92	5	93FEC/869/2086
YEAR-END			9,381		6,902		10CT92 -31DEC92	8	93HSE/491/1618
YEAR-END		- AMENDMENT	-		-		10CT92 -31DEC92	4	93HSE/505/2625
REQUEST FOR ADDITIONAL INFORMATION							10CT92 -31DEC92	1	93FEC/859/5363
TOTAL			276,625	0	301,437	0		171	TOTAL PAGES

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CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/	PARTY	RECEIPTS PRIMARY	RECEIPTS GENERAL	DISBURSEMENTS PRIMARY	DISBURSEMENTS GENERAL	COVERAGE DATES	# OF PAGES TYPE OF FILER	MICROFILM LOCATION

3. AUTHORIZED COMMITTEES
4. JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN

All reports have been reviewed.

Cash on Hand as of 12/31/92: $ 5,186.60

Outstanding debts and obligations owed to the committee: 0

Outstanding debts and obligations owed by the committee: $ 38,763.88

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Attachment # 2

SCHEDULE C
Period 2000

LOANS

Page
(NM)
Use separate schedule for each numbered line)

BARDEN FOR CONGRESS

A. Full Name, Mailing Address and ZIP Code of Lender Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Paul Barden - Candidate 19907 4th Avenue SW Normandy Park, WA 98166	34,000.00	NONE	34,000.00

Source: ☐Primary ☐Secondary ☐Other (specify)

Terms: Date Incurred 9/92 Date Due _____ Interest Rate _____ ☐Fixed ☐ Secured

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

1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $	
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $	
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $	

B. Full Name, Mailing Address and ZIP Code of Lender Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period

Source: ☐Primary ☐Secondary ☐Other (specify)

Terms: Date Incurred _____ Date Due _____ Interest Rate _____ ☐Fixed ☐ Secured

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

1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $	
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $	
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $	

SUBTOTALS This Period This Page (optional)	
TOTALS This Period (last page in this line only)	34,000.00

Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.

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SCHEDULE A — ITEMIZED RECEIPTS

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FOR LINE NUMBER I. 11 a1

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

NAME OF COMMITTEE (In Full): Barden for Con[illegible]

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
Alec Brindle 88 East Hamlin Street Seattle, WA 98102 Receipt For: [X] Primary [ ] General [ ] Other (specify):	Wards Cove Packing CEO Aggregate Year-to-Date > $ 500.00	6/12/91	500.00
Peter Kodde PO Box 1035 Renton, WA 98057 Receipt For: [X] Primary [ ] General [ ] Other (specify):	Self employed chiropractor Aggregate Year-to-Date > $ 500.00	6/12/91	500.00
Everett Paup 3608 Evergreen Pt. Rd. Bellevue, WA 98004 Receipt For: [X] Primary [ ] General [ ] Other (specify):	Manson Construction Executive Aggregate Year-to-Date > $ 1000.00	6/18/91	1000.00
R.F. Buck 909 E. Newton, Apt. D-9 Seattle, WA 98109 Receipt For: [X] Primary [ ] General [ ] Other (specify):	Buck Auerbuch CEO Aggregate Year-to-Date > $ 250.00	7/5/91	[illegible]0.00
Arnold Hartvigson 23121 3rd Ave., SE Bothell, WA 98021 Receipt For: [X] Primary [ ] General [ ] Other (specify):	Arnold's Best Western Owner Aggregate Year-to-Date > $ 400.00	7/5/91	200.00
Wylie Hemphill PO Box 80786 Seattle, WA 98108 Receipt For: [X] Primary [ ] General [ ] Other (specify):	Hemphill Brothers Inc. Chairman of the Bd. Aggregate Year-to-Date > $ 600.00	7/24/91	600.00
Bruce McDougall PO Box 413 Medina, WA 98039 Receipt For: [X] Primary [ ] General [ ] Other (specify):	Information Requested Aggregate Year-to-Date > $ 300.00	8/12/91	300.00
		..... >	3350.00

SCHEDULE A — ITEMIZED RECEIPTS

A 16

BARDEN FOR CONGRESS

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date Received	Amount of Gift / Aggregate Year-to-Date
ROBERT MCINTOSH 3916 BURNIE BRAE SE BELLEVUE, WA 98006 Election For: ☒ Primary ☐ General ☐ Other (specify)	RETIRED	2/5/92	250.00 Aggregate Year-to-Date > $ 250.00
T. J. O'CONNELL 20459 PERALTA RD KENT, WA 98031 Election For: ☒ Primary ☐ General ☐ Other (specify)	RETIRED FORMAT + POSTMAN	1/30/92	250.00 Aggregate Year-to-Date > $ 250.00
EVERETT PAUL 3808 EVERGREEN PL BELLEVUE, WA 98004 Election For: ☐ Primary ☒ General ☐ Other (specify)	CEO BARON CONSTRUCTION & ENGINEERING	4/9/92	240.00 Aggregate Year-to-Date > $ [illegible]
MARK BERG 307 - 3rd ST STEILACOOM, WA 98388 Election For: ☒ Primary ☐ General ☐ Other (specify)	[illegible]	4/10/92	500.00 Aggregate Year-to-Date > $ [illegible]
DAVID SAGEY P.O. Box 9747 SEATTLE, WA 98109 Election For: ☒ Primary ☐ General ☐ Other (specify)	DAVID SAGEY, INC CEO Occupation: CEO	4/7/92	250.00 Aggregate Year-to-Date > $ 250.00
CECIL SINCLAIR 21908 - 11th SO SEATTLE, WA 98198 Election For: ☒ Primary ☐ General ☐ Other (specify)	RETIRED	4/20/92	525.00 Aggregate Year-to-Date > $ [illegible]
BERNARD STENDER 24661 S.E. 208th MAPLE VALLEY, WA 98038 Election For: ☒ Primary ☐ General ☐ Other (specify)	RETIRED		250.00 Aggregate Year-to-Date > $ [illegible]

Total of Receipts This Page (optional) ..... >

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William Bell Antiques [illegible] Lake St. S. Suite [illegible] Kirkland, Wash. 98033	Occupational Id Grants	2/13/92	250.00
James A. Sheehan 2101 East Harrison Seattle, Wash. 9[illegible]	Storm Window Manufacturer	2/19/92	1000.00
[illegible] J. Duke [illegible] Inc. Eagle Valley [illegible] 98039	J. J. Duke	3/6/92	500.00
Jennifer Tolan 22401 Southeast [illegible] Eagle Valley, Wash. 98039	[illegible]	3/6/92	1000.00
Bet Electric Tool Fund Seattle, Wa. Partner Sponsor	Membership	1/20/92 2/6/92	250.00 120.00 370.00
[illegible] Three Company [illegible] East [illegible] [illegible] Wash. 98[illegible]	Partner Sponsor	2/4/92	50.00
[illegible]	Investigator [illegible] Charged	[illegible] 2/4/92	200.00 60.00 260.00

SCHEDULE A **ITEMIZED RECEIPTS**

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

PAGE [illegible] OF [illegible]
FOR LINE NUMBER

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NAME OF COMMITTEE (In Full)
BARDEN FOR CONGRESS

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
A. James Sneehan 2101 East Hamlin Seattle WA 98112 Receipt For: [X] Primary [X] General [ ] Other (specify)	Property Developmen Occupation: Developer Aggregate Year-to-Date $ 2,000.00	9-10-92	1,000.00
B. Richard B. Barnueto 5155 N E Laurelcrest Seattle WA 98105 Receipt For: [X] Primary [ ] General [ ] Other (specify)	Retired Occupation: Aggregate Year-to-Date $ 500.00	9-7-92	500.00
C. Mary Barkwill [illegible] Aloha Street Seattle 98109 Receipt For: [X] Primary [ ] General [ ] Other (specify)	Lanikai Apts Occupation: Owner Aggregate Year-to-Date $ 500.00	8-31-92 9-8-92	300.00
D. PRESTON, THORGRIMSON, SHIDLER, GATES & ELLIS 701 5th Avenue Seattle 98104 Receipt For: [X] Primary [ ] General [ ] Other (specify)	Law Firm Occupation: Attorneys Aggregate Year-to-Date $ 1,000.00	9-10-92	1,000.00
E. James Waldo 2101 One Union Square Seattle WA 98104 Receipt For: [X] Primary [ ] General [ ] Other (specify)	Gordon, Thomas, Honeywell Occupation: Attorney Aggregate Year-to-Date $ 500.00	10-2-92	500.00
F. Pastor Casey Treat 21024 - 24th Avenue South SeaTac 98198 Receipt For: [X] Primary [ ] General [ ] Other (specify)	Christian Faith Center Occupation: Minister Aggregate Year-to-Date $ 500.00	10-3-92	500.00
G. Leonard Sawyer 198 - 4th SW Pugallup WA 98371 Receipt For: [X] Primary [ ] General [ ] Other (specify)	Self-Employed Occupation: Attorney Aggregate Year-to-Date $ 900.00	9-5-92	885.00

SUBTOTAL of Receipts This Page (optional) 4,685.00

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

[redacted]

SCHEDULE A — ITEMIZED RECEIPTS

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

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Full Legal Name

Name of Committee (in Full): Barden for Congress

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
A. Max Gellert 2301 Fairview Ave., E #111 Seattle, WA 98102 Receipt For: X Primary ___ General ___ Other (specify):	Eldec Corporation President Aggregate Year-to-Date > $ 500.00	5/22/91	500.00
B. A.V. Smith 9400 NE 14th St. Bellevue, WA 98004 Receipt For: X Primary ___ General ___ Other (specify):	Pacific NW Bell President Aggregate Year-to-Date > $ 500.00	5/24/91	500.00
C. Richard Barnes 18118 6th SW Seattle, WA 98166 Receipt For: X Primary ___ General ___ Other (specify):	Retired Aggregate Year-to-Date > $ 100.00	6/6/91	100.00
D. Thomas Bernard 1421 Shenandoah Dr., E Seattle, WA 98112 Receipt For: X Primary ___ General ___ Other (specify):	Bernard Development Owner Aggregate Year-to-Date > $ 500.00	6/6/91	500.00
E. William Krippaehne 4870 NE 39th Seattle, WA 98105 Receipt For: X Primary ___ General ___ Other (specify):	Fisher Companies Executive Aggregate Year-to-Date > $ 350.00	6/6/91	350.00
F. Orville Melby 101 99th Ave , NE Bellevue, WA 98004 Receipt For: X Primary ___ General ___ Other (specify):	Information requested Aggregate Year-to-Date > $ 350.00	6/6/91	350.00
G. Gordon Sondland 1531 7th Ave. Seattle, WA 98101 Receipt For: X Primary ___ General ___ Other (specify):	Dunson Equities President Aggregate Year-to-Date > $ 1000.00	6/6/91	1000.00

SUBTOTAL of Receipts This Page (optional) 3300.00

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

0 2 5 0 4 3 6 5 5 3 2 0

[redacted]

SCHEDULE A ITEMIZED RECEIPTS

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

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FULL LINE NUMBER

Use additional copies of this Schedule if more space is needed. Political Committees may not be sold or used by any person for the purpose of soliciting commercial or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)

SARGEN FOR CONGRESS

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
A. L. W. Wells Waterford East 1003 Lake Street S. #101 Kirkland WA 98033 Receipt For: [X] Primary [ ] General [ ] Other (specify):	SAFECO PROPERTIES CEO Aggregate Year-to-Date >$ 1,000.00	9-8-92	1,000.00
B. Gordon D. Sondland 1531 7th Avenue Seattle 98101 Receipt For: [ ] Primary [X] General [ ] Other (specify):	DUNSON EQUITIES CORP. President - CEO Aggregate Year-to-Date >$ 1,000.00	9-10-92	1,000.00
C. John H. Hauberg 216 First Avenue Suite 230 Seattle 98104 Receipt For: [X] Primary [ ] General [ ] Other (specify):	PACIFIC DENKMANN CO CEO Aggregate Year-to-Date >$ 500.00	9-10-92	500.00
D. Bill Blake 6433 Hawks Prairie Olympia, WA 98506 Receipt For: [X] Primary [ ] General [ ] Other (specify):	Self-Employed AM - RIDES Aggregate Year-to-Date >$ 400.00	9-15-92	400.00
E. Duaine H. Gustin 29817 2nd Avenue SW Federal Way WA 98023 Receipt For: [X] Primary [ ] General [ ] Other (specify):	IBM Sales Salesman Aggregate Year-to-Date >$ 1,000.00	9-3-92	1,000.00
F. Carene Gustin 29817 2nd Avenue SW Federal Way WA 98023 Receipt For: [X] Primary [ ] General [ ] Other (specify):	self-employed Interior Design Aggregate Year-to-Date >$ 950.00	9-3-92	650.00
G. Jim Warjone Port Blakley Tree Farm 830 Logan Building Seattle WA 98101 Receipt For: [X] Primary [ ] General [ ] Other (specify):	Port Blakley Tree Farm Lumberman Aggregate Year-to-Date >$ 870.00	8-28-92	250.00

SUBTOTAL of Receipts This Page (optional) 4,800.00

TOTAL of Receipts This Page

9201411373 5043655321

[redacted]

SCHEDULE A — ITEMIZED RECEIPTS

This page is schedule(s) for each category of the Detailed Summary Page

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FOR LINE NUMBER(S) I 11 a1

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NAME OF COMMITTEE (In Full)

Barden for Congress

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
A. William E. Boeing, Jr. 1325 4th Ave., Ste 1940 Seattle, WA 98101 Receipt For: X Primary ___ General ___ Other (specify)	Occupation: Retired Aggregate Year-to-Date > $ 1000.00	5/1/91	1000.00
B. Robert Chesterfield 315 Norton Bldg. Seattle, WA 98104 Receipt For: X Primary ___ General ___ Other (specify)	Occupation: Retired Aggregate Year-to-Date > $ 250.00	5/1/91	250.00
C. Robert Hoss 740 S. Maxwelton Rd. Clinton, WA 98236 Receipt For: X Primary ___ General ___ Other (specify)	Name of Employer: Hoss Construction Occupation: Owner Aggregate Year-to-Date > $ 250.00	5/1/91	250.00
D. Gary Schulze 7432 N. Mercer Way Mercer Island, WA 98040 Receipt For: X Primary ___ General ___ Other (specify)	Occupation: Information Requested Aggregate Year-to-Date > $ 500.00	5/1/91	500.00
E. Jim Sepic 8202 Avalon Dr. Mercer Island, WA 98040 Receipt For: X Primary ___ General ___ Other (specify)	Occupation: Information Requested Aggregate Year-to-Date > $ 500.00	5/1/91	500.00
F. L.W. Wells 1003 Lake St. S. #101 Kirkland, WA 98033 Receipt For: X Primary ___ General ___ Other (specify)	Name of Employer: SAFECO Properties Occupation: CEO Aggregate Year-to-Date > $ 1000.00	5/1/91	1000.00
G. Richard Zemp 14022 409th Ave., SE North Ben, WA 98045 X Primary ___ General ___ Other (specify)	Name of Employer: Conifer Northwest Occupation: Executive Aggregate Year-to-Date > $ 1000.00	5/1/91	1000.00

SUBTOTAL of this page (this line only) 4500.00

TOTAL of all pages (last page only)

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Name of Contributor	Name of Employer / Occupation	Date Received (Mo. Year)	Amount of Each Receipt This Period
PAT BARTLY THE PARS 830 Logan Building Seattle 98101	Name of Employer: Occupation: Owner	6-11-92	250.00
Received By: [x] Primary [ ] General [ ] Other (specify):	Aggregate Year-to-Date > $ 250.00		
Richard Sapp 14022 409 Avenue S. E. North Bend, WA 98045	Name of Employer: Conifer N. W. Occupation: Real Estate Developer	5-29-92	100.00
Received By: [ ] Primary [x] General [ ] Other (specify):	Aggregate Year-to-Date > $ 100.00		
Jeanne Masters 21457 - 35th Avenue South Seattle 98198	Name of Employer: King County Occupation: Admin.Assist.	4-27-92	(In-Kind) Meeting luncheon 22.88
Received By: [x] Primary [ ] General [ ] Other (specify):	Aggregate Year-to-Date > $ [illegible]		
Erin McCallum 2539 South 357th Place Federal Way 98003	Name of Employer: (In-Kind) Occupation: Cash	[illegible]	250.00
Received By: [x] Primary [ ] General [ ] Other (specify):	Aggregate Year-to-Date > $ [illegible]		
Dave McCallum 2539 South 357th Place Federal Way 98003	Name of Employer: (In-Kind) Occupation: Use of Copiers	4-8-92	80.00
Received By: [x] Primary [ ] General [ ] Other (specify):	Aggregate Year-to-Date > $ [illegible]		
Bruce Friesen 3211 South 194th Seattle 98188	Name of Employer: (In-Kind) Occupation: Use of desk & Chairs	4-8-92	250.00
Received By: [x] Primary [ ] General [ ] Other (specify):	Aggregate Year-to-Date > $ [illegible]		
Bobbi Williams, Lodge 1919 S. W. 160th Seattle 98166	Name of Employer: King County Occupation: (In-Kind) Occupation: Use of Chair	4-8-92	100.00
Received By: [x] Primary [ ] General [ ] Other (specify):	Aggregate Year-to-Date > $ [illegible]		
SUBTOTAL of Receipts This Page (optional)			1,052.88
TOTAL This Period (for this page)			

9201455 0 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

SEP 8 1992

Sylvia Barnes, Treasurer
Barden for Congress
P.O. Box 36174
Federal Way, WA 98003

Identification Number: C00254029

Reference: October Quarterly Report (8/27/92-9/30/92)

Dear Ms. Barnes:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-While it is permissible for a person to make a contribution for the general election prior to the primary election, the recipient committee must employ an acceptable accounting method to distinguish between primary and general election contributions. 11 CFR §102.9(e) This general election amount should be maintained in the committee's account.

If the candidate does not participate in the general election, any contribution received for the general election must be returned to the donors, redesignated or reattributed in accordance with 11 CFR §§110.1(b)(5), 110.2(b)(5) or 110.1(k)(3), as appropriate. The use of general election contributions to pay primary debts and obligations is prohibited under the Act as such use could result in individuals making contributions with respect to the primary election in excess of the $1,000 per election limit. Any subsequent report(s) filed with the Commission should disclose the refund, redesignation or reattribution of any general election contribution. Refunds, redesignations, or reattributions must be done within sixty days after the September 15, 1992 Primary Election.

-Please provide the omitted figure for Line 13(c), Columns A and B of the Detailed Summary Page.

-Schedule A of your report indicates that your committee may have failed to file one or more of the required 48 hour notices regarding "last minute" contributions received by your committee after the close of books for

the Primary Report. A principal campaign committee must notify the Commission, in writing, within 48 hours of any contribution of $1,000 or more received between two and twenty days before an election. These contributions are then reported on the next report required to be filed by the committee. To ensure that the Commission is notified of last minute contributions of $1,000 or more to your campaign, it is recommended that you review your procedures for checking contributions received during the aforementioned time period. Although the Commission may take legal action, any response you wish to make concerning this matter will be taken into consideration. (11 CFR §104.5(f))

-All contributions received by your committee from 8/27/92 through 9/12/92 are required to be reported on this report. Your committee filed 48 hour notices disclosing "last minute" contributions from Paul Harden, in the form of candidate loans, totalling $44,000. These loans do not appear on a Schedule A of this report, and Schedule C itemizes a candidate loan, totalling $34,000. Please amend your report to include all loans and provide an explanation of this apparent discrepancy.

-Schedule B of your report itemizes a debt to All Night Banking with an outstanding beginning balance; however, this debt was not included on your previous report. Please refer to Section 104.11(b) of the FEC Regulations and amend your report(s).

-When a committee reports receiving a loan from the candidate, it is necessary to clarify whether or not the candidate used his/her personal funds or borrowed the money from a lending institution or any other source. If the candidate borrowed funds from a lending institution, or any other source, please provide the name of the lending institution and the complete terms of the loan. If the loan(s) was from personal funds, please acknowledge that fact in an amendment to this report. It is important to note that "personal funds" is strictly defined by Commission Regulations and may be found in 11 CFR §110.10. (11 CFR §§100.7(a)(1) and 104.3(d))

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the

)3038595366

[redacted]
[redacted] 3

date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,

Elfi Blum-Page

Elfi Blum-Page
Reports Analyst
Reports Analysis Division

1503059536 7

[redacted]

(1) Contribution to Congressional campaign. Not sure if I have taken care of - and an amended report should be filed.

(2) During the Primary June 1992 my husband came out to Illinois having help to satisfy the 48 hr. rule. On a check in and I recommend all men have - to my best knowledge the same thing.

(3) The request of $[illegible] from candidate Paul [illegible] was in error. The sum was $34,000.

(4) The 48 hrs. the check have been for one reason 5-27-92 / 10-12. [illegible] Primary [illegible] just under "[illegible]" [illegible] from the [illegible]

(5) The loan was a personal loan from the candidate -

Thank you -

Lynn Bauer

from amended Q3

Everett Paup 240.00
Manson Const & Eng Co
3608 Evergreen Point Road
Bellevue 98004

Richard Zemp 100.00
4002 - 49th Ave S.E.
North Bend 98045

Robert J. Flitton 100.00
31726-B 47th Ave SW
Federal Way 98023

Gordon D. Sandland 1000.00
Nelmson Equities Corp
1531 - 7th Ave
Seattle 98101

James M. Sheehan 1,000.00
Wen Door Co
2141 E. Hamlin St
Seattle 98112

Refund checks were mailed Sept 23, 1993

Sylvia Barnes

ATTACHMENT 6
PAGE 1 OF 5

JAN 04 1993
CERTIFIED MAIL

REPUBLICAN ECONOMIC CONFERENCE
SEPTEMBER 10, 1993
SEATTLE

14005

Darden for Congress - C00254024

These are the canceled checks I promised to mail to you with my report last week -

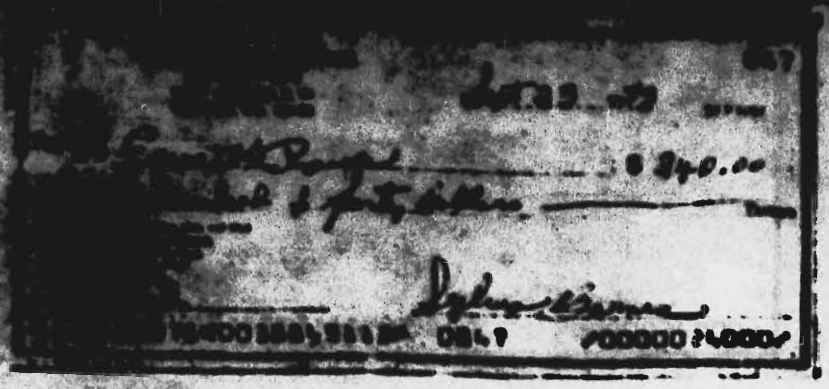
Thank you,

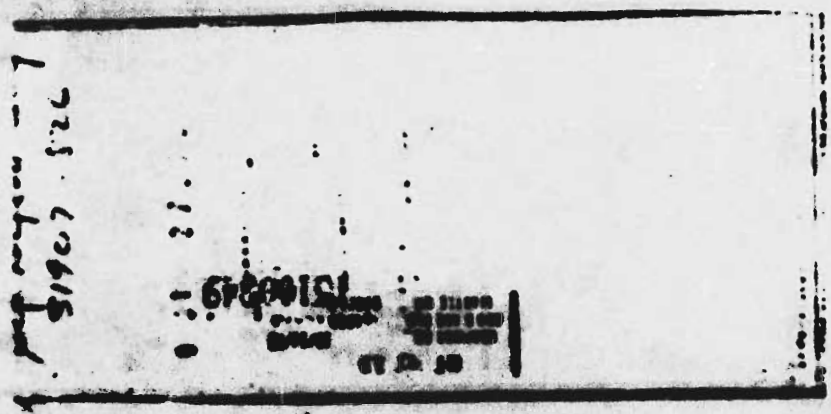
Lydia Borrow, Treas

RECEIVED
1993 JAN -7 AM 10 08
CLERK OF THE HOUSE
REPRESENTATIVES

1 5 0 4 3 6 5 5 3 3 0

9 4 0 1 5 0 7 0 6 1





7501 0 1 1 5 4 2 4 3 6 5 5 3 3 2

2150438755

Attachment 7

SCHEDULE B **ITEMIZED DISBURSEMENTS**

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

PAGE 2 OF 3

FOR LINE NUMBER

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

NAME OF COMMITTEE (In Full)
BARBER FOR CONGRESS

Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
A. EVERETT PAUP 3808 EVERGREEN PT. ROAD BELLEVUE WA 98004	CONTRIBUTION REFUND Disbursement for: [x] Primary [ ] General [ ] Other (specify)	9/23/93	240.00
B. JAMES SHERMAN 2141 EAST MAPLEW SEATTLE WA 98112	CONTRIBUTION REFUND Disbursement for: [x] Primary [ ] General [ ] Other (specify)	9/23/93	1,000.00
C. GORDON SONGLAND 1531 - 7TH AVENUE SEATTLE WA 98101	CONTRIBUTION REFUND Disbursement for: [x] Primary [ ] General [ ] Other (specify)	9/23/93	1,000.00
D. ROBERT FLETTON P O BOX 4764 FEDERAL WAY WA 98063	CONTRIBUTION REFUND Disbursement for: [x] Primary [ ] General [ ] Other (specify)	9/23/93	100.00
E. RICHARD ZEMP 14802 408TH AVENUE SE NORTH BEND, WA 98045	CONTRIBUTION REFUND Disbursement for: [x] Primary [ ] General [ ] Other (specify)	9/23/93	100.00
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: [ ] Primary [ ] General [ ] Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: [ ] Primary [ ] General [ ] Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: [ ] Primary [ ] General [ ] Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: [ ] Primary [ ] General [ ] Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period

SUBTOTAL of Disbursements This Page (optional)

TOTAL This Period (last page this line number only)

94031165553

Attachment # 8

Re: Elf Atochem

Paul Barker for Congress C 00234021

[illegible] loan from Candidate - He signed

over a piece of real estate to a friend

[illegible] as charge for $34,000. No interest -

[illegible] payment plan - The loan will be paid

[illegible] by Dec 31, 1995 - $10,000 due

[illegible] on March 15, 1995, as agreed.

Sincerely,

Treasurer -

0 3 0 1 5 0 0 [illegible]

'5 0 4 3 6 5 5 3 [illegible]

Oct 28 12 20 PM '99

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

RQ-3

October 21, 1993

Sylvia Barnes, Treasurer
Barden for Congress
P.O. Box 36174
Federal Way, WA 98003

Identification Number: C00254029

Reference: October Quarterly Report (8/27/92-9/30/92)

Dear Ms. Barnes:

On September 8, 1993, you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

Your response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.

-In your response received September 23, 1993, you state that the loan from the candidate was a "personal loan from the candidate"; however, in a further clarification received October 20, 1993, you note that the "personal loan from the candidate" was actually a loan from "a friend" who loaned the candidate $34,000 in exchange for a piece of real estate which is being used as collateral.

Please note that it appears that the committee has received an apparent excessive contribution in the form of a loan. An individual may not make a contribution to a candidate for federal office in excess of $1,000 per election. The term "contribution" includes any gift, subscription, loan, advance, or deposit of money, or anything of value made by any person for the purpose of influencing any election for federal office. (2 U.S.C. §441a(a) and (f); 11 CFR §110.1(b), (e) and (k)) It is recommended that you amend Schedule C of your report by providing the original source of the loan and also refund the remaining outstanding balance due on the loan immediately and provide a copy of the refund check.

Although the Commission may take further legal steps, prompt action by you to refund the excessive amount will be taken into consideration.

93030645467

If this information is not received by the Commission within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Elfi Blum-Page on our toll-free number (800) 424-9530 or our local number (202) 219-3580.

Sincerely,

John D. Gibson
Assistant Staff Director
Reports Analysis Division

9304365537
23-3064548

Attachment # 10

Page 1 of 3

Paul Barden's Congressional Exploratory Committee
19907 Fourth Avenue S.W. • Seattle, Washington 98166 • (206) 824-1979

CERTIFIED MAIL

NOV 03 1989

Barden For Congress

C00254029

140325

Paul Barden - Republican

Norm Maleng, Chair

Dick Bangert
Dick Barnum
Chris Bayley
Bill Boeing
Maria Brann
George Bragg
Norwood Brooks
Bob Chesterfield
Warren Chinn
David Cohn
Bill Conner
Don Cowie
Don Davis
Jim Flanigan
Don Franklin
Gwen Fraser
Ranger Fraser
Tom Gibbs
Jack Gorden
Terre Harrison
Anne Hardesty
Roy Hendricks
Sy Illan
Jim Johnson
Joe Lotsinger
Paul Luzo
Bert Lynam
John Mangels
Wells McCurdy
Jack McMillan
Stan McNaughton
Howie Meadowcroft
Jim Munn
Earle Murray
Della Newman
Walter Pereyra
Sheffield Phelps
Dave Sabey
Martin Selig
Kay Treparier
George Walker
Larry Wells
Walt Williams
Jim Young

90 NOV 10 AM 10:06
FEC MAIL SECTION
RECEIVED

Y 3 7 1 5 0 6 0 3 7 5

First American Title Insurance Company

When Recorded Return to:

Name: Vera Schultz

Address: 9417 Beacon Hill Sw

City and State: Seattle Wa. 98126-2616

Deed of Trust

(For Use in the State of Washington Only)

TRUSTOR OF TRUST, made this _____ day of _____, 19__, between _____ husband and wife, GRANTOR,

whose address is _____ - 6th Avenue, Ste. _____, Seattle, Washington 98___

and FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, _____ - 6th Avenue, Ste. 100 _____, Seattle, WA 98___ TRUSTEE, whose address is _____ and _____ BENEFICIARY, whose address is _____ - 6th Avenue S.E., Seattle, WA 98___ WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in _____ County, Washington:

Lot 10, Block 10, [illegible] Add Tide Tideland No. 3, according to the plat recorded in Volume 32 of plats, page 80, in King County, Washington.

Commonly known as: [illegible] - 7th Avenue S.E., Seattle, WA 98___

which still property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

This deed is for the purpose of securing (a) performance of each agreement of Grantor herein contained, (b) payment of the sum of _____ Dollars ($_____) with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the property in good condition and repair; not to remove or demolish any building thereon; to complete promptly and in good and workmanlike manner any building which may be created or destroyed and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.

2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.

3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards included within the term "extended coverage" in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may from time to time approve, and have attached thereto loss payable clauses in favor of and in form acceptable to the Beneficiary. In the event of loss Grantor will give immediate notice to the insurance carrier and Beneficiary. Beneficiary may make proof of loss if not made promptly by Grantor. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; in any such action or proceeding, Beneficiary or Trustee may appear and in Beneficiary's or Trustee's discretion make any such action or proceeding, and the cost thereof shall be paid by Grantor, at the request of Beneficiary or Trustee, the Deed of Trust.

5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation herein and trustee's and attorney's fees actually incurred, as provided by statute.

DONE this _____ day

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1504746E2 0

[redacted]

[redacted]

[redacted]

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

DEC 15 1993

Sylvia Barnes, Treasurer
Barden for Congress
P.O. Box 36174
Federal Way, WA 98003

Identification Number: C00254029

Reference: Amended October Quarterly (8/27/92-9/30/92), dated 11/2/93

Dear Ms. Barnes:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-The amended report (copy of Deed of Trust - pertinent portion attached) discloses a contribution(s) which appears to exceed the limits set forth in the Act. An individual or a political committee other than a qualified multi- candidate committee may not make a contribution to a candidate for federal office in excess of $1,000 per election. The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. (2 U.S.C. §441a(a) and (f); 11 CFR §110.1(b), (e) and (k))

Please note that contributions designated in writing by the contributor for a particular election must be attributed to that election. Contributions not designated in writing by the contributor will be considered made for the next election for that Federal Office (primary) (11 CFR §110.1(b)(2)(i) and (ii)).

Any contribution drawn on a joint checking account will be considered made by both individuals only if the check is signed by both or is accompanied by a written document noting the amount attributable to each individual and is signed by each individual. (11 CFR §110.1(k)(1) and (2))

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with the clarifying information. If the contribution(s) you received exceeds the limits, you

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[redacted]
PAGE 2

should refund to the donor the amount in excess of $1,000. All refunds must be made within sixty days of the treasurer's receipt of the contribution. Copies of refund checks may be used to respond to this letter. Refunds are reported on Line 30 of the Detailed Summary Page and on Schedule B of the report covering the period in which they are made. (11 CFR §104.8(d)(4))

Although the Commission may take further legal steps, prompt action by you to refund the excessive amount will be taken into consideration.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,

Elfi Blum-Sage
Reports Analyst
Reports Analysis Division

'50436555342
23J3806920087

DEC 21 1993

CERTIFIED MAIL

Paul Berdon's Congressional Exploratory Committee
19107 Fourth Avenue S.W. • Seattle, Washington 98166 • (206) 824-1979

'93 DEC 28 AM 10:

Berdon for Congress: C.00254029

An illegal loan of $30,000 was made to Campaign in Sept. 1992. On March 16, 1993 $10,000 was refunded. On Dec 17, 1993 the remaining $20,000 was refunded. The Candidate loaned his Committee $4,000 of his own money on Sept 1992 and on Dec 17, 1993 he loaned his Campaign $20,000 to refund the Sept 1992 loan. The $10,000 paid on March 1993 came from donations - the $20,000 loaned on Dec 17, 1993 came from money on refinancing his home.

140325

Sylvia Burnes, Treas.

Paul Berdon - Republican

Norm Maleng, Chair
Dick Bangert
Dick Barnato
Chris Bayley
Bill Bening
Merle Bisker
George Briggs
Norwood Brooks
Bob Chamberlain
Warren Chan
David Cohn
Bill Conner
Dick Crary
Don Davis
Jim Fitzgerald
Don Fletcher
Gordon Fraser
Maggie Fredson
Tim Gibbs
Jack Gordon
Tom Hans
Anne Hansington
Ray Henderson
Ty Hunt
Jim Johnson
Joe Lessinger
Paul Luis
Bert Lynch
John Mangels
Wally McCurdy
Jack McMillan
Tom McNaughton
Howard Meadowcroft
Jim Morin
Earle Murray
Dale Newman
Walter Pangre
Sheffield Phelps
Dave Sabey
Marion Selig
Ray Tegardin
George Walker
Larry Weis
Dick Williams
Jim Young

RECEIVED
FEC
MAIL ROOM
'93 DEC 23 PM 3:
FEC

DETAILED SUMMARY PAGE

of Receipts and Disbursements

(Page 2, FEC FORM 3)

Name of Committee (in full): Gordon For Congress

Report covering the period: From 8-24-92 to 9.30.92 Amended

I. RECEIPTS	COLUMN A Total This Period	COLUMN B Calendar Year-To-Date	
11. CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees			
(i) Itemized (see Schedule A)	20896.00	[illegible]	11(a)(i)
(ii) Unitemized	2274.51		11(a)(ii)
(iii) Total of contributions from individuals	4261.951	127555.26	11(a)(iii)
(b) Political Party Committees		66.00	11(b)
(c) Other Political Committees (such as PACs)	5850.00	21649.63	11(c)
(d) The Candidate			11(d)
(e) TOTAL CONTRIBUTIONS (other than loans) (add 11(a)(iii), (b), (c) and (d))	48997.51	149270.89	11(e)
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES			12
13. LOANS:			
(a) Made or Guaranteed by the Candidate	34000.00	34000.00	13(a)
(b) All Other Loans Illegal	30000.00	30000.00	13(b)
(c) TOTAL LOANS (add 13(a) and (b))			13(c)
14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)			14
15. OTHER RECEIPTS (Dividends, Interest, etc.)			15
16. TOTAL RECEIPTS (add 11(e), 12, 13(c), 14 and 15)	112999.51	213270.89	16
II. DISBURSEMENTS			
17. OPERATING EXPENDITURES	97077.50	207205.63	17
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES			18
19. LOAN REPAYMENTS:			
(a) Of Loans Made or Guaranteed by the Candidate	30,000.00	30,000.00	19(a)
(b) Of All Other Loans Illegal Loan			19(b)
(c) TOTAL LOAN REPAYMENTS (add 19(a) and (b))			19(c)
20. REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees			20(a)
(b) Political Party Committees		120.00	20(b)
(c) Other Political Committees (such as PACs)			20(c)
(d) TOTAL CONTRIBUTION REFUNDS (add 20(a), (b) and (c))		120.00	20(d)
21. OTHER DISBURSEMENTS			21
22. TOTAL DISBURSEMENTS (add 17, 18, 19(c), 20(d) and 21)	127077.50	237205.63	22

III. CASH SUMMARY

23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD	$ 16,785.41	23
24. TOTAL RECEIPTS THIS PERIOD (from Line 16)	$ 112,999.51	24
25. SUBTOTAL (add Line 23 and Line 24)	$ 99,784.92	25
26. TOTAL DISBURSEMENTS THIS PERIOD (from Line 22)	$ 237205.63	26
27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (subtract Line 26 from 25)	$ 2707.42	27

9301506417

SCHEDULE B
Page Total

LOANS

Total Amount of Loans This Page (and Subtotal Page)

Name of Contributor to Fund: Bender for Congress — Amended

A. Full Name, Mailing Address and ZIP Code of Loan Donor	Original Amount of Loan	Outstanding Balance Prior to This Report	Balance Outstanding as of Close of This Period
Paul Ongtus 19707 - 4th Ave S.W. Seattle, WA 98166 Amount Aggregating $50 or More (Calendar Year to Date)	$4,000	10,000	$4,000
Name: Date Received _____ Date Due _____ Interest Rate _____ Secured ☐ Unsecured			
List All Endorsers or Guarantors, if and to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		
B. Full Name, Mailing Address and ZIP Code of Loan Donor	Original Amount of Loan	Outstanding Balance Prior to This Report	Balance Outstanding as of Close of This Period
Amount Aggregating $50 or More (Calendar Year to Date)			
Name: Date Received _____ Date Due _____ Interest Rate _____ Secured ☐ Unsecured			
List All Endorsers or Guarantors, if and to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding $		

SUBTOTALS This Period This Page (and Subtotal) ..... $

TOTALS This Period (from page 1 to this line only) .....

Carry only outstanding balances only to Line 3, Schedule B, for this line. If no Schedule B, carry forward to Line 3 of Summary.

9301506475

Attachment # 13

MEMORANDUM FOR FILES: TELECON

SUBJECT: 1992 October Quarterly Report - Excessive contribution through loan with deed of trust

FROM: Elfi Blum

TO: Sylvia Barnes, Treasurer - Tel.: (206) 243-0513

NAME OF COMMITTEE: Barden for Congress - C00254029

DATE: Beginning December 1993 through January 1994

Ms. Sylvia Barnes contacted the FEC the beginning of December, informing the Commission, that the above loan had been paid in full by the candidate from the candidate's personal funds.

As the Commission did not receive any written documentation on this matter as of January 10, 1994, the analyst contacted Ms. Sylvia Barnes. Ms. Barnes reconfirmed that the loan had been paid in full, and that she had mailed the respective correspondence, including cancelled checks, to the Clerk of the House of Representatives on January 4, 1994. Ms. Barnes stated that she will verify if and when she received her certified receipt back.

The analyst contacted Ms. Barnes on January 11, 1994, to inform her, that she was able to locate the above amendments, however, further clarification was needed on the source of the funds used to pay off the loan from the individual (friend). Specifically, did the candidate obtain part of his equity back when refinancing his home, or did the candidate borrow a larger loan amount against his equity. The treasurer promised to research this matter and to inform the Commission.

On January 12, 1994, Ms. Barnes contacted the Commission to confirm that the monies used to pay off the loan, were from the candidate's personal funds, equity he took out of the loan from his house.

'50436553346

REPUBLICAN ECONOMIC CONFERENCE
SEPTEMBER 10, 1993 Jan 10, 1994
SEATTLE

Barbara for Congress: C-00254029

JAN 11 2

a follow up on my report of Dec 20, 1993. To clarify where the funds come from to clear up the $20,000 loan. A personal loan was made to his Committee by the Candidate. $20,000 received from the equity of his home was the source of funds.

Sylvia Barnes,
Treas.

,50436553347

Paul Barden's Congressional Exploratory Committee
19907 Fourth Avenue S.W. • Seattle, Washington 98[illegible] • (206) 824-1979

Barden for Congress: C-00254027

An illegal loan of $30,000 was made to Campaign in Sept. 1992. On March 16, 1993 $10,000 was refunded. On Dec 17, 1993 the remaining $20,000 was refunded. The Candidate loaned his Committee $4,000 of his own money on Sept 1992 and on Dec 17, 1993 he loaned his campaign $20,000 to refund the Sept 1993 loan. The $10,000 paid on March 1993 came from donations. The $20,000 loaned on Dec 17, 1993 came from money on refinancing his home.

Sylvia Barnes, Treas.

Paul Barden - Republican

Norm Maleng, Chair

Dirk Bangert
Dick Barnueto
Chris Bayley
Bill Boeing
Nona Brazier
George Briggs
Norwood Brooks
Bob Chesterfield
Warren Chinn
David Cohn
Bill Conner
Don Covey
[illegible]
Jim Fitzgerald
Don Franklin
Gwen Fraser
Kemper Freeman
Tom Gibbs
Jack Gordon
Terre Harris
Arne Hartwigson
Roy Henderson
Sy Iffert
Jim Johnson
Joe Leitzinger
Paul Liao
Bart Lynam
John Mangels
Wells McCurdy
Jack McMillan
Stan McNaughton
Howie Meadowcroft
Jim Munn
Earle Murray
Della Newman
Walter Pereyra
Sheffield Phelps
Dave Sabey
Martin Selig
Kay Trepanier
George Walker
Larry Wells
Walt Williams
Jim Young

SCHEDULE A — ITEMIZED RECEIPTS

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FOR LINE NUMBER 3 11 a1

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

NAME OF COMMITTEE (In Full): Barden for Congress

A. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
Scott Griffin 3600 Port of Tacoma Rd. Tacoma, WA 98424 Receipt For: [X] Primary [ ] General [ ] Other (specify):	John Matt[illegible] Inc. Executive Aggregate Year-to-Date > $ 500.00	9/24/91	500.00
B. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
Jim Warjone Port Blakely Tree Farms, a Partnership 830 Logan Bldg. Seattle, WA 98101 Receipt For: [X] Primary [ ] General [ ] Other (specify):	President Aggregate Year-to-Date > $1000.00	9/24/91	1000.00
C. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
Richard Barnes 18118 6th SW Seattle, WA 98166 Receipt For: [X] Primary [ ] General [ ] Other (specify):	Retired Aggregate Year-to-Date > $ 250.00	9/24/91	150.00
D. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
Clinton Morrow 1072 Bellevue, Way NE, #162 Bellevue, WA 98004 Receipt For: [X] Primary [ ] General [ ] Other (specify):	Happy Valley Assoc. Owner Aggregate Year-to-Date > $ 500.00	9/24/91	500.00
E. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
David Sabey PO Box 9847 Seattle, WA 98109 Receipt For: [X] Primary [ ] General [ ] Other (specify):	Sabey Companies Owner Aggregate Year-to-Date > $ 750.00	9/24/91	250.00
F. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
L.A. Welcome PO Box 97055 Redmond, WA Receipt For: [X] Primary [ ] General [ ] Other (specify):	Welcome Construction Co. CEO Aggregate Year-to-Date > $ 500.00	10/5/91	500.00
G. Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
Robert Welcome PO Box 97055 Redmond, WA Receipt For: [X] Primary [ ] General [ ] Other (specify):	Welcome Construction Co. President Aggregate Year-to-Date > $ 500.00	10/5/91	500.00

CONTINUATION SHEET(S) FOR SCHEDULE A — 3400.00

SCHEDULE A — ITEMIZED RECEIPTS

Page 4 of 6

Order for Reimbursement

Name, Mailing Address and Zip Code	Name of Employer / Occupation	Date Received	Amount of Each Receipt this Period
WILLIAM ROBERTS 105 LAKE ST. S. STE 14 KIRKLAND, WA 98033	OLYMPIC OPTICS / OPTICIAN	2/13/92	250.00
JAMES M. SHEEHAN 9101 EAST HARRISON ST. SEATTLE, WASH. 98115	STORM WINDOW MANUFACTURER / CEO	2/19/92	1000.00
ANN JO J. DUCHESNEAU 32401 SUCCESS DR. SO. ABBOTSFORD, WA 98233	J. J. DUCHESNEAU / OPTICIAN	3/6/92	500.00
JENNIFER TOLLEN 32401 SUCCESS DR. SO. ABBOTSFORD, WA 98233	[illegible]	3/6/92	100.00
BRT ELECTRICAL [illegible] SEATTLE, WA	PARTNERSHIP	3/20/92 3/20/92	250.00 120.00
THE TIMBERLINE [illegible] 105 WEST STEVENS [illegible] MOUNTLAKE TERRACE, WA 98043	PARTNERSHIP	3/20/92	500.00
R. ALEX [illegible] 105 MADISON ST. [illegible] SEATTLE, WA 98104	SOLE STYLIST / TELE CONSULTED	[illegible] 3/4/92	200.00 50.00

SCHEDULE A — ITEMIZED RECEIPTS

Page 3 of 7

NAME OF COMMITTEE (in full): BARDEN FOR CONGRESS

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (mo., day, year)	Amount of Each Receipt this Period
FORT BLAKELY TRIL FARMS 830 Layen Building Seattle 98101 Receipt For: [X] Primary [ ] General [ ] Other (specify):	Owner Aggregate Year-to-Date > $ 620.00	6-11-92	250.00
Richard Zamp 14022 409 Avenue S. E. North Bend, WA 98045 Receipt For: [ ] Primary [X] General [ ] Other (specify):	Conifer N. W. Real Estate Developer Aggregate Year-to-Date > $ 100.00	5-29-92	100.00
Jessie Masters 21457 - 35th Avenue South Seattle 98198 Receipt For: [X] Primary [ ] General [ ] Other (specify):	King County Admin.Assist. Aggregate Year-to-Date > $ 222.22	4-27-92	(In-Kind) meeting luncheon 22.86
Erin McCallum 2539 South 367th Place Federal Way 98003 Receipt For: [X] Primary [ ] General [ ] Other (specify):	(In-Kind) Loan of computer CONSULTANT Aggregate Year-to-Date > $ 250.00	5-8-92	250.00
Dave McCallum 2539 South 367th Place Federal Way 98003 Receipt For: [X] Primary [ ] General [ ] Other (specify):	(In-Kind) Loan of telephones BANKER Aggregate Year-to-Date > $ 370.00	4-8-92	80.00
Duane Friesen 3211 South 194th SeaTac 98188 Receipt For: [X] Primary [ ] General [ ] Other (specify):	(In-Kind) Loan of desk & Chairs CONSULTANT Aggregate Year-to-Date > $ 250.00	4-8-92	250.00
Bobbi Williams, LaFaye 1919 S. W. 168th Seattle 98166 Receipt For: [X] Primary [ ] General [ ] Other (specify):	King County (In-Kind) Loan of Chair SEC. Aggregate Year-to-Date > $ 115.00	4-8-92	100.00
SUBTOTAL of Receipts This Page (optional)			1,052.00
TOTAL This Period (last page this line number only)			

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SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedule for each category of the Detailed Summary Page

PAGE 09 THREE FIVE FOR LINE NUMBER

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

NAME OF COMMITTEE (In Full)

GARDEN FOR CONGRESS

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
A. William J. Goss 628 South 189th Seattle 98148 Receipt For: [X] Primary [ ] General [ ] Other (specify):	Boeing computer programmer Aggregate Year-to-Date $250.00	7-17-92	250.00
B. Jim Marjone Port Blakley Tree Farms 830 Logen Seattle Receipt For: [X] Primary [ ] General [ ] Other (specify):	owner/manager Aggregate Year-to-Date $870.00	7-10-92	250.00
C. Frank Ives 26801 Dover Court Kent 98032 Receipt For: [X] Primary [ ] General [ ] Other (specify):	retired Aggregate Year-to-Date $300.00	7-14-92	300.00
D. Bill Blackburn RAMCO 21213 70th Avenue South Kent 98032 Receipt For: [X] Primary [ ] General [ ] Other (specify):	in-kind loan of office space owner/manager Aggregate Year-to-Date $[illegible]	7-1-92 through 9-15-92	488.80
E. Lynne Schow 29837 - 45th South Federal Way 98001 Receipt For: [X] Primary [ ] General [ ] Other (specify):	In-Kind All Right Printery owner Aggregate Year-to-Date $878.25	7-16-92	523.25
F. Ray Schow 29837 45th South Federal Way 98002 Receipt For: [X] Primary [ ] General [ ] Other (specify):	In-Kind All Right Printery owner/manager Aggregate Year-to-Date $523.30	7-16-92	523.30
G. Dia Mujer 8440 Garden Drive NE Bainbridge Island 98110 Receipt For: [X] Primary [ ] General [ ] Other (specify):	In-Kind [illegible] consultant Aggregate Year-to-Date $ 231.00	9-22-92	231.00

SUBTOTAL of Receipts This Page (optional) 2,542.55

TOTAL This Period (last page this [illegible]) . . . . . .

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SCHEDULE A ITEMIZED RECEIPTS

Use separate schedule for each category of the Detailed Summary Page

PAGE TWO OF SIX

FULL NAME OF COMMITTEE (In Full)
BARBER FOR CONGRESS

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
L. W. Wells Waterford East 1003 Lake Street S. #101 Kirkland WA 98033 Receipt For: [X] Primary [ ] General [ ] Other (specify):	SAFECO PROPERTIES CEO Aggregate Year-to-Date > $1,000.00	9-8-92	1,000.00
Gordon D. Sondland 1531 7th Avenue Seattle 98101 Receipt For: [ ] Primary [X] General [ ] Other (specify):	DUNSON EQUITIES CORP. President - CEO Aggregate Year-to-Date > $ 1,000.00	9-10-92	1,000.00
John H. Hauberg 216 First Avenue Suite 230 Seattle 98104 Receipt For: [X] Primary [ ] General [ ] Other (specify):	PACIFIC DENKMANN CO CEO Aggregate Year-to-Date > $ 500.00	9-10-92	500.00
Bill Blake 6433 Hawks Prairie Olympia, WA 98506 Receipt For: [X] Primary [ ] General [ ] Other (specify):	Self-Employed AM - RIDES Aggregate Year-to-Date > $ 400.00	9-15-92	400.00
Duaine N. Austin 29817 2nd Avenue SW Federal Way WA 98023 Receipt For: [X] Primary [ ] General [ ] Other (specify):	IBM Sales Salesman Aggregate Year-to-Date > $ 1,000.00	9-3-92	1,000.00
Carene Austin 29817 2nd Avenue SW Federal Way WA 98023 Receipt For: [X] Primary [ ] General [ ] Other (specify):	self-employed Interior Design Aggregate Year-to-Date > $ 950.00	9-3-92	650.00
Jim Warjone Port Blakley Tree Farm 890 Logan Building Seattle WA 98101 Receipt For: [X] Primary [ ] General [ ] Other (specify):	Port Blakley Tree Farm Lumberman Aggregate Year-to-Date > $ 870.00	8-28-92	250.00

SUBTOTAL of Receipts This Page (optional) > 4,800.00

TOTAL of All Receipts on this Page >

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SCHEDULE A — ITEMIZED RECEIPTS

PAGE 5 OF 19

Name of Committee (in Full): Darden for Congress

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
William E. Boeing, Jr. 1325 4th Ave., Ste 1940 Seattle, WA 98101	Occupation: Retired	5/1/91	1000.00
Receipt For: X Primary ___ General ___ Other (specify):	Aggregate Year-to-Date > $ 1000.00		
Robert Chesterfield 315 Norton Bldg. Seattle, WA 98104	Occupation: Retired	5/1/91	250.00
Receipt For: X Primary ___ General ___ Other (specify):	Aggregate Year-to-Date > $ 250.00		
Robert Hoss 740 S. Maxwelton Rd. Clinton, WA 98236	Name of Employer: Hoss Construction Occupation: Owner	5/1/91	250.00
Receipt For: X Primary ___ General ___ Other (specify):	Aggregate Year-to-Date > $ 250.00		
Gary Schulze 7432 N. Mercer Way Mercer Island, WA 98040	Occupation: Information Requested	5/1/91	500.00
Receipt For: X Primary ___ General ___ Other (specify):	Aggregate Year-to-Date > $ 500.00		
Jim Sepic 8202 Avalon Dr. Mercer Island, WA 98040	Occupation: Information Requested	5/1/91	500.00
Receipt For: X Primary ___ General ___ Other (specify):	Aggregate Year-to-Date > $ 500.00		
L.W. Wells 1003 Lake St. S. #101 Kirkland, WA 98033	Name of Employer: SAFECO Properties Occupation: CEO	5/1/91	1000.00
Receipt For: X Primary ___ General ___ Other (specify):	Aggregate Year-to-Date > $ 1000.00		
Richard Zemp 14022 409th Ave., SE North Ben, WA 98045	Name of Employer: Conifer Northwest Occupation: Executive	5/1/91	1000.00
Receipt For: X Primary ___ General ___ Other (specify):	Aggregate Year-to-Date > $ 1000.00		
SUBTOTAL of Receipts This Page (optional)			4500.00
TOTAL This Period (last page this category)			

SCHEDULE A — ITEMIZED RECEIPTS

PAGE TWO OF SIX

NAME OF COMMITTEE (In Full): BARREN FOR CONGRESS

Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
L. W. Wells Waterford East 1003 Lake Street S. #101 Kirkland WA 98033	SAFECO PROPERTIES	9-8-92	1,000.00
Receipt For: [X] Primary [ ] General [ ] Other (specify):	Occupation: CEO		
	Aggregate Year-to-Date >$ 1,000.00		
Gordon D. Sondland 1531 7th Avenue Seattle 98101	DUNSON EQUITIES CORP.	9-10-92	1,000.00
Receipt For: [ ] Primary [X] General [ ] Other (specify):	Occupation: President - CEO		
	Aggregate Year-to-Date >$ 1,000.00		
John H. Hauberg 216 First Avenue Suite 230 Seattle 98104	PACIFIC DENKMANN CO	9-10-92	500.00
Receipt For: [X] Primary [ ] General [ ] Other (specify):	Occupation: CEO		
	Aggregate Year-to-Date >$ 500.00		
Bill Blake 6433 Hawks Prairie Olympia, WA 98506	Self-Employed	9-15-92	400.00
Receipt For: [X] Primary [ ] General [ ] Other (specify):	Occupation: AM - RIDES		
	Aggregate Year-to-Date >$ 400.00		
Duaine H. Gustin 29817 2nd Avenue SW Federal Way WA 98023	IBM Sales	9-3-92	1,000.00
Receipt For: [X] Primary [ ] General [ ] Other (specify):	Occupation: Salesman		
	Aggregate Year-to-Date >$ 1,000.00		
Carene Gustin 29817 2nd Avenue SW Federal Way WA 98023	self-employed	9-3-92	650.00
Receipt For: [X] Primary [ ] General [ ] Other (specify):	Occupation: Interior Design		
	Aggregate Year-to-Date >$ 950.00		
Jim Warjone Port Blakley Tree Farm 830 Logan Building Seattle WA 9810[illegible]	Port Blakley Tree Farm	8-28-92	250.00
Receipt For: [X] Primary [ ] General [ ] Other (specify):	Occupation: Lumberman		
	Aggregate Year-to-Date >$ 270.00		

SUBTOTAL of Receipts This Page (optional): $4,800.00

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RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT
Jun 4 3 27 PM '94

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

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

RAD Referral # 94L - 20
Staff Member: Kamau Philbert

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

RESPONDENTS: Barden For Congress and
Sylvia Barnes, as treasurer
Paul Barden
Vickie Schmitz

RELEVANT STATUTES: 2 U.S.C. § 441a(a)(1)(A)
2 U.S.C. § 441a(a)(3)
2 U.S.C. § 441a(f)
2 U.S.C. § 431(8)(A)(i)
11 C.F.R. § 102.9(e)
11 C.F.R. § 100.7(a)(1)(i)(A)

INTERNAL REPORTS CHECKED: Financial Disclosure Reports

FEDERAL AGENCIES CHECKED: None

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I. GENERATION OF MATTER

This matter arose from a referral to the Office of the General Counsel from the Reports Analysis Division ("RAD"). The referral concerned excessive contributions to Barden for Congress.

II. FACTUAL AND LEGAL ANALYSIS

A. Facts

Paul Barden was a candidate for the U.S. House of Representatives from the 9th Congressional District of

Washington in the 1992 election cycle.[1] Mr. Barden's principal campaign committee was Barden For Congress ("Committee"). On April 25, 1994, the Committee filed a termination report with the Commission. If the Commission finds reason to believe violations occurred, the notification letter to the Committee also will advise that it cannot terminate while this matter is pending.

Schedule C of its 1992 October Quarterly Report disclosed a $34,000 loan from the candidate to the Committee in September, 1992. Prompted by a September 8, 1993 Request For Additional Information from RAD regarding the source of the $34,000, the Committee reported that only $4,000 actually originated from the candidate. The candidate borrowed $30,000 from a friend, Vickie Schmitz.[2] In return, a parcel of real property, jointly owned by the candidate and his wife, was transferred to Vickie Schmitz as collateral. The Committee provided an undated copy of a "Deed of Trust", which appeared to have been notarized on September 4, 1992. See Attachment No. 1, at pages 30-32. The Committee refunded $10,000 on March 16, 1993 with campaign funds. After being advised by RAD that the loan constituted an excessive contribution from Ms. Schmitz and should be refunded (See Attachment No. 1, at pages 28-29, 33-34), the Committee refunded the remaining $20,000 on December 17, 1993 from a

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1. Commission records show that Paul Barden lost the September 15, 1992 primary election for the Republican nomination, receiving fourty-eight percent (48%) of the vote.

2. Commission records show no additional contributions by Vickie Schmitz in the 1992 election cycle.

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$20,000 loan the Committee obtained from the candidate.[3] The Committee further advised that the candidate obtained the $20,000 from a home equity loan taken out on his residence. Supporting documents regarding the home equity loan were not provided.

In addition to the loan transaction described above, RAD identified six additional excessive contributions. Four of those contributions ($2,340) were designated for the general election by individuals who already contributed $1,000 to the primary election.[4] See Attachment No. 1, at pages 8-15. After being advised by RAD that the contributions needed to be refunded or reattributed, the Committee refunded them on September 23, 1993.[5] See Attachment No. 1, at pages 19-26. The remaining two additional excessive contributions ($1,500) were designated by individuals entirely to the primary election: one was an aggregate contribution of $2,000; the other was an

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3. The Committee's 1993 reports disclosed the refunds. Schedule C of the Committee's 1993 Year End Report disclosed the $20,000 loan owed to the candidate.

4. An additional individual, who contributed $100 to the general and $750 to the primary election, was omitted from the referral totals because the aggregate contribution was within the limit for the primary election, and it appears that the $100 was refunded.

5. The refunds were disclosed in the Committee's 1993 Year End Report and copies of the refund checks were received by the Commission on January 4, 1994.

aggregate contribution of $1,500.[6] See Attachment No. 1, at pages 41-47. The Committee was not advised of these two excessive contributions, and it does not appear that the contributions were refunded.

B. Law

The Federal Election Campaign Act of 1971, as amended ("the Act") provides that no person shall make contributions to any candidate and the candidate's authorized political committees with respect to any election for federal office which, in the aggregate, exceeds $1,000. 2 U.S.C. § 441a(a)(1)(A). The Act also provides that no individual shall make contributions aggregating more than $25,000 in any calendar year. 2 U.S.C. § 441a(a)(3). The term "contribution" includes any loan made by any person for the purpose of influencing any election for federal office. See 2 U.S.C. § 431(8)(A)(i). The Commission's regulations further provide that a loan which exceeds the contribution limitations of 2 U.S.C. § 441a shall be unlawful whether or not it is repaid. 11 C.F.R.§ 100.7(a)(1)(i)(A). The

6. This contribution is described in RAD's referral as a $2,120 contribution by a partnership, Port Blakely Tree Farms. The contributions were reported on Schedule A of the Committee's reports in two ways: the name of the managing partner appeared in the "contributor identification box" with that of the partnership for $1,500; on the remaining $620 the name of the partnership appeared solely. See, e.g. Attachment No. 1, at pages 41 and 42. As a result, the Commission's Contributor Index shows $1,500 as an aggregate contribution from that individual. Considering the minimal amount of the excessive contribution involved, it does not appear productive to inquire into the source of the contribution. Therefore, at this time, this Office is not treating the $2,120 as a total contribution from the partnership. Rather, $1,500 is regarded as an individual contribution, and the remaining $620 is regarded as a partnership contribution.

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Act provides that no candidate or political committee shall knowingly accept any contribution in violation of section 441a of the Act. 2 U.S.C. § 441a(f).

The Commission regulations permit contributions for the general election prior to the primary election, however, when a candidate is not a candidate in the general election, any contributions made for the general election must be refunded to the contributors, redesignated or reattributed in accordance with Commission regulations. See 11 C.F.R. § 102.9(e).

C. Analysis

1. Vickie Schmitz

The RAD referral indicates that Vickie Schmitz made a $30,000 contribution to Mr. Barden's campaign in the form of a loan to the candidate. See 2 U.S.C. § 431(8)(A)(i). Since Ms. Schmitz was limited to a $1000 contribution to Mr. Barden's primary election campaign, it appears that she made an excessive contribution of $29,000. See 2 U.S.C. § 441a(a)(1)(A). The $30,000 contribution also exceeds the overall contribution limit specified in section 441a(a)(3) of the Act. Accordingly, this Office recommends that the Commission find reason to believe that Vickie Schmitz violated 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3).

2. Barden for Congress

Mr. Barden and the Committee accepted the $30,000 contribution from Ms. Schmitz, a contribution exceeding the limits set forth in both sections 441a(a)(1)(A) and 441a(a)(3) of the Act. The Committee also accepted an additional $3,840 in

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excessive contributions from six other individuals. Four of those contributions ($2,340) were designated for the general election and, therefore, only became excessive when Mr. Barden lost the September 15, 1992 primary election. Those contributions were required to be refunded, redesignated or reattributed within sixty days of the primary election. See 11 C.F.R. § 102.9(e) and Advisory Opinion 1992-15. The contributions were not refunded until September 23, 1993, over a year after they were received. As a result, those contributions became excessive contributions when they were not refunded within the sixty-day time period. See Advisory Opinion 1986-17. The remaining two contributions ($1,500) do not appear to have been refunded. Therefore, this Office recommends that the Commission find reason to believe that Barden for Congress and its treasurer violated 2 U.S.C. § 441a(f) by knowingly accepting excessive contributions totaling $32,840 from seven individuals.

3. Paul Barden

Paul Barden was involved personally in the loan transaction at issue. He accepted the $30,000 contribution from Vickie Schmitz, added $4,000 of his own money to it, and transferred the contribution to the Committee as a loan from him. Therefore, this Office recommends that the Commission find reason to believe that Paul Barden violated 2 U.S.C. § 441a(f) by knowingly accepting a contribution which exceeded the

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contribution limits set forth in both sections 441a(a)(1)(A) and 441a(a)(3) of the Act.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

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IV. RECOMMENDATIONS

1. Open a MUR.

2. Find reason to believe that Barden for Congress and Sylvia Barnes, as treasurer, violated 2 U.S.C.§ 441a(f) and enter into conciliation prior to a finding of probable cause to believe.

3. Find reason to believe that Paul Barden violated 2 U.S.C. § 441a(f) and enter into conciliation prior to a finding of probable cause to believe.

4. Find reason to believe that Vickie Schmitz violated 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3), and enter into conciliation prior to a finding of probable cause to believe.

5. Approve the three Factual and Legal Analyses and conciliation agreements attached.

6. Approve the appropriate letters.

Lawrence M. Noble
General Counsel

8-2-94
Date

BY: Lois G. Lerner
Associate General Counsel

Attachments:
1. Referral Materials
2. Factual and Legal Analyses (3)
3. Proposed conciliation agreements(3)

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FEDERAL ELECTION COMMISSION
WASHINGTON D C 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE J. ROSS
COMMISSION SECRETARY

DATE: AUGUST 10, 1994

SUBJECT: RAD REFERRAL #94L-20 - FIRST GENERAL COUNSEL'S REPORT DATED AUGUST 2, 1994.

The above-captioned document was circulated to the Commission on Friday, August 5, 1994 at 12:00 p.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	XXX
Commissioner Elliott	
Commissioner McDonald	
Commissioner McGarry	
Commissioner Potter	
Commissioner Thomas	

This matter will be placed on the meeting agenda for Tuesday, August 16, 1994.

Please notify us who will represent your Division before the Commission on this matter.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	RAD Referral
Barden For Congress and	)	#94L-20
Sylvia Barnes, as treasurer;	)	
Paul Barden;	)	MUR 4043
Vickie Schmitz	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on August 16, 1994, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions with respect to RAD Referral #94L-20:

1. Open a MUR.

2. Find reason to believe that Barden for Congress and Sylvia Barnes, as treasurer, violated 2 U.S.C. § 441a(f) and enter into conciliation prior to a finding of probable cause to believe.

3. Find reason to believe that Paul Barden violated 2 U.S.C. § 441a(f) and enter into conciliation prior to a finding of probable cause to believe.

4. Find reason to believe that Vickie Schmitz violated 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3), and enter into conciliation prior to a finding of probable cause to believe.

(continued)

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5. Approve the three Factual and Legal Analyses and conciliation agreements recommended in the General Counsel's report dated August 2, 1994.

6. Approve the appropriate letters as recommended in the General Counsel's report dated August 2, 1994.

Commissioners Elliott, McDonald, McGarry, Potter, and Thomas voted affirmatively for the decision. Commissioner Aikens dissented.

Attest:

8-17-94
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUGUST 19, 1994

Sylvia Barnes, Treasurer
Barden For Congress
P.O. Box 36174
Federal Way, WA 98003

RE: MUR 4043
Barden For Congress and
Sylvia Barnes, as treasurer

Dear Ms. Barnes:

On August 16, 1994, the Federal Election Commission found that there is reason to believe that Barden For Congress and you, as treasurer, violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission has approved.

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

,5043655367

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Kamau Philbert, the attorney assigned to this matter, at (202) 219-3690.

For the Commission,

Lee Ann Elliott

Lee Ann Elliott
Commissioner

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

'50436555368

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Barden For Congress and Sylvia Barnes, as treasurer

MUR: 4043

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

The Federal Election Campaign Act of 1971, as amended ("the Act") provides that no person shall make contributions to any candidate and the candidate's authorized political committees with respect to any election for federal office which, in the aggregate, exceeds $1,000. 2 U.S.C. § 441a(a)(1)(A). The Act also provides that no individual shall make contributions aggregating more than $25,000 in any calendar year. 2 U.S.C. § 441a(a)(3). The term "contribution" includes any loan made by any person for the purpose of influencing any election for federal office. See 2 U.S.C. § 431(8)(A)(i). The Commission's regulations further provide that a loan which exceeds the contribution limitations of 2 U.S.C. § 441a shall be unlawful whether or not it is repaid. 11 C.F.R.§ 100.7(a)(1)(i)(A). The Act provides that no candidate or political committee shall knowingly accept any contribution in violation of section 441a of the Act. 2 U.S.C. § 441a(f).

'5043655369

The Commission regulations permit contributions for the general election prior to the primary election, however, when a candidate is not a candidate in the general election, any contributions made for the general election must be refunded to the contributors, redesignated or reattributed in accordance with Commission regulations. See 11 C.F.R. § 102.9(e).

Schedule C of Barden For Congress's 1992 October Quarterly Report disclosed a $34,000 loan from the candidate, Paul Barden. Prompted by an inquiry from the Commission regarding the source of the $34,000, Barden For Congress reported that the candidate borrowed $30,000 of the $34,000 from a friend, Vickie Schmitz. Mr. Barden transferred a parcel of real property to Vickie Schmitz as collateral for the loan. Barden For Congress repaid $10,000 on March 16, 1993 and the remaining $20,000 on December 17, 1993.

In addition to the loan transaction described above, Barden For Congress collected six additional excessive contributions. Four of those contributions ($2,340) were designated for the general election by individuals who already contributed $1,000 to the primary election. Those individuals were Everett Paup, James Sheehan, Gordon Sondland, and Richard Zemp. Paul Barden lost the September 15, 1992 primary election. The Committee refunded those contributions on September 23, 1993. The remaining two additional excessive contributions ($1,500) were designated by individuals entirely to the primary election: one was an aggregate contribution of $2000 from L. W. Wells; the other was an aggregate contribution of $1,500 from Jim Warjone.

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It does not appear that these two contributions were refunded.

Barden For Congress accepted the $30,000 from Ms. Schmitz, a contribution exceeding the limits set forth in both sections 441a(a)(1)(A) and 441a(a)(3) of the Act. Barden For Congress also accepted an additional $3,840 in excessive contributions from six other individuals. Four of those contributions were designated for the general election and, therefore, only became excessive when Mr. Barden lost the primary election. Those contributions were required to be refunded, redesignated or reattributed within sixty days of the primary election. See 11 C.F.R. § 102.9(e) and Advisory Opinion 1992-15. The contributions were not refunded until September 23, 1993, over a year after they were received. As a result, those contributions became excessive contributions when they were not refunded within the sixty-day time period. See Advisory Opinion 1986-17. Therefore, there is reason to believe that Barden for Congress and Sylvia Barnes, as treasurer violated 2 U.S.C. § 441a(f) by knowingly accepting excessive contributions totaling $32,840 from seven individuals.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUGUST 19, 1994

Paul Barden
19907 - 4th Avenue S.W.
Seattle, Washington 98166

RE: MUR 4043
Paul Barden

Dear Mr. Barden:

On August 16, 1994, the Federal Election Commission found that there is reason to believe that you violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission has approved.

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

,5043655372

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Kamau Philbert, the attorney assigned to this matter, at (202) 219-3690.

For the Commission,

Lee Ann Elliott

Lee Ann Elliott
Commisioner

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

cc: Paul Barden

5043655373

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Paul Barden MUR: MUR 4043

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

The Federal Election Campaign Act of 1971, as amended ("the Act") provides that no person shall make contributions to any candidate and the candidate's authorized political committees with respect to any election for federal office which, in the aggregate, exceeds $1,000. 2 U.S.C. § 441a(a)(1)(A). The Act also provides that no individual shall make contributions aggregating more than $25,000 in any calendar year. 2 U.S.C. § 441a(a)(3). The term "contribution" includes any loan made by any person for the purpose of influencing any election for federal office. See 2 U.S.C. § 431(8)(A)(i). The Commission's regulations further provide that a loan which exceeds the contribution limitations of 2 U.S.C. § 441a shall be unlawful whether or not it is repaid. The Act further provides that no candidate or political committee shall knowingly accept any contribution in violation of section 441a of the Act. 2 U.S.C. § 441a(f).

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It appears from reports filed with the Commission that in September, 1992, Vickie Schmitz loaned $30,000 to Paul Barden, a candidate for the U.S. House of Representatives from the 9th Congressional District of Washington. Mr. Barden then loaned the money to his campaign committee, Barden For Congress. Mr. Barden transferred a parcel of real property to Vickie Schmitz as collateral for the loan. Barden For Congress repaid the loan in two installments: $10,000 on March 16, 1993 and the remaining $20,000 on December 17, 1993. Mr. Barden lost the September 15, 1992 primary election.

As described above, Mr. Barden was personally involved in the transaction. He accepted the $30,000 from Ms. Schmitz, a contribution exceeding the limits set forth in both sections 441a(a)(1)(A) and 441a(a)(3) of the Act, and transferred it to Barden For Congress.

Therefore, there is reason to believe that Paul Barden violated 2 U.S.C. § 441a(f) by knowingly accepting an excessive contribution of $29,000.

,5043655375

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUGUST 19, 1994

Vickie Schmitz
9107 Fauntleroy S.W.
Seattle, Washington 98136

RE: MUR 4043
Vickie Schmitz

Dear Ms. Schmitz:

On August 16, 1994, the Federal Election Commission found that there is reason to believe that you violated 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission has approved.

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Kamau Philbert, the attorney assigned to this matter, at (202) 219-3690.

For the Commission,

Lee Ann Elliott

Lee Ann Elliott
Commissioner

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

95043655377

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Vickie Schmitz MUR: 4043

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

The Federal Election Campaign Act of 1971, as amended ("the Act") provides that no person shall make contributions to any candidate and the candidate's authorized political committees with respect to any election for federal office which, in the aggregate, exceeds $1,000. 2 U.S.C. § 441a(a)(1)(A). The Act also provides that no individual shall make contributions aggregating more than $25,000 in any calendar year. 2 U.S.C. § 441a(a)(3). The term "contribution" includes any loan made by any person for the purpose of influencing any election for federal office. See 2 U.S.C. § 431(8)(A)(i). The Commission's regulations further provide that a loan which exceeds the contribution limitations of 2 U.S.C. § 441a shall be unlawful whether or not it is repaid.

It appears from reports filed with the Commission that in September, 1992, Vickie Schmitz loaned $30,000 to Paul Barden, a candidate for the U.S. House of Representatives from the 9th

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Congressional District of Washington. Mr. Barden then loaned the money to his campaign committee, Barden For Congress. Mr. Barden transferred a parcel of real property to Vickie Schmitz as collateral for the loan. Barden For Congress repaid the loan in two installments: $10,000 on March 16, 1993 and the remaining $20,000 on December 17, 1993. Mr. Barden lost the September 15, 1992 primary election.

As Ms. Schmitz was limited to a $1,000 contribution to Barden's primary election campaign, it appears that she made an excessive contribution of $29,000 to Paul Barden and Barden For Congress in the 1992 election cycle.

Therefore, there is reason to believe that Vickie Schmitz violated 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3).

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LANE
POWELL
SPEARS
LUBERSKY

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COMMISSION
OFFICE OF GENERAL
COUNSEL
Sep 6 1 47 PM '94

RECEIVED
FEDERAL ELECTION
COMMISSION
ADMINISTRATIVE
Sep 6 9 07 AM '94

August 31, 1994

Michael D. McKay
(206) 223-1342

Law Offices

1420 Fifth Ave.
Suite 4100
Seattle, WA
98101-2338

(206) 223-7000

Telex: 32-8808
Facsimile:
(206) 223-7107

A Partnership
Including
Professional
Corporations

Mr. Jonathan Bernstein
Assistant General Counsel
Federal Election Commission
999 E Street N.W.
Washington, D.C. 20463

Re: MUR 4043

Dear Mr. Bernstein:

Thank you for taking the time to speak with me yesterday.

Enclosed please find an executed Statement of Designation of Counsel.

This will confirm that Sylvia Barnes, Treasurer for the Barden for Congress campaign, has not yet received the letter the FEC sent to her on August 19, 1994. The P.O. Box listed in the original letter was canceled long ago. We agreed that you will send a copy of that letter to her at her home address, which I provided to you yesterday.

We understand that we have until September 8, 1994 to submit any factual or legal materials that we believe relevant to the Commission's consideration of this matter. As we discussed, we request an extension of time until September 15, 1994 for the following reasons:

1. The campaign has not yet received the letter addressed to Ms. Barnes, its treasurer, for the reasons set forth above.

2. We need additional time to obtain and review relevant bank records for Mr. Barden, Ms. Schmitz, and the campaign, and

3. I am on vacation until September 6, 1994, two days before the original due date.

Thank you for your consideration of this request.

Anchorage, AK
Los Angeles, CA
Mount Vernon, WA
Olympia, WA
Portland, OR
San Francisco, CA
Seattle, WA

London, England

9504365530

Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

LANE POWELL SPEARS LUBERSKY

M. McKay

Michael D. McKay

Enclosure
cc: Paul Barden

[illegible]
[illegible]

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STATEMENT OF DESIGNATION OF COUNSEL

WSB 4043

NAME OF COUNSEL: MIKE McKAY

ADDRESS: 1420 - 5TH AVE.
SUITE 4100
SEATTLE, WA. 98101-7107

TELEPHONE: 206 223 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.

8-24-94
Date

Paul Barden
Signature

RESPONDENT'S NAME: PAUL BARDEN

ADDRESS: 19907 - 4 S.W.
Normandy Park, WA
98166

HOME PHONE: 824-1979

BUSINESS PHONE: NONE

1504365538 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SEPTEMBER 8, 1994

Michael D. McKay, Esquire
Lane Powell Spears Lubersky
1420 Fifth Avenue
Suite 4100
Seattle, WA 98101-2338

RE: MUR 4043

Dear Mr. McKay:

This is in response to your letter dated August 31, 1994, which we received on September 6, 1994, requesting a one week extension to respond to our notice of reason to believe finding dated August 19, 1994. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on September 15, 1994.

In addition, as Jonathan Bernstein advised in your August 30, 1994 telephone conversation, you need to submit a written designation of counsel for respondents Barden For Congress and Vickie Schmitz if you are representing them. The designation of counsel you submitted specify only Paul Barden as the client.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Kamau Philbert
Attorney

Enclosure

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LANE
POWELL
SPEARS
LUBERSKY

RECEIVED
FEDERAL ELECTION
COMMISSION
ADMINISTRATIVE DIVISION
Sep 16 11 46 AM '94

September 13, 1994

Michael D. McKay
(206) 223-1342

Law Offices

1420 Fifth Ave.
Suite 4100
Seattle, WA
98101-2338

(206) 223-7000

Telex: 32-8808
Facsimile:
(206) 223-7107

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Including
Professional
Corporations

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COPY VIA FACSIMILE
202/214-3880

ORIGINAL VIA MAIL

Mr. Kamau Philbert
Attorney
Federal Election Commission
999 E Street N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
SEP 16 12 52 PM '94

Re: MUR 4043

Dear Mr. Philbert:

Thank you for taking the time to speak with me today. As we discussed, we are requesting an extension of time to submit factual and legal materials that we believe relevant to the Commission's consideration of the above-referenced matter. These materials are currently due on September 15, 1994. As we discussed, we request an extension of time until September 28, 1994 for the following reasons:

1. To date, we have gathered all the relevant documents including two-year-old bank records, and have begun to prepare the appropriate materials for submission to the FEC. These materials, including affidavits, will not be ready for final review by Mr. Burden, who will need to sign one of the affidavits, before he goes out of town on September 14, 1994 for seven days. I am out of town tomorrow, as well. Once Mr. Burden returns on September 22, he will be able to review, revise and sign his affidavit.

2. Out of the abundance of caution, we have decided it would be prudent and appropriate for Ms. Vickie Schmitz to retain separate counsel. Mr. Henry C. Jameson, a Seattle attorney, is her new lawyer. He will need the appropriate time to prepare his submission on Ms. Schmitz' behalf.

We are taking this matter very seriously and have spent considerable time gathering and reviewing the relevant documents. Once we are finished completing the written submission during this short period of time for which we are asking an extension, the FEC will benefit by receiving a full, complete presentation.

Anchorage, AK
Los Angeles, CA
Mount Vernon, WA
Olympia, WA
Portland, OR
San Francisco, CA
Seattle, WA

London, England

For your records, please find enclosed a Statement of Designation of Counsel designating the undersigned as counsel for Barden for Congress.

Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

LANE POWELL SPEARS LUBERSKY

M. McKay

Michael D. McKay

MDM:tj
Enclosure
cc: Mr. Paul Barden
Ms. Sylvia Barnes
Henry C. Jameson, Esq.
LPSLA1 R:\CL1\MDM\1139\MDM.LTR

9504365553 85

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4043

NAME OF COUNSEL: Michael D. McKay

ADDRESS: LANE POWELL SPEARS LUBERSKY
1420 Fifth Avenue, Suite 4100
Seattle, Washington 98101

TELEPHONE: (206) 223-1342

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
Sep 16 12 53 PM '94

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.

9/12/94
Date

Signature

RESPONDENT'S NAME: Sylvia Barnes, Treasurer
Barden for Congress

ADDRESS: 18118 - 6th Avenue S.W.
Seattle, Washington 98166

TELEPHONE: HOME(206) 243-0513
BUSINESS( )

9504365538 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SEPTEMBER 16, 1994

Michael D. McKay, Esquire
Lane Powell Spears Lubersky
1420 Fifth Avenue
Suite 4100
Seattle, WA 98101-2338

RE: MUR 4043

Dear Mr. McKay:

This is in response to your letter dated September 13, 1994, in which you requested an additional extension of time, until September 28, 1994, to respond to the Commission's notice of reason to believe finding dated August 19, 1994.

After considering the circumstances presented in your letter, and our subsequent telephone duscussion, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on September 28, 1994.

In your letter you advised that you are not representing Ms. Vickie Schmitz and that she has retained separate counsel. Therefore, this extension would not apply to Ms. Schmitz. As I advised in our telephone conversation, it is advisable for Ms. Schmitz, or her attorney, to contact me promptly regarding her response to the Commission's finding. In addition, Ms. Schmitz would need to submit a signed letter of representation (designation of counsel form) notifying the Commission that such counsel is authorized to act on her behalf.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Kamau Philbert
Attorney

95043655387

JAMESON BABBITT STITES & LOMBARD
ATTORNEYS AT LAW

RECEIVED
FEDERAL ELECTION
COMMISSION
ADMINISTRATIVE DIVISION
Sep 19 11 44 AM '94

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COMMISSION
OFFICE OF GENERAL
COUNSEL
Sep 19 12 49 PM '94

September 16, 1994

VIA FACSIMILE AND FIRST CLASS MAIL

Mr. Kamau Philbert
Federal Election Commission
999 E Street N.W.
Washington, D.C. 20463

Re: MUR 4043

Dear Mr. Philbert:

Enclosed is a completed Designation of Counsel Form signed by Vickie Schmitz and appointing the undersigned as her attorney of record in this matter.

I have received a copy of Mr. McKay's letter of September 13 to you. On behalf of Ms. Schmitz, I join in his request for an extension of time until September 28 within which to submit a response on behalf of Ms. Schmitz. In addition to the reasons enumerated by Mr. McKay, mr request is based upon the fact that I have just been retained by Ms. Schmitz to appear for her in this action, have spent the last two weeks in daily depositions in an unrelated civil case in the superior court and will need a short period of time just to bring myself current on this matter to be able to assist Ms. Schmitz.

Thank you for your consideration of this request and for your courtesy during our telephone conversation this morning.

Very truly yours,

JAMESON BABBITT STITES & LOMBARD

By: Henry C. Jameson

c: Michael D. McKay
Vickie Schmitz

(JBSL1/50133/00217/HCJ/125233.1)

999 THIRD AVENUE, SUITE 1900
SEATTLE, WASHINGTON 98104

TEL 206 292 1994
FAX 206 292 1995

BRUCE P. BABBITT
ALAN BORNSTEIN
BRAD L. BRIGHAM
JENNIFER D. COBB
HENRY C. JAMESON

ANNE DEVOE LAWLER
DAVID N. LOMBARD
MICHAEL MCCORMACK
WILLIAM D. STITES
BRADLEY P. THORESON

9504365538 8

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4043

NAME OF COUNSEL: HENRY C. JAMESON

ADDRESS: 999 Third Avenue, #1900
Seattle, WA 98104

TELEPHONE: (206) 292-1994

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
SEP 19 12 49 PM '94

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.

9/16/94
Date

Victoria L. Schmitz
Signature

RESPONDENT'S NAME: VICTORIA L. SCHMITZ

ADDRESS: 9107 FAUNTLEROY WAY S.W.
SEATTLE, WA 98136

HOME PHONE: (206) 938-4400

BUSINESS PHONE: (206) 296-4015

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SEPTEMBER 19, 1994

Henry C. Jameson, Esquire
Jameson Babbitt Stites & Lombard
999 Third Avenue
Suite 1900
Seattle, WA 98104

RE: MUR 4043

Dear Mr. McKay:

This is in response to your telephone call and letter of September 16, 1994, in which you requested an extension of time, until September 28, 1994, to respond to the Commission's notice of reason to believe finding dated August 19, 1994. With the understanding that the additional time is needed to prepare a suitable response to advance preprobable cause conciliation, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on September 28, 1994.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Kamau Philbert
Attorney

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JAMESON BABBITT STITES & LOMBARD
ATTORNEYS AT LAW

RECEIVED
FEDERAL ELECTION
COMMISSION
SEP 28 9 54 AM '94

September 26, 1994

BY FEDERAL EXPRESS

Federal Election Commission
999 E Street NW
Washington, D.C. 20463

Re: MUR4043: Paul Barden, Victoria Schmitz, Paul Barden for Congress

Dear Sir or Madam:

Attached is the Declaration of Victoria L. Schmitz in response to the FEC letter of August 19, 1994, to her. Her Declaration is to be considered in conjunction with those of Mr. Barden and Ms. Barnes, which are being submitted under separate cover by Mr. McKay, their attorney.

As is apparent from the Declaration, Ms. Schmitz did not knowingly violate the Federal Election Campaign Act of 1971. The loan she made to Mr. Barden was not clandestine. Both Ms. Schmitz and Mr. Barden believed at the time that it complied with FEC requirements. It was the substantial equivalent of a commercial loan from a bank. It bore a market rate of interest, was secured by a deed of trust on real property and was made with the full expectation that it would be repaid. Mr. Barden had the assets to insure repayment, and the loan was in fact repaid. It was fully reported by the campaign as a loan, and it was that disclosure which apparently triggered the current proceedings.

This is not a case involving a willful violation of the law. Nor does it involve an attempt to evade the law. To the contrary, Ms. Schmitz and Mr. Barden consulted an FEC publication to try to insure that their acts were proper.

The FEC exists to enforce the law. It cannot be unaware, however, of the irony in its proposed action here. Special

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999 THIRD AVENUE, SUITE 1900
SEATTLE, WASHINGTON 98104

TEL 206 292 1994
FAX 206 292 1995

BRUCE P. BABBITT
ALAN BORNSTEIN
BRAD L. BRIGHAM
JENNIFER D. COBB

ANNE DEVOE LAWLER
DAVID N. LOMBARD
MICHAEL MCCORMACK
WILLIAM D. STITES

interest money gushes into political campaigns through PACs. Rich candidates do not face spending limits applicable to those who are not rich. Yet when a candidate openly borrows money from a supporter in a transaction which both mistakenly believe to comply with the rules, the full wrath of the federal government is visited upon them.

Very truly yours,

JAMESON BABBITT STITES & LOMBARD

H C Jameson

By: Henry C. Jameson

Encl.

15043655392

DECLARATION OF VICTORIA L. SCHMITZ

I, VICTORIA L. SCHMITZ, do hereby declare as follows:

1. I was a full-time volunteer on the Paul Barden for Congress campaign in 1992.

2. In August 1992, I agreed to loan Paul Barden $30,000 so that he in turn could loan that money to the campaign to meet certain crucial campaign expenses. Before agreeing to make this loan, I reviewed with Paul a paperback book of FEC regulations or guidelines. I do not recall the title of this volume. He and I looked at the section dealing with bank loans in order that we could structure our transaction the same way as a commercial transaction with a bank. I understood that, if I received a signed promissory note requiring the payment of an interest rate consistent with the market and securing that loan with a deed of trust then we would be in compliance with FEC laws and regulations. Paul could have achieved exactly the same thing by borrowing the money from the bank. The loan has been fully repaid. I reconveyed the deed of trust last year.

3. I believed at the time of the loan that I was acting in compliance with FEC rules because I was simply acting as a commercial lender would. This was not a sham transaction structured to avoid the law, but rather a bona fide loan. I had known Paul for many years and had no doubt as to his credit-worthiness. My mistake was in failing to read the FEC paperback more carefully and in failing to hire a lawyer to review the pertinent statutes and regulations. Had I known it was

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inappropriate, I would not have loaned the money to Mr. Barden. We had nothing to hide, never sought to conceal anything and recorded the deed of trust as a public record.

I hereby certify under penalty of perjury of the laws of the United States that the foregoing is true and correct.

DATED this 27th day of September, 1994 at Seattle, Washington.

Victoria L. Schmitz

Victoria L. Schmitz

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LANE
POWELL
SPEARS
LUBERSKY

RECEIVED
FEDERAL ELECTION
COMMISSION
ADMINISTRATIVE DIVISION
Sep 28 9 55 AM '94

September 27, 1994

Michael D. McKay
(206) 223-1342

Law Offices

1420 Fifth Ave
Suite 4100
Seattle, WA
98101-2338

(206) 223-7000

Telex: 32-8808
Facsimile:
(206) 223-7107

A Partnership
Including
Professional
Corporations

15043655395

Federal Election Commission
999 E Street N.W.
Washington, D.C. 20463

Re: MUR 4043: Paul Barden, Vickie Schmitz,
Paul Barden for Congress

Dear Sir or Madame:

Enclosed please find the Affidavits of Paul Barden and Sylvia Barnes. They contain the factual response to the FEC letters of August 19, 1994 to Mr. Barden and Ms. Barnes as treasurer of the campaign. We understand Ms. Schmitz's response is being submitted separately with a cover letter from her attorney.

For the purpose of reaching a conciliation, and with the approval of Ms. Schmitz, we request the consolidation of the handling of the violations by Mr. Barden, the campaign, and Ms. Schmitz.

There are three issues to be addressed by the FEC:

1. The $30,000 loan from Vickie Schmitz to Paul Barden;

2. The six additional excessive contributions; and

3. A recently discovered clerical error in the October 14, 1992 report showing a portion of Mr. Barden's personal loan to the campaign as unitemized contributions.

Paul Barden for Congress and Mr. Paul Barden request conciliation because the violations resulted from honest and inadvertent misunderstandings of the law. Most important is the fact that the campaign brought virtually all of the violations to the attention of the FEC. In addition, there are other mitigating circumstances described below and in more detail in the affidavits.

During the twenty-seven years while Mr. Barden was an elected public official, he and his campaigns have complied with

Anchorage, AK
Los Angeles, CA
Mount Vernon, WA
Olympia, WA
Portland, OR
San Francisco, CA
Seattle, WA

London, England

campaign disclosure laws and regulations enforced by Washington State Public Disclosure Commission and local government. Just as he had complied with the law in his previous campaigns, Mr. Barden intended to comply with the federal law in his 1992 campaign. Mr. Barden and the campaign apologize for their unintentional violations of the federal law.

$30,000 LOAN FROM Ms. SCHMITZ TO Mr. BARDEN

This loan was not a willful and knowing violation. Mr. Barden's Affidavit describes how in August 1992, just before the September 15, 1992 primary, the campaign needed money quickly.

In September of 1992, Ms. Schmitz loaned Mr. Barden $30,000 which Mr. Barden, in turn, loaned to his campaign. Both Mr. Barden and Ms. Schmitz believed that the loan, which was memorialized in writing, required payment of interest at market rate, and was secured by a recorded deed of trust, complied with the law. They now have been informed of their mistake and express their regret.

The loan was neither concealed nor clandestine. The loan was of public record. The loan documents were prepared by an attorney. The deed of trust for the loan was recorded with the King County Department of Records and Elections on September 4, 1992, the same day Ms. Schmitz loaned the money to Mr. Barden.

Mr. Barden extinguished the loan by refinancing his home with a bank. Mr. Barden repaid $10,000 on March 16, 1993 and the remaining $20,000 on December 12, 1993. He also has repaid all the interest on the loan. If he had refinanced his home and obtained the money from a bank in September of 1992, Mr. Barden would not be facing this particular issue now with the FEC.

Mr. Barden and Ms. Schmitz did not knowingly and wilfully violate the law. Once the campaign discovered the unintentional violation, the campaign reported it to the FEC.

The other six violations were also not attempts to evade the law. There were merely clerical errors.

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SIX ADDITIONAL EXCESSIVE CONTRIBUTIONS

The FEC in its August 1994 letter to Sylvia Barnes, treasurer of the campaign, notes six excessive contributions.

The campaign reported to the FEC four of these excessive contributions (the Paup, Sheehan, Sondland, and Zemp contributions). These contributions were designated for the general election by individuals who already had contributed $1,000 in the primary election. Mr. Barden lost the September 15, 1992 election, and the campaign inadvertently failed to promptly refund these additional contributions.

Ms. Barnes, the campaign treasurer, states in her affidavit that she discovered the campaign's failure to refund these four contributions in September of 1993. She immediately arranged for the campaign to extinguish the $2,340 in excessive contributions by making refunds in September of 1993 and promptly notified the FEC in the next report filed.

There were also two excessive contributions which the FEC discovered: $2,000 from Wells and $1,500 from Warjone. These contributions were designated by individuals entirely to the primary election. In 1991, Mr. Wells and Mr. Warjone each contributed $1,000. The campaign treasurer acknowledges that she inadvertently failed to check records for 1991 contributions by Wells and Warjone to ensure that contributions made by them late in the 1992 campaign, did not exceed the contribution limits.

In short, the failure to detect these six excess contributions resulted from clerical errors by the campaign.

Two significant circumstances mitigate these clerical errors. In 1992, Ms. Barnes, the campaign treasurer, suffered from cancer, the treatment for which continues today. More tragic, however, was that throughout 1992 she was caring at home for her terminally-ill husband who died one day after the primary election. These circumstances contributed to how these bookkeeping errors arose.

ADDITIONAL CLERICAL ERROR IN REPORTING THE AMOUNT OF BARDEN LOAN TO THE CAMPAIGN.

Upon further review of the records, the campaign has discovered that Mr. Barden's loan to the campaign was underreported in the October 14, 1992 report. See Exhibit A

to Barnes' Affidavit. In 1992, Mr. Barden loaned to the campaign $44,000. The campaign inadvertently reported only $34,000 as a loan. Mr. Barden's actual loan of $44,000 to the campaign consisted of the $30,000 loan from Ms. Schmitz to him and $14,000 from Mr. Barden's savings.

$10,000 of Mr. Barden's loan to the campaign was accidentally reported as unitemized contributions in the October 14, 1992 report. Ms. Barnes, the campaign treasurer, believes that this clerical error arose because she had totalled up the other contributions listed in line 11(c) and line 11(a)(i) of the report, subtracted the sum from the total receipts and entered it at line 11(a)(ii), unitemized contributions.

The mistake in reporting the amount of Mr. Barden's loan also resulted from a clerical error, not a willful and intentional violation.

RECOMMENDED DISPOSITION

There has not been a willful and knowing violation of the law. The campaign treasurer exercised her best efforts in performing her recordkeeping duties. The loan from Ms. Schmitz complied with the conditions for a bank loan and was of public record. Most important is the fact that the campaign brought virtually all of these violations to the attention of the FEC.

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Should you have any questions or concerns, please do not hesitate to contact us.

Very truly yours,

LANE POWELL SPEARS LUBERSKY

Michael D. McKay by DCS

Michael D. McKay

MDM:ln
cc: Mr. Kamau Philbert
Mr. Paul Barden
Ms. Vickie Schmitz
Ms. Sylvia Barnes

LPSEA1 K:\CLI\MDM\11130MDM.LTR

AFFIDAVIT OF PAUL BARDEN

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

PAUL BARDEN, being first duly sworn on oath, deposes and says:

1. I was a candidate for Congress in the Ninth Congressional District of Washington State in 1992. I came in second place in the September 15, 1992 Republican primary and thus was not on the November 1992 ballot. I was a representative in the Washington State Legislature from 1967 to 1974, and a member of the King County Council from 1974 until January of 1994.

2. Throughout all my campaigns, indeed throughout my public life, I tried to keep my ethical standards above reproach. This was the first campaign where I served only as the candidate and stayed out of fund-raising and campaign management activities. However, it was my campaign for office, and I accept full responsibility for my actions and the actions of those who worked on the campaign.

3. In response to the August 19, 1994 FEC communications to the campaign, Ms. Vickie Schmitz and to me, I began a careful and thorough review of these matters and provide the following report:

$30,000 LOAN FROM MS. SCHMITZ TO MR. BARDEN

4. In August of 1992, I was informed by my campaign advisers that the campaign would need additional funds to buy cable t.v. time and mailings in order to be competitive. I was bluntly told

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that if I was not able to come up with the money, I would lose the campaign and if I did, I would win.

5. Ms. Schmitz was a full-time volunteer on my campaign. She offered to loan me $30,000 so that I could loan that money to the campaign. I understood that such a loan would be legal if it was reduced to writing in the form of a promissory note, was secured, and required the payment of an interest rate consistent with the current market. I retained attorney Peter Francis to prepare the promissory note and the deed of trust. Attached to this Affidavit as Exhibit A is a copy of the promissory note I received from Mr. Francis. I gave the signed promissory note to Ms. Schmitz. To date, Ms. Schmitz has been unable to find the original promissory note which I executed and gave her. Mr. Francis also prepared a deed of trust which my wife and I signed to secure the loan. Attached to this Affidavit as Exhibit B is a copy of the recorded deed of trust. The deed of trust was filed in the King County Department of Records and Elections on September 4, 1992.

6. The loan was memorialized by the promissory note payable at an interest rate of 8 percent and was secured with the deed of trust to comply with what I thought were the FEC requirements. My recollection is that I believed loans were in compliance with FEC laws and regulations if they were reduced to writing, fully collateralized, and at an interest rate consistent with the current market. I was not aware, but certainly know now, that this loan should have been transacted with a bank. I have since refinanced

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my house with a bank and repaid Ms. Schmitz. Attached as Exhibit C is a copy of documents relating to the refinancing. I paid her $10,000 on March 16, 1993, and the remaining $20,000 on December 12, 1993. I have paid Ms. Schmitz all interest which accrued on the loan.

7. In the course of our review of the FEC records and my bank records, we discovered a discrepancy. Between September 4, 1992, and September 14, 1992, I loaned to the campaign $44,000. Of that money, $30,000 was the loan described above. (The remaining $14,000 was from my account. I had sufficient savings funds to make that loan.) However, we noted in our October 14, 1992 filing with the FEC that my loan to the campaign was understated by $10,000. I was not aware of this and understand from our Treasurer, Sylvia Barnes, that she made an error and that an amendment has been prepared. Ms. Barnes was a volunteer on my campaign and I am deeply grateful for all that she has done for me. I am confident that any errors made by her were inadvertent and most likely the product of the serious terminal illness her husband was experiencing during the last month of his life and the campaign.

Paul Barden

Paul Barden

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Subscribed and sworn to before me on September 27, 1994.

[Notary Signature]

DAVID C. SEGELMAN

[Type or Print Name of Notary]

NOTARY PUBLIC for the State of Washington, residing at Seattle

My appointment expires: 12/15/95

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PROMISSORY NOTE

FOR VALUE RECEIVED, I promise to pay VICKIE SCHMITZ of 9107 Fauntleroy Way S.W., Seattle, WA 98136-2616, or order the sum of $30,000.00 with interest thereon at the rate of 8% per annum from date hereof, payable in full on or before August 1, 1993.

This note is secured by Deed of Trust of even date.

This note shall bear interest at the rate of 8% per annum after maturity. If this note shall be placed in the hands of an attorney for collection, or if suit be brought to collect any of the principal or interest of this note I promise to pay a reasonable attorney's fee.

The maker of this note executes the same as principal and not as a surety.

DONE this _____ day of _____, 1992.

_____
PAUL E. BARDEN

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EXHIBIT A

REPORT OF RECEIPTS AND DISBURSEMENTS

For An Authorized Committee
(Summary Page)

USE FEC MAILING LABEL OR TYPE OR PRINT

1. NAME OF COMMITTEE (in full)
BARDEN FOR CONGRESS

ADDRESS (number and street) ☐ Check if different than previously reported.
19904 4th AVE SW

2. FEC IDENTIFICATION NUMBER
C00254029

CITY, STATE and ZIP CODE
SEATTLE, WA 98166

STATE/DISTRICT

3. IS THIS REPORT AN AMENDMENT?
☒ YES ☐ NO

4. TYPE OF REPORT

☐ April 15 Quarterly Report

☐ July 15 Quarterly Report

☒ October 15 Quarterly Report (1992)

☐ January 31 Year End Report

☐ July 31 Mid-Year Report (Non-election Year Only)

☐ Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____

☐ Thirtieth day report following the General Election on _____ in the State of _____

☐ Termination Report

This report contains activity for ☒ Primary Election ☐ General Election ☐ Special Election ☐ Runoff Election

SUMMARY

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period _____ through _____		
6. Net Contributions (other than loans)		
(a) Total Contributions (other than loans) (from Line 11(e))		
(b) Total Contribution Refunds (from Line 20(d))		
(c) Net Contributions (other than loans) (subtract Line 6(b) from 6(a))		
7. Net Operating Expenditures		
(a) Total Operating Expenditures (from Line 17)		
(b) Total Offsets to Operating Expenditures (from Line 14)		
(c) Net Operating Expenditures (subtract Line 7(b) from 7(a))		
8. Cash on Hand at Close of Reporting Period (from Line 27)		
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)		
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)		

For further information contact:
Federal Election Commission
999 E Street, NW
Washington, DC 20463
Toll Free 800-424-9530
Local 202-376-3120

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

Type or Print Name of Treasurer
SYLVIA BARNES

Signature of Treasurer
Sylvia Barnes

Date
9/27/94

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

EXHIBIT A

FEC FORM 3
(revised 4/87)

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DETAILED SUMMARY PAGE

of Receipts and Disbursements

(Page 2, FEC FORM 3)

2

Name of Committee (in full): BARDEN FOR CONGRESS

Report Covering the Period: From: 8/27/92 To: 9/30/92

I. RECEIPTS	COLUMN A Total This Period	COLUMN B Calendar Year-To-Date	
11. CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees			
(i) Itemized (use Schedule A)			11(a
(ii) Unitemized	12,743.51		11(a
(iii) Total of contributions from individuals			11(a
(b) Political Party Committees			11(b
(c) Other Political Committees (such as PACs)			11(c
(d) The Candidate			11(d
(e) TOTAL CONTRIBUTIONS (other than loans)(add 11(a)(iii), (b), (c) and (d))			11(e
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES			12
13. LOANS:			
(a) Made or Guaranteed by the Candidate	44,000	44,000	13(a
(b) All Other Loans			13(b
(c) TOTAL LOANS (add 13(a) and (b))			13(c
14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)			14
15. OTHER RECEIPTS (Dividends, Interest, etc.)			15
16. TOTAL RECEIPTS (add 11(e), 12, 13(c), 14 and 15)			16
II. DISBURSEMENTS			
17. OPERATING EXPENDITURES			17
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES			18
19. LOAN REPAYMENTS:			
(a) Of Loans Made or Guaranteed by the Candidate			19
(b) Of All Other Loans			19
(c) TOTAL LOAN REPAYMENTS (add 19(a) and (b))			19
20. REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees			20
(b) Political Party Committees			20
(c) Other Political Committees (such as PACs)			20
(d) TOTAL CONTRIBUTION REFUNDS (add 20(a), (b) and (c))			20
21. OTHER DISBURSEMENTS			2
22. TOTAL DISBURSEMENTS (add 17, 18, 19(c), 20(d) and 21)			2

III. CASH SUMMARY

23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD	$	2
24. TOTAL RECEIPTS THIS PERIOD (from Line 16)	$	2
25. SUBTOTAL (add Line 23 and Line 24)	$	2
26. TOTAL DISBURSEMENTS THIS PERIOD (from Line 22)	$	2
27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (subtract Line 26 from 25)	$	

2 5 0 4 3 6 5 5 4 0 6

SCHEDULE C
(Revised 3/80)

LOANS

Page ____ of ____ for LINE NUMBER ____ (Use separate schedules for each numbered line) 3

Name of Committee (in Full)
BARDEN FOR CONGRESS

A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
PAUL BARDEN, CANDIDATE 9907 4th AVE SW NORMANDY PARK, WA 98166 Election: ☒ Primary ☐ General ☐ Other (specify):	44,000	0	44,000

Terms: Date Incurred _____ Date Due _____ Interest Rate _____%(apr) ☐ Secured

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

1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $	
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $	
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $	

B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Election: ☐ Primary ☐ General ☐ Other (specify):			

Terms: Date Incurred _____ Date Due _____ Interest Rate _____%(apr) ☐ Secured

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

1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $	
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $	
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding: $	

SUBTOTALS This Period This Page (optional)	
TOTALS This Period (last page in this line only)	

Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.

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First American Title Insurance Company

THIS SPACE PROVIDED FOR RECORDER'S USE

Filed for Record at Request of

Name VICKIE SCHMITZ

Address 9107 FAUNTLEROY SW

City and State SEATTLE WA. 98136-2616

Deed of Trust

(For Use in the State of Washington Only)

THIS DEED OF TRUST, made this _____ day of _____, 19 92, between

PAUL E. BARDEN and JAMEL BARDEN ----------, GRANTOR,

whose address is 19907 - 4th Avenue SW, Seattle, Washington 98116,

and FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation

TRUSTEE, whose address is 2101 - 4th Avenue, Ste. 800 Seattle, WA 98121, and VICKIE SCHMITZ --------

---------- , BENEFICIARY,

whose address is 9107 Fauntleroy Way S.W., Seattle, WA 98136-2616 ----------,

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in King County, Washington:

9209040240

Lot 18, Block 10, BURIEN LAKE VIEW TRACTS NO. 3, according to the plat recorded in Volume 22 of plats, page 85, in King County, Washington.

Commonly known as: 15815 - 7th Avenue S.W., Seattle, WA 98166

which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

This deed is for the purpose of securing performance of each agreement of grantor herein contained, and payment of the sum of THIRTY THOUSAND & NO/100 ---------- Dollars ($30,000.00) with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.

2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.

3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

LPB-22 (Rev. 2/86)

EXHIBIT B

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6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.

5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrancers for value.

6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

8. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

Paul E. Barden

Paul E. Barden

Jamel Barden

Jamel Barden

9209040240

5043655409

STATE OF WASHINGTON }ss.

COUNTY OF King

On this day personally appeared before me Paul E. Barden and Jamel Barden

to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 4th day of September, 19 92.

Notary Public in and for the State of Washington, residing at Seattle.

My Commission Expires: 10/25/93

STATE OF WASHINGTON }ss.

COUNTY OF _____

On this _____ day of _____, 19____, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____

and _____

to me known to be the _____ President and _____ Secretary, respectively of _____ the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Notary Public in and for the State of Washington, residing at _____

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid.

TO: TRUSTEE.

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated November 10, 19 93

Victoria L. Schmidt (Vicki)

Signed before me this day of 11-10-93.

Vanessa J. Millard

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

First American Title Insurance Company
TRUSTEE

FIRST AMERICAN

DEED OF TRUST
WITH POWER OF SALE

PUBLIC 15, 1993
STATE OF WASHINGTON

AFFIDAVIT OF SYLVIA BARNES

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

SYLVIA BARNES, being first duly sworn on oath, deposes and says:

1. I was the treasurer of Paul Barden's campaign and served as a volunteer.

CLERICAL ERROR IN REPORTING THE AMOUNT OF BARDEN LOAN TO THE CAMPAIGN

2. In September 1992, Paul Barden loaned to the campaign $44,000. In the October 14, 1992 FEC report which was submitted after Mr. Barden lost in the primary, I inadvertently reported only $34,000 of that loan and showed the $10,000 balance of the loan as unitemized contributions (line 11(a)(ii)). This was an unintentional error on my part and was not meant to deceive or cover up in any way the level of Mr. Barden's loans to the campaign. When it was recently brought to my attention by Paul that he actually loaned $44,000 to the campaign rather than $34,000, I carefully reviewed the October 14, 1992 FEC report. I noted that I had accidentally reported his loan as only $34,000. My only explanation of how this happened is that, after I underreported his loan for $34,000, I simply totalled the other contributions listed at line 11(c) and line 11(a)(i) subtracted the sum from total receipts and entered it at line 11(a)(ii), unitemized contributions. My normal practice is not to

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independently tabulate the unitemized contributions but simply write in the difference after I have totalled the other lines. I have reviewed the unitemized contributions for the period reflected in the October 14, 1992 report and have determined that the number should have been $12,743.51. An amended report has been prepared and is attached to this Affidavit as Exhibit A.

THE LOAN FROM MS. SCHMITZ TO MR. BARDEN

3. When the $30,000 loan from Ms. Schmitz to Mr. Barden was brought to my attention, I immediately notified the FEC which has given rise to this investigation and amended the report.

SIX EXCESSIVE CONTRIBUTIONS

4. The FEC letter of August 19, 1994 to the Barden campaign makes reference to six additional excessive contributions. With regard to the Paup, Sheehan, Sondland, and Zemp contributions, I discovered the error in September of 1993. I determined that these four individuals contributed a total of $2,340 in excess of the allowable amount. I arranged that these contributors be refunded their money on September 23, 1993. This I did as soon as possible after the discovery of the error and reported the same to the FEC.

5. With regard to the Wells and Warjone contributions, both individuals contributed $1,000 each in 1991 and I inadvertently failed to recognize those contributions when they subsequently contributed additional funds during the last filing period before the primary election in the report dated October 14, 1992.

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6. While I made these errors and take full responsibility for them on behalf of the campaign, I must report to you two mitigating situations.

7. First, my husband, Dick, was dying of cancer throughout 1992 and, died on September 16, 1992, one day after the primary election. We kept him at home and I personally took care of him. I would get around to preparing these financial documents after a long day of caring for my husband, normally around 10:30 p.m. each evening.

8. I also suffered from cancer in 1992 and was undergoing chemotherapy treatment. My treatment continues today.

9. These circumstances in 1992 probably could have warranted a decision to resign as Treasurer. However, I am a strong supporter and quite fond of Mr. Barden and did not want to let him down. I have made these errors and am quite sorry that he and I now have to go through this.

Sylvia Barnes

Sylvia Barnes

Subscribed and sworn to before me on September 27, 1994.

(Notary Signature)

DAVID C. SPELLMAN

(Type or Print Name of Notary)

)50436554 12

NOTARY PUBLIC for the State of Washington, residing at Seattle, WA

My appointment expires: 12/16/95

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JAMESON BABBITT STITES & LOMBARD
ATTORNEYS AT LAW

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
Oct 11 2 57 PM '94

October 4, 1994

Mr. Kamau Philbert
Federal Election Commission
999 E Street N.W.
Washington, D.C. 20463

Re: MUR4043: Paul Barden, Victoria Schmitz,
Paul Barden for Congress

Dear Mr. Philbert:

As a result of your telephone call on October 3, Ms. Victoria L. Schmitz has compiled the additional information you requested.

The questions which you asked, and the answers, are as follows:

1. When was the promissory note dated?

Ms. Schmitz assumes that it was dated the same date as the Deed of Trust, which was signed by her on September 4, 1992. She lost the original promissory note, which is why none of the parties to this matter was able to provide it to you.

2. When was the Deed of Trust recorded?

On the attached copy of the Deed of Trust, you will find on the left hand side of the front page a date/time stamp which reads "9209040240". All documents filed with the King County Department of Records and Elections bear such a stamp. It means that the document was filed in 1992 (92), in September (09), on the fourth day (04), and was the 240th document filed that day (0240).

3. What documents show the receipt of repayment monies from Mr. Barden?

I have enclosed Ms. Schmitz' statements in March and December of 1993 from her cash management account (CMA) at Merrill Lynch. The March statement shows her deposit of $10,000 that month, which represented Mr. Barden's first payment. The December statement shows the deposit of $20,000 in December. The dates

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999 THIRD AVENUE, SUITE 1900
SEATTLE, WASHINGTON 98104

TEL 206 292 1994
FAX 206 292 1995

BRUCE P. BABBITT
ALAN BORNSTEIN
BRAD L. BRIGHAM
JENNIFER D. COBB
HENRY C. JAMESON

ANNE DEVOE LAWLER
DAVID N. LOMBARD
MICHAEL MCCORMACK
WILLIAM D. STITES
BRADLEY P. THORESON

shown on Ms. Schmitz' statement are the dates she deposited the funds.

4. Why was the request for reconveyance signed on November 10, 1993 if the final installment of principal was not paid until December?

Ms. Schmitz does not recall the full reason for this. She believes, however, that Mr. Barden was refinancing his home and, perhaps, the rental home which was provided as security via the Deed of Trust. She thinks that he needed evidence of the reconveyance before he could close the financing that was going to produce the funds used to repay her. She does not recall, however, whether in fact that proved to be the case. In any event, she signed the Request for Full Reconveyance in November of 1993, though she does not believe that it was delivered prior to final payment in December of 1993.

5. What was the amount of interest paid?

Ms. Schmitz was paid $2,470.11 in interest. The interest payment was made in September of 1994.

I believe that the above information answers the questions which you asked of me. If you need any additional information, please feel free to contact me.

Very truly yours,

JAMESON BABBITT STITES & LOMBARD

By: Henry C. Jameson

HCJ:vc
Encl.
cc: Ms. Victoria L. Schmitz

(JBSL1/50133/00217/HCJ/125904.1)

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First American Title Insurance Company

THIS SPACE PROVIDED FOR RECORDER'S USE

Filed for Record at Request of

Name Vicki Schmitz

Address 9107 Fremont Ave SW

City and State Seattle WA 98136-2616

Deed of Trust

(For Use in the State of Washington Only)

THIS DEED OF TRUST, made this _____ day of _____ 19 92, between

PAUL E. BARDEN and JANE BARDEN, GRANTOR,

whose address is 19907 - 4th Avenue SW, Seattle, Washington 98166

and FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation

TRUSTEE, whose address is 2101 - 4th Avenue, Ste. 800 Seattle, WA 98121, and VICKYE SCHMITZ

BENEFICIARY,

whose address is 9107 Fremont Ave S.W. Seattle, WA 98136-2616

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in King County, Washington:

Lot 18, Block 16, BURKEY LAKE VIEW TRACTS NO. 3, according to the plat recorded in Volume 22 of plats, page 85, in King County, Washington.

Commonly known as: 19815 - 7th Avenue S.W., Seattle, WA 98166

which said property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

This deed is for the purpose of securing performance of each agreement of grantor herein contained, and payment of the sum of THIRTY THOUSAND & NO/100 Dollars ($ 30,000.00) with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.

2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.

3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as his interest may appear, and then to the Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

LPB-22 (Rev. 2/86)

EXHIBIT B

9209640240

>50436555416

9209040240

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[illegible]

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereon, on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereon.

4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expenses of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligations secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereon.

5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of the execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrancers for value.

6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington hereof is exclusive remedy Beneficiary may assert this Deed of Trust to be foreclosed as a mortgage.

7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

8. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

[illegible]

[illegible]

STATE OF WASHINGTON
COUNTY OF King

On this day personally appeared before me Paul E. Burden and Joyce Burden to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 26th day of [illegible] 19 93

[illegible]
Notary Public in and for the State of Washington, residing at Seattle

My Commission Expires: 10/26/93

STATE OF WASHINGTON
COUNTY OF _____

On this _____ day of _____, 19__, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ and _____ to me known to be the _____ President and _____ Secretary, respectively of _____ the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

_____
Notary Public in and for the State of Washington, residing at _____

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid.

TO: TRUSTEE.

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designed by the terms of said Deed of Trust, the estate now held by you thereunder.

Dated November 10, 19 93 [illegible]

Signed before me, This day of [illegible] 19 93.
Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. [illegible]

DEED OF TRUST
WITH POWER OF SALE

FIRST AMERICAN

First American Title Insurance Company
TRUSTEE

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 7, 1994

BY FACSIMILE TRANSMISSION/ORIGINAL BY MAIL

Michael D. McKay, Esquire
Lane Powell Spears Lubersky
1420 Fifth Avenue
Suite 4100
Seattle, WA 98101-2338

RE: MUR 4043
Barden For Congress and
Sylvia Barnes, Treasurer
Paul Barden

Dear Mr. McKay:

This letter confirms our telephone conversation of October 6, 1994 regarding your response to the Commission's notice of reason to believe finding dated August 19, 1994. I have carefully reviewed your submission and appreciate your efforts in attempting to resolve this matter. In order to evaluate your submission adequately, however, there are a few points which need further elaboration. I have taken the liberty of listing those items below. The list is not intended to be exhaustive so please feel free to provide any other information or documents you believe to be helpful in the Commission's evaluation of this matter.

1. Information on which Mr. Barden based his belief that the loan would be proper as executed, along with copies of any supporting statutes, rules, regulations, or other materials.

2. A chronology of the loan transaction and the circumstances surrounding Ms. Schmitz's involvement in the transaction.

3. Copies of documents showing payments Mr. Barden or the Committee made to Ms. Schmitz.

4. The original promissory note, if available, or other information regarding the execution of the note.

5. Information or documentation regarding any loan application the Committee or Mr. Barden made to banks or other institutions soliciting loans.

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6. Date of reconveyance of the collateral.

As we discussed, I look forward to receiving your response next week. Your cooperation in this matter is appreciated. If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Kamau Philbert
Attorney

2504365541 9

LANE
POWELL
SPEARS
LUBERSKY

October 14, 1994

VIA FACSIMILE: 202-219-3923

Law Offices
1420 Fifth Ave.
Suite 4100
Seattle, WA
98101-2338
(206) 223-7000
Telex: 32-0000
Facsimile:
(206) 223-7107
A Partnership
Including
Professional
Corporations

Mr. Kamau Philbert
Federal Election Commission
999 E Street N.W.
Washington, D.C. 20463

Re: MUR 4043
Barden for Congress, Sylvia Barnes, Treasurer
Paul Barden

Dear Mr. Philbert:

To respond to the requests in your October 7, 1994 letter, we are awaiting the arrival of some additional documents.

We hope to submit on Monday, October 17 a written response to your letter.

Very truly yours,

LANE POWELL SPEARS LUBERSKY

Michael D. McKay by DLS

Michael D. McKay

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COMMISSION
OFFICE OF GENERAL
COUNSEL

OCT 17 7 28 AM '94

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Los Angeles, CA
Mount Vernon, WA
Olympia, WA
Portland, OR
Seattle, WA

London, England
Tokyo, Japan

TOTAL P.01

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SPEARS
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COUNSEL

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October 17, 1994

VIA FACSIMILE(202-219-3923)/ORIGINAL by U.S. MAIL

Law Offices

1420 Fifth Ave.
Suite 4100
Seattle, WA
98101-2338

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Telex: 32-8808
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A Partnership
Including
Professional
Corporations

95043655421

Mr. Kamau Philbert
Federal Election Commission
999 E Street Northwest
Washington, D.C. 20463

Re: MUR 4043
Barden for Congress, Sylvia Barnes, Treasurer
Paul Barden

Dear Mr. Philbert:

This letter addresses the items set forth in your letter of October 7, 1994. We have delayed our response by one business day to facilitate the collection of certain documents which are now attached.

1. Information on which Mr. Barden based his belief that the loan would be proper as executed, along with copies of any supporting statutes, rules, regulations, or other materials.

In his affidavit, Mr. Barden referred to information regarding bank loans, which he had obtained while attending campaign schools. Although Mr. Barden no longer has the written materials from these schools, we did obtain a copy of the 1988 Federal Election Commission Campaign Guide for Congressional Candidates and Committees, which was the FEC manual for the 1992 campaign. See enclosure. The Schmitz-Barden loan satisfied the four criteria for bank loans which are listed at page 13 of the 1988 Guide.

2. A chronology of the loan transaction and the circumstances surrounding Ms. Schmitz's involvement in the transaction.

Ms. Schmitz was a volunteer and coordinated the media purchases and the mailing campaign, so she was keenly aware in August and September of 1992 that the campaign needed additional funds to pay for media and mailings. When it became apparent that the campaign was not receiving sufficient

Anchorage, AK
Los Angeles, CA
Mount Vernon, WA
Olympia, WA
Portland, OR
Seattle, WA

London, England
Tokyo, Japan

contributions to fund these activities, she offered to loan the funds to Mr. Barden. Ms. Schmitz agreed to make a loan to Mr. Barden. The loan was secured by real property, charged market rate interest, and required payment on a date certain.

3. Copies of documents showing payments Mr. Barden or the Committee made to Ms. Schmitz.

The March 17, 1993 check from Mr. Barden was directly payable to Ms. Schmitz. See enclosure. The December 17, 1993 check was from Mr. Barden's refinancing of his home. The check was payable to the campaign which in turn issued a check to Ms. Schmitz. The bank is retrieving a copy of the check and that copy will be forthcoming.

On September 22, 1994, Mr. Barden paid $2,470.11 for interest. See enclosure. The interest payment was delayed, because by December of 1993, neither Ms. Schmitz nor Mr. Barden could remember what the interest rate was, so that the interest payment amount could not be calculated. Also, Mr. Barden wanted the original, signed promissory note returned to him marked "paid in full" and signed by Ms. Schmitz.

It was not until this FEC inquiry began that Mr. Barden communicated with the attorney who prepared the promissory note and deed of trust, Mr. Peter D. Francis. Mr. Francis informed Mr. Barden that Mr. Francis retained copies of the documents he prepared in 1992. Until this conversation, Mr. Barden did not know that a copy of the promissory note might be in Mr. Francis' office.

Despite the fact that Ms. Schmitz has not found the original note, the interest was recently paid to conclude the transaction.

4. The original promissory note, if available, or other information regarding the execution of the note.

Although Ms. Schmitz cannot locate the original promissory note, we did send you a copy of the note from the files of Mr. Barden's attorney. The note and deed of trust were prepared by Mr. Barden's attorney, at Mr. Barden's request to meet what Mr. Barden thought to be the FEC requirements. A copy of the letter from Mr. Francis, the attorney for Mr. Barden, to you, is enclosed. We understand that the original letter is being sent directly to you.

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The signing of the deed of trust was witnessed by a notary public, and the deed was recorded.

5. Information or documentation regarding any loan application the Committee or Mr. Barden made to banks or other institutions soliciting loans.

Neither the Committee nor Mr. Barden made an application for a loan with a financial institution. The campaign needed funds immediately for media buys, and there was not enough time to await the result of a formal loan approval process with an institution.

6. Date of Reconveyance.

Ms. Schmitz did not deliver to Mr. Barden the reconveyance until the final payment of the principal amount was made in December of 1993.

Now that Mr. Barden has paid the interest, the request for full reconveyance is being processed so that this deed of trust will be taken off the property.

In addition to the six items set forth in your letter and those discussed in our telephone conversation, there is one item which we would like to clarify.

The campaign did affirmatively and voluntarily report to the FEC certain unrefunded excess contributions. Ms. Barnes called the FEC sometime in about September of 1993 to find out how to close out the campaign and requested information about how to handle excess contributions. The person at the FEC responded by telling Ms. Barnes that the FEC would provide her with information regarding this. The effect of Ms. Barnes' telephone call was that the FEC "notified" Ms. Barnes in writing about the four excess contributions which she originally discussed with FEC personnel by telephone. In short, the campaign disclosed four of the excess contributions in a telephone call to the FEC.

We hope this satisfactorily responds to your request for additional information. Should you have any questions or

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concerns, please do not hesitate to contact me.

Very truly yours,

LANE POWELL SPEARS LUBERSKY

M. McKay

Michael D. McKay

MDM:az
Enclosures
cc: Paul Barden
Sylvia Barnes

[illegible]

2504365542 4

Key Bank of Washington
P.O. Box 90
Seattle, Washington 98111-0090

CASHIER'S CHECK

CHECK NO. 2918987

19-57
1250

DATE 031793

OFFICE 0013808

PAY TO THE ORDER OF ***VICKI SCHMITZ***

$ *****10,000.00

Ten Thousand and 00/100*

NON-NEGOTIABLE

REMITTER PAUL BARDEN

CUSTOMER COPY

⑆125542⑈ 436551⑈ 50

[redacted]

.2601

[redacted] 9-22-94

PAY TO THE ORDER OF [redacted] $ 2470 11/100

Two Thousand Four [redacted] Only & 11/100 DOLLARS

KING COUNTY CREDIT UNION

[redacted]

MEMO Loan Interest

[redacted]

[redacted]

25043655426

Y3.E12/3
3C70/1988

Federal Election Commission 1988

CAMPAIGN GUIDE

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AUG 15 1988

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FOR CONGRESSIONAL CANDIDATES AND COMMITTEES

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COMMISSION
OFFICE OF GENERAL
COUNSEL

Oct 21 11 58 AM '94

25043650427

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CHAPTER 5

Other Reportable Receipts

This chapter describes campaign *receipts*[1] that are not considered *contributions* and, therefore, are not subject to *contribution limits*; all receipts must nevertheless be reported by the campaign. In some cases, a receipt may come from a *prohibited source*, as explained below.

1. Bank Loans

A *bank* loan is not a contribution by the bank if it is made according to applicable banking laws in the ordinary course of business. This means that a bank loan must:

- Bear the bank's usual and customary interest rate for the category of loan involved;
- Be made on a basis which assures repayment;
- Be evidenced by a written instrument; and
- Be subject to a due date or an amortization schedule. 100.7(b)(11).

A bank loan that does not meet the above criteria is a prohibited contribution. 114.2.

2. Overdrafts

If a bank honors a check written by a political committee with insufficient funds in its checking or savings account, no contribution from the bank results as long as the overdraft:

- Is made on an account subject to automatic overdraft protection;
- Is subject to the usual and customary interest rate; and
- Is subject to a definite repayment schedule. 100.7(b)(11).

An overdraft that does not meet the above conditions is a prohibited contribution. 114.2.

3. Interest and Dividend Income

Interest earned on invested funds and dividends earned on securities are not considered contributions.[2]

4. Offsets to Operating Expenditures

Offsets to *operating expenditures*, such as returns by vendors of deposits, refunds and rebates, are not considered contributions. Note, however, that rebates to campaigns must be offered in the ordinary course of business and on the same terms and conditions as those offered to nonpolitical entities. Otherwise, the rebate may be considered a contribution—a prohibited contribution if a corporation pays the rebate. See, for example, *Advisory Opinions* (AOs) 1987-24 and 1986-22.

5. Legal and Accounting Services

The value of legal and accounting services provided without charge in accordance with the guidelines described below is not a contribution. 100.7(b)(14) and 114.1(a)(2)(vii).

[1] *Italicized terms are defined in Appendix I.*

[2] *However, if a committee makes a loan to any person, interest paid on the loan is a contribution to the extent that the interest exceeds a commercially reasonable rate. 100.7(a)(1)(i)(E).*

CHAPTER 6

Sources of Support

Support may be given to *campaigns*[1] in a variety of ways, as described below.

1. Contributions

Contributions are the most common source of campaign support. Earlier chapters explain the Federal Election Campaign Act's limits and prohibitions on contributions. Remember that all contributions are reportable, including those listed under "Types of Contributions," page 5.

2. Free Legal and Accounting Services

Free legal and accounting services may be provided to a campaign as long as:

- The services are provided only for the purpose of helping the campaign comply with the Federal Election Campaign Act;
- The *person* paying for the service is the regular employer of the individual performing the service;
- The employer does not hire additional employees to free regular employees to perform the service; and
- The campaign reports the value of the service (the amount paid by the employer), as well as the name of each person who performed the service and the date the service was provided. 100.7(b)(14), 104.3(h) and 114.1(a)(2)(vii).

If an individual personally volunteers legal or accounting services without compensation, the above restrictions do not apply. See "Personal Services," below.

3. Volunteer Activity

Personal Services

An individual may volunteer personal services to a campaign without making a contribution as long as the individual is not compensated by anyone for the services.

[1] *Italicized terms are defined in Appendix I.*

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
OCT 20 1 02 PM '94

Law Offices of
PETER D. FRANCIS
7310 E. Greenlake Drive N.
Seattle, WA 98115-5304
Fax (206) 525-0858
Voice (206) 525-6601

October 17, 1994

Mr. Kamau Philbert
999 E. Street Northwest
Federal Election Commission
Washington, D.C. 20463

Re: **MUR 4043**
Barden for Congress, Sylvia Barnes, Treasurer
Paul Barden

Dear Mr. Philbert:

In early September 1992, Paul Barden retained me to prepare documents for the $30,000 loan from Ms. Schmitz to him. The promissory note and deed of trust were prepared to comply with what Mr. Barden believed were the FEC requirements for such a loan. Copies of those two documents are attached. The originals were delivered to Vickie Schmitz at the time.

The scope of my work for Mr. Barden did not include reviewing the applicable FEC regulations.

Very truly yours,

Peter D. Francis

PDF\ad

Encs: (Copy of Note and Deed of Trust)

cc: Paul Barden

9504365430

PROMISSORY NOTE

FOR VALUE RECEIVED, I promise to pay VICKIE SCHMITZ of 9107 Fauntleroy Way S.W., Seattle, WA 98136-2616, or order the sum of $30,000.00 with interest thereon at the rate of 8% per annum from date hereof, payable in full on or before August 1, 1993.

This note is secured by Deed of Trust of even date.

This note shall bear interest at the rate of 8% per annum after maturity. If this note shall be placed in the hands of an attorney for collection, or if suit be brought to collect any of the principal or interest of this note I promise to pay a reasonable attorney's fee.

The maker of this note executes the same as principal and not as a surety.

DONE this _____ day of _____, 1992.

_____
PAUL E. BARDEN

2504365543 1

COPY

First American Title Insurance Company

THIS SPACE PROVIDED FOR RECORDER'S USE

Filed for Record at Request of

Name _____

Address _____

City and State _____

Deed of Trust

(For Use in the State of Washington Only)

THIS DEED OF TRUST, made this _____ day of _____, 19 92, between

PAUL E. BARDEN and JANEL BARDEN ---------- GRANTOR,

whose address is 19907 - 4th Avenue SW, Seattle, Washington 98116,

and FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation _____

TRUSTEE, whose address is 2101 - 4th Avenue, Ste. 800 Seattle, WA 98121, and VICKIE SCHMITZ --------

---------- BENEFICIARY,

whose address is 9107 Fauntleroy Way S.W., Seattle, WA 98136-2616 ----------,

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following

described real property in King County, Washington:

Lot 18, Block 10, BURIEN LAKE VIEW TRACTS NO. 3, according to the plat recorded in Volume 22 of plats, page 85, in King County, Washington.

Commonly known as: 15815 - 7th Avenue S.W., Seattle, WA 98166

which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

This deed is for the purpose of securing performance of each agreement of grantor herein contained, and payment of the sum of THIRTY THOUSAND & NO/100 ---------- Dollars ($ 30,000.00) with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.

2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.

3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

2504365543 2

4. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.

5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrancers for value.

6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

8. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

Paul E. Barden

Jamel Barden

STATE OF WASHINGTON }ss.
COUNTY OF King

On this day personally appeared before me Paul E. Barden and Jamel Barden

to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this day of 19 92

Notary Public in and for the State of Washington, residing at

My Commission Expires:

STATE OF WASHINGTON }ss.
COUNTY OF

On this day of 19
before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared

and

to me known to be the President and Secretary, respectively of
the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that
authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Notary Public in and for the State of Washington, residing at

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid.

TO: TRUSTEE.

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated 19

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

DEED OF TRUST

WITH POWER OF SALE

FIRST AMERICAN

First American Title Insurance Company

TRUSTEE

9504365543

LANE
POWELL
SPEARS
LUBERSKY

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM
Nov 23 9 09 AM '94

November 18, 1994

Michael D. McKay
(206) 223-1342

Law Offices

1420 Fifth Ave.
Suite 4100
Seattle, WA
98101-2338

(206) 223-7000

Telex: 32-8808
Facsimile:
(206) 223-7107

A Partnership
Including
Professional
Corporations

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
Nov 23 9 51 AM '94

Kamau Philbert, Esq.
Attorney
Federal Election Commission
999 E Street N.W.
Washington, D.C. 20463

Re: Copy of Checks

mur 4043

Dear Mr. Philbert:

In response to your request during our recent telephone conversation, enclosed please find copies of the four checks from Paul Barden to Barden for Congress which document the $44,000 loan he made to the campaign in September, 1992.

We hope this is a satisfactory response to your request. Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

LANE POWELL SPEARS LUBERSKY

M. McKay

Michael D. McKay

MDM:tj
Enclosures
cc: Mr. Paul Barden (w/o enc.)
Ms. Sylvia Barnes (w/o enc.)

LPSEA J:\CLI\MDM\11288\MDM.LTR

Anchorage, AK
Los Angeles, CA
Mount Vernon, WA
Olympia, WA
Portland, OR
San Francisco, CA
Seattle, WA

London, England

9504365544

PAUL BARDIN
[redacted]

2130

9/15/92

Bardin For Congress $12,000.00
Twelve Thousand Dollars

KING COUNTY
CREDIT UNION

2200 1st Ave. South
Seattle, Washington 98134

MEMO LOAN TO CAMPAIGN

Paul Bardin

[redacted]

5 0 4 3 6 5 5 5 4 3 5

5 0 4 3 6 5 5 4 3 6

[redacted]

2131

9-8 92

Barden For Congress $ 6000.00

Six Thousand and No/100

KING COUNTY CREDIT UNION

LOAN TO CAMPAIGN Don Barden

[redacted]

PAUL BARDEN

[redacted]

2132

9-10 92

Barden for Congress $ 20,000 00

Twenty Thousand and no/100

KING COUNTY
CREDIT UNION

Campaign Fun

Paul Barden

[redacted]

>50436555437

C 5 0 4 3 3 6 5 5 5 4 3 8

PAUL BARDEN
[redacted]
2133

9-14-92

Barden For Congress $ 6000.00

Six Thousand and 00/100

KING COUNTY
CREDIT UNION

2200 1st Ave. South
Seattle, Washington

MEMO Campaign Loan

Paul Barden

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

JAN 19 3 28 PM '95

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Barden For Congress and Sylvia Barnes, as treasurer;	)	MUR 4043
Paul Barden; and	)	
Vickie Schmitz	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter was referred to the Office of the General Counsel by the Reports Analysis Division ("RAD"). It primarily involves an excessive contribution resulting from a $30,000 loan by Victoria L. Schmitz (a.k.a. Vickie Schmitz) to Paul Barden, a candidate for the U.S. House of Representatives from the 9th Congressional District of Washington in the 1992 election cycle. Mr. Barden in turn passed on the $30,000 to his campaign committee, Barden For Congress ("Committee"). The loan was made in early September of 1992 and was repaid fully on December 17, 1993.[1] In addition to the loan transaction described above, the Committee was charged with accepting six additional excessive contributions totaling $3,840.

On August 16, 1994, the Commission decided to open a MUR. The Commission found reason to believe ("RTB") that Vickie Schmitz violated 2 U.S.C.§§ 441a(a)(1)(A) and 441a(a)(3); and

1. Specifically, $10,000 was repaid on March 17, 1993 and the remaining $20,000 was repaid on December 17, 1993.

9504365543 9

that Paul Barden, and Barden for Congress and Sylvia Barnes, as treasurer, each violated 2 U.S.C.§ 441a(f). The Commission also voted to enter into conciliation with each respondent prior to a finding of probable cause to believe.

Respondents and this Office had several telephone discussions in efforts to conciliate this matter.

25043655440

II. DISCUSSION

At the time of the RTB finding, it was uncertain whether

Ms. Schmitz knew that the $30,000 would be used for Mr. Barden's campaign. In our negotiations with respondents this Office explored that point, as well as other details of the violations.

Respondents explained that Ms. Schmitz, an employee of the licensing office of King County government, was a full-time volunteer in Mr. Barden's campaign. She coordinated the media purchases and the mailing campaign. Respondents also advised that Mr. Barden was a representative in the Washington State Legislature from 1967 to 1974, and a member of the King County Council from 1974 to January of 1994. Respondents further explained that in August of 1992, just before the September 15 primary, the campaign had a critical need for additional funds to pay for television advertisement and mailings. Mr. Barden was advised by his campaign advisers that if he did not come up with the money for television advertisements he would lose the election. Ms. Schmitz loaned Mr. Barden the $30,000 so he could loan it to his campaign. Respondents revealed that upon receiving the $30,000, Mr. Barden placed the money in his bank account and then made loans to the Committee using four separate checks: $12,000 on 9/4/92; $6,000 on 9/8/92; $20,000 on 9/10/92; $6,000 on 9/14/92. See Attachment No. 2.

Respondents revealed that Mr. Barden actually loaned his campaign $44,000, not $34,000 as reported. They claimed that $10,000 was accidentally reported as unitemized contributions in the October 14, 1992 report. Respondents submitted an amended report. Mr. Barden advised that the $10,000 came from his personal funds. See Attachment No. 1, at pgs. 9, 21.

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Respondents admitted the loan violation, but claimed that the violation was unintentional and was not designed to deceive the public. They claimed that, at the time, they believed that the loan complied with Commission regulations, since it was structured as a "bank loan" - it was in writing, required payment of interest at market rate, was secured by a recorded deed of trust, and required payment on a date certain. Respondents provided an undated and unsigned copy of a promissory note which allegedly memorialized the transaction. The note specified that the $30,000 would bear interest "at the rate of 8% per annum from date hereof, payable in full on or before August 1, 1993." See Attachment No. 1, at pgs. 12-13, 16. Mr. Barden paid $2,470.11 in interest on September 22, 1994, after the RTB notice was sent. See Attachment No. 1, at pg. 38. Respondents claimed that the interest payment was delayed because Ms. Schmitz lost the original signed promissory note and by December of 1993 neither she nor Mr. Barden remembered the agreed interest rate.

Respondents also explained that neither the Committee nor Mr. Barden applied to a financial institution for a loan because "the campaign needed funds immediately for media buys, and there was not enough time to await the result of a formal loan approval process with an institution." See Attachment No. 1, at pg. 32.

The information respondents provided in mitigation does not support their assertions. If anything, respondents' explanations appear to exacerbate the violations. First, the

2504365544 2

loan did not qualify for the "bank loan" exemption set forth at 2 U.S.C. § 431(8)(A)(vii), since it was not obtained from a bank. The information indicates that respondents made the loan anyway, presumably because they needed the money immediately to buy television advertisements in order to secure a victory in the primary election. Second, and lastly, respondents did not follow the formalities of the loan agreement they are advocating. The loan was not fully repaid until December 17, 1993, after RAD raised questions about it. Furthermore, interest was not paid until September 22, 1994, after receipt of the RTB notice. Additionally, although it is not clear when Ms. Schmitz reconveyed the deed of trust, documents show that the "request for full reconveyance" was executed on November 10, 1993, prior to full repayment of the loan.

Respondents also claimed that the loan was made public since the deed of trust was filed with the King County Department of Records. Filing the deed did not disclose the $30,000 contribution. On the contrary, by initially misreporting the $30,000 as a loan from the candidate, Ms. Schmitz's contribution was in fact concealed from the public. In all likelihood the deed of trust was recorded primarily to perfect a security interest in the collateral. Similarly, it appears that the loan was formalized primarily to assure eventual repayment of the $30,000, not out of concern for election laws.

9504365543

IV. RECOMMENDATIONS

1. Approve the attached conciliation agreement consisting of a final offer to respondents in pre-probable cause which expires if respondents fails to sign and return the agreement within ten (10) days of receiving it.

2. Approve the appropriate letters.

Lawrence M. Noble
General Counsel

Date 1/19/95

BY: [signature]
Lois G. Lerner
Associate General Counsel

Attachments:
1. Respondent's October 31, 1994 submission
2. Mr. Barden's loan checks to the Committee
3. Conciliation Agreement

25043655446

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE J. ROSS
COMMISSION SECRETARY

DATE: JANUARY 24, 1995

SUBJECT: MUR 4043 - GENERAL COUNSEL'S REPORT DATED JANUARY 19, 1995.

The above-captioned document was circulated to the Commission on Friday, January 20, 1995 at 12:00 p.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	XXX
Commissioner Elliott	
Commissioner McDonald	
Commissioner McGarry	
Commissioner Potter	
Commissioner Thomas	

This matter will be placed on the meeting agenda for Tuesday, January 31, 1995.

Please notify us who will represent your Division before the Commission on this matter.

95043655447

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 4043
Barden For Congress and	)	
and Sylvia Barnes, as treasurer;	)	
Paul Barden; and	)	
Vickie Schmitz	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on January 31, 1995, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 4043:

1. Approve the conciliation agreement consisting of a final offer to respondents in pre-probable cause which expires if respondents fail to sign and return the agreement within ten (10) days of receiving it, as recommended in the General Counsel's January 19, 1995 report.

2. Approve appropriate letters as recommended in the General Counsel's January 19, 1995 report.

Commissioners Elliott, McDonald, McGarry, Potter, and Thomas voted affirmatively for the report; Commissioner Aikens dissented.

Attest:

1-31-95
Date

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

95043655448

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 7, 1995

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Michael D. McKay, Esquire
Lane Powell Spears Lubersky
1420 Fifth Avenue
Suite 4100
Seattle, WA 98101-2338

Henry C. Jameson, Esquire
Jameson Babbitt Stites & Lombard
999 Third Avenue
Suite 1900
Seattle, WA 98104

RE: MUR 4043
Barden For Congress and
Sylvia Barnes, Treasurer
Paul Barden
Vickie Schmitz

Dear Messrs. McKay and Jameson:

the Commission agreed that the loan was made primarily because the money was needed immediately to buy media advertisement in order to secure a victory in the election. Additionally, contrary to your assertions, the loan was not publicly disclosed by filing the deed. Rather, by initially misreporting the $30,000 as a loan from Mr. Barden, Ms. Schmitz's contribution was in fact concealed from the public. Furthermore, although your clients claim that the loan was equivalent to a "bank loan," they did not follow the formalities of the loan agreement: the loan was not fully repaid on August 1, 1993, and interest was not paid until September of 1994, after the Commission's reason to believe notice was issued.

95043655449

The Commission is still hopeful that this matter can be settled through a conciliation agreement.

Insofar as the 30 day period for pre-probable cause conciliation has elapsed, your clients have ten (10) days of your receipt of this notification to sign and return the agreement.

If a response is not received within the period cited, this matter will proceed to the next stage of the enforcement process. If you have any further questions, please contact me at (202) 219-3690.

Sincerely,

Kamau Philbert
Attorney

Enclosure
Conciliation Agreement

2504365545 0

LANE
POWELL
SPEARS
LUBERSKY

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

FEB 16 12 11 PM '95

February 13, 1995

David C. Spellman
(206) 223-7392

Law Offices

1420 Fifth Ave.
Suite 4100
Seattle, WA
98101-2338

(206) 223-7000

Telex: 32-8808
Facsimile:
(206) 223-7107

A Partnership
Including
Professional
Corporations

Mr. Kamau Philbert
Federal Election Commission
999 E St., NW
Washington, DC 20463

Re: MUR 4043 - Barden for Congress and
Sylvia Barnes, Treasurer
Paul Barden, Vickie Schmitz

Dear Mr. Philbert:

Michael McKay is out of the office until February 27, 1995.

We are asking that the Commission extend the deadline for responding to your letter of February 7, 1995 until March 6, 1995, so Mr. McKay and his clients may meet and confer.

Very truly yours,

LANE POWELL SPEARS LUBERSKY

David C. Spellman

DCS:bk
cc: Paul Barden
Sylvia Barnes

LPSEA I:\CLI\DCS\14200DCS.LTR

Anchorage, AK
Los Angeles, CA
Mount Vernon, WA
Olympia, WA
Portland, OR
San Francisco, CA
Seattle, WA

London, England

95043655451

LANE POWELL SPEARS LUBERSKY

RECEIVED FEDERAL ELECTION COMMISSION MAIL ROOM

FEB 21 9 42 AM '95

David C. Spellman
(206) 223-7392

February 15, 1995

Law Offices

1420 Fifth Ave.
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(206) 223-7000

Telex: 32-8808
Facsimile:
(206) 223-7107

A Partnership
Including
Professional
Corporations

RECEIVED FEDERAL ELECTION COMMISSION OFFICE OF GENERAL COUNSEL

FEB 21 10 16 AM '95

VIA FACSIMILE AND U.S. MAIL

Mr. Kaman Philbert
Federal Election Commission
999 E St., N.W.
Washington, DC 20463

Re: MUR 4043 - Barden for Congress and
Sylvia Barnes, Treasurer
Paul Barden, Vickie Schmitz

Dear Mr. Philbert:

This letter confirms our telephone conversation of February 15, 1995.

I am an associate with Lane Powell Spears Lubersky. Mr. McKay left on vacation on February 13, 1995 and is expected to return on February 27, 1995.

My understanding is that late in the day on Tuesday, February 7, 1995 you faxed to Mr. McKay a copy of your February 7, 1995 letter. The original was received in this office on Monday, February 13, 1995, so a response is due on February 27, 1995. Mr. McKay was in court on Friday, February 10, and was meeting with other clients on Wednesday and Thursday, February 8 and 9, 1995.

On Sunday, February 12, 1995 Mr. McKay asked me to send his clients a copy of your letter and asked me to request that you extend the deadline for a response from February 27, 1995 to March 6, 1995, so Mr. McKay could meet with his clients and confer about your letter and review any documents which must be submitted. I have sent Mr. McKay's clients a copy of your February 7, 1995 letter.

Anchorage, AK
Los Angeles, CA
Mount Vernon, WA
Olympia, WA
Portland, OR
Seattle, WA

London, England
Taipei, Taiwan
Tokyo, Japan

95043655452

I understand that the Commission desires closure of this dispute as soon as possible; however, we ask for an extension of time as a matter of professional courtesy.

Very truly yours,

LANE POWELL SPEARS LUBERSKY

David C. Spellman

DCS:bk
cc: Paul Burden
Sylvia Barnes
LPSBA 3:\CL\DCS\14000\CELLR

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 22, 1995

VIA FACSIMILE AND FIRST CLASS MAIL

David C. Spellman, Esquire
Lane Powell Spears Lubersky
1420 Fifth Avenue
Suite 4100
Seattle, WA 98101-2338

Henry C. Jameson, Esquire
Jameson Babbitt Stites & Lombard
999 Third Avenue
Suite 1900
Seattle, WA 98104

RE: MUR 4043
Barden For Congress and
Sylvia Barnes, Treasurer
Paul Barden
Vickie Schmitz

Dear Messrs. Spellman and Jameson:

On February 15, 1995, Mr. Spellman requested an extension of time to respond to the Commission's final offer at pre-probable cause conciliation. Mr. Spellman advised that Michael McKay, the attorney of record, is on vacation from February 13 to February 27, 1995.

This matter is overdue for pre-probable cause conciliation; the 30 day period period for such conciliation has long elapsed. Furthermore, it is the opinion of this Office that the law firm is fully capable of handling this matter during Mr. McKay's absence. Nevertheless, as a matter of professional courtesy this Office has granted the requested extension to March 6, 1995 for all respondents.

95043655454

This extension is granted with the stipulation that, by March 6, 1995, all respondents either sign and return the final offer conciliation agreement or submit appropriate documents to show that they are unable to pay the proposed civil penalty. If an appropriate response is not received by March 6, 1995, this matter will proceed to the next stage of the enforcement process.

Sincerely,

Kamau Philbert
Attorney

2504365554 5

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM
MAY 8 9 22 AM '95

McKay, Chadwell & Matthews, PLLC
7201 Columbia Center
701 Fifth Avenue
Seattle, Washington
98104

Michael D. McKay
(206) 233-2804

Telephone
(206) 233-2800
Facsimile
(206) 233-2809

May 3, 1995

Via Facsimile and U.S. Mail

Mr. Kamau Philbert
Federal Election Commission
Office of the General Counsel
999 E Street, N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
MAY 8 10 15 AM '95

Re: MUR 4043
Barden for Congress and Sylvia Barnes, Treasurer
Paul Barden
Vickie Schmitz

Dear Mr. Philbert:

Please note that I have moved my offices and be advised that I will continue to represent Barden for Congress and Paul Barden in the above referenced matter.

We received your facsimile letter of May 1, 1995 but the first page was not completely transmitted. Please send me another transmission so that we can properly respond. Our facsimile number is 206-233-2809.

Thank you for your cooperation.

Very truly yours,

McKAY, CHADWELL & MATTHEWS, PLLC

M. McKay

Michael D. McKay

cc: Paul Barden
Sylvia Barnes
Henry Jameson
David Spellman

95043655456

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

4/27/95

TWO WAY MEMORANDUM

TO: OGC, Docket

FROM: Rosa E. Swinton
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from Barden for Congress, check number 360533, dated 4/25/95, and in the amount of $15,000.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

TO: Rosa E. Swinton
Accounting Technician

FROM: OGC, Docket By aa

In reference to the above check in the amount of $15,000.00 the MUR number is 4043 and in the name of Barden for Congress. The account into which it should be deposited is indicated below:

✓ Budget Clearing Account (OGC), 95F3875.16

__ Civil Penalties Account, 95-1099.160

__ Other: _____

Anita Alexander
Signature

4-28-95
Date

95043655457

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

5/15/95

TWO WAY MEMORANDUM

TO: OGC, Docket

FROM: Rosa E. Swinton
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from Barden for Congress, check number 3600561, dated 5/4/95, and in the amount of $10,000.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

TO: Rosa E. Swinton
Accounting Technician

FROM: OGC, Docket By aa

In reference to the above check in the amount of $10,000.00, the MUR number is 4043 and in the name of Barden for Congress. The account into which it should be deposited is indicated below:

✓ Budget Clearing Account (OGC), 95F3875.16

__ Civil Penalties Account, 95-1099.160

__ Other: _____

Anita Alexander
Signature

5-16-95
Date

25043655458

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM
MAY 15 9 30 AM '95

McKay, Chadwell & Matthews, PLLC
7201 Columbia Center
701 Fifth Avenue
Seattle, Washington
98104

Michael D. McKay
(206) 233-2805

Telephone
(206) 233-2800
Facsimile
(206) 233-2809

May 13, 1995

VIA FEDERAL EXPRESS

Mr. Kamau Philbert
Office of the General Counsel
Federal Election Commission
999 E Street N.W.
Washington, D.C. 20463

MAY 16 10 29 AM '95
RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Re: MUR 4043
Barden for Congress and Sylvia Barnes, Treasurer
Paul Barden
Vickie Schmitz

Dear Mr. Philbert:

Enclosed please find the Conciliation Agreement proposed by the Federal Election Commission. It has been signed by Sylvia Barnes, in her capacity as treasurer for Barden for Congress, Paul Barden, and Vickie Schmitz. Once it is signed by your Associate General Counsel, we would appreciate receiving a copy of this fully executed document.

Also enclosed is a cashiers check in the amount of $10,000. You have already received an initial payment of $15,000. Please acknowledge in writing the receipt of these funds.

Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

McKAY, CHADWELL & MATTHEWS

M. McKay

MICHAEL D. McKAY

Enclosure

cc: Paul Barden
Sylvia Barnes
Henry Jameson
David Spellman

95043655459

THE FACE OF THIS DOCUMENT HAS A GREEN BACKGROUND - NOT A WHITE BACKGROUND

STERLING SAVINGS Association

99-7174
9251

MAY04-95

CASHIERS CHECK

No. 3600561

120 NORTH WALL STREET
SPOKANE, WASHINGTON 99201

PAY **********$10,000 DOLLARS AND 00 CENTS ****$10,000.00

TO THE ORDER OF
US TREASURY
FEDERAL ELECTIONS COMMISSION

RE: PAUL E BARDEN

VOID AFTER 180 DAYS
STERLING SAVINGS ASSOCIATION

William H Grippe

AUTHORIZED SIGNATURE

⑈3600561⑈ ⑆325171740⑆ 017010000519⑈

9504365554600

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION

Jun 1 10 13 AM '95

In the Matter of	)	
	)	
Barden For Congress and Sylvia Barnes, as treasurer;	)	MUR 4043
Paul Barden; and	)	
Vickie Schmitz	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter primarily involves an excessive contribution from a $30,000 loan by Victoria L. Schmitz (a.k.a. Vickie Schmitz) to Paul Barden, a candidate for the U.S. House of Representatives from the 9th Congressional District of Washington in the 1992 election cycle. In addition to the loan, Barden for Congress accepted six additional excessive contributions totaling $3,840.

On August 16, 1994, the Commission found reason to believe that Vickie Schmitz violated 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3); and that Paul Barden, and Barden for Congress and Sylvia Barnes, as treasurer, each violated 2 U.S.C. § 441a(f).

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III. **RECOMMENDATIONS**

1. Accept the attached conciliation agreement with Barden for Congress and Sylvia Barnes, as treasurer; Paul Barden; and Vickie Schmitz.

2. Close the file.

3. Approve the appropriate letters.

Lawrence M. Noble
General Counsel

Date 5/31/95

BY: [signature]
Lois G. Lerner
Associate General Counsel

25043655463

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Barden For Congress and Sylvia Barnes, as treasurer;	)	MUR 4043
Paul Barden;	)	
Vickie Schmitz.	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 6, 1995, the Commission decided by a vote of 6-0 to take the following actions in MUR 4043:

1. Accept the conciliation agreement with Barden for Congress and Sylvia Barnes, as treasurer, Paul Barden, and Vickie Schmitz, as recommended in the General Counsel's Report dated May 31, 1995.

2. Close the file.

3. Approve the appropriate letters, as recommended in the General Counsel's Report dated May 31, 1995.

Commissioners Aikens, Elliott, McDonald, McGarry, Potter, and Thomas voted affirmatively for the decision.

Attest:

6-7-95
Date

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

Received in the Secretariat: Thurs., June 01, 1995 10:13 a.m.
Circulated to the Commission: Thurs., June 01, 1995 4:00 p.m.
Deadline for vote: Tues., June 06, 1995 4:00 p.m.

bjr

95043655464

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 14, 1995

Michael D. McKay, Esquire
McKay, Chadwell & Matthews, PLLC
7201 Columbia Center
701 Fifth Avenue
Seattle, WA 98104

RE: MUR 4043
Barden For Congress and
Sylvia Barnes, Treasurer
Paul Barden
Vickie Schmitz

Dear Mr. McKay:

On June 6, 1995, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on behalf of Barden For Congress and Sylvia Barnes, Treasurer, Paul Barden, and Vickie Schmitz in settlement of violations of 2 U.S.C. §§441a(a)(1)(A), 441a(a)(3) and 441a(f), provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

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Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Kamau Philbert
Attorney

Enclosure
Conciliation Agreement

cc: Henry Jameson, Esq. (w/o enclosure)

2504365546 6

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
Jun 5 10 29 AM '95

In the Matter of	)	
	)	
Paul Barden	)	MUR 4043
Vickie Schmitz	)	
Barden for Congress and	)	
Sylvia Barnes, as treasurer	)	
	)	

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Vickie Schmitz violated 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3); and that Paul Barden, and Barden for Congress and Sylvia Barnes, as treasurer, violated 2 U.S.C. § 441a(f).

NOW, THEREFORE, the Commission and 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 Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. Victoria L. Schmitz ("Vickie Schmitz") is a person within the meaning of 2 U.S.C. § § 431(11) and 441a (a)(1)(A), and an individual within the meaning of 2 U.S.C. § 441a(a)(3).

2. Paul Barden is a candidate within the meaning of 2 U.S.C. § 431(2) and 441a(f). He ran for the U.S. House of Representatives for the 9th Congressional District of Washington in the 1992 election cycle.

3. Barden for Congress is a political committee within the meaning of 2 U.S.C. §§ 431(4) and 441a(f). It also is the principal campaign committee within the meaning of 2 U.S.C. § 431(5) for Paul Barden's 1992 congressional campaign.

4. Sylvia Barnes is the treasurer for Barden for Congress.

5. The Federal Election Campaign Act of 1971, as amended ("the Act") provides that no person shall make contributions to any candidate and the candidate's authorized political committees with respect to any election for federal office which, in aggregate, exceeds $1,000. 2 U.S.C. § 441a (a) (1) (A). The Act also provides that no individual shall make contriibutions aggregating more than $25,000 in any calendar year. 2 U.S.C. § 441a(a)(3). The term "contribution" includes any loan made by any person for the purpose of influencing any election for federal office. 2 U.S.C. § 431(8)(A)(i). The Commission's regulations at 11 C.F.R. § 100.7(a)(1)(i)(A) provide that a loan which exceeds the contribution limitations of 2 U.S.C. § 441a shall be unlawful whether or not it is repaid.

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6. The Act further provides that no candidate or political committee shall knowingly accept any contribution in violation of section 441a of the Act. 2 U.S.C. § 441a(f).

7. In September, 1992, Ms. Schmitz loaned $30,000 to Paul Barden. Mr. Barden then loaned the money to Barden for Congress.

8. The loan was repaid in two installments: $10,000 on March 16, 1993 and the remaining $20,000 on December 17, 1993.

9. Barden for Congress accepted a $30,000 loan from Vickie Schmitz, a contribution exceeding the limits set forth in both sections 441a(a)(1)(A) and 441a(a)(3) of the Act.

10. The Commission regulations at 11 C.F.R. § 102.9(e) permit contributions for the general election prior to the primary election, however, when a candidate is not a candidate in the general election, any contributions made for the general election must be refunded to the contributors, redesignated or reattributed in accordance with Commission regulations.

11. Barden for Congress also accepted additional excessive contributions totaling $3,040 from six individuals. Four of those contributions, totaling $2,340, were designated for the general election by individuals who already contributed $1,000 to the primary election. Those four contributions were refunded on September 23, 1993; however, the remaining two additional excessive contributions ($1,500) were not refunded.

V. Vickie Schmitz made an excessive contribution of $29,000 to Barden for Congress in the 1992 election cycle in violation of 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3).

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VI. Paul Barden accepted an excessive contribution of $29,000 in the 1992 election cycle in violation of 2 U.S.C. § 441a(f).

VII. Barden for Congress accepted excessive contributions totaling $32,840 from seven individuals in violation of 2 U.S.C. § 441a(f).

VIII. 1. Respondents jointly will pay a civil penalty to the Federal Election Commission in the amount of twenty-five thousand dollars ($25,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

2. Barden for Congress will refund the $1,500 in unremedied excessive contributions.

IX. 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.

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

XI. Respondents shall have no more than 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.

XII. This Conciliation Agreement constitutes the entire

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

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY: _____ 6-13-95
Lois G. Lerner — Date
Associate General Counsel

FOR THE RESPONDENTS:

_____ 5-12-95
Date

_____ 5/12/95
Date

_____ 5/11/95
Date

9504365547 1

June 24, 199

Mr. Kamar Philbert
Office of the General Counsel
Federal Election Commission
999 E Street N.W
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Jun 30 12 06 PM '95

RE: MUR 4043
Barber For Congress, & Sylvia Barber, Treasurer
Paul Barber
Vickie Schmitz

Dear Mr Philbert -
Enclosed find copy of check paid to Larry Wells for $1000.00 of Mr. Jim Warjone in the amount of $500.00 -

Thank you -
Sylvia B

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ENDORSE HERE

For deposit only

0058 73023

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE *

KEY BANK OF WA
TACOMA WA
▶125 000 574◀

JUN - 1 95

KEY BANK OF WASHINGTON
SEATTLE, WA 98121-1128
▶125000574◀
5372

*FEDERAL RESERVE BOARD OF GOVERNORS REG. CC

2504365547 4

PAUL BARDEN
[redacted]

2626

May 25 1995

PAY TO THE ORDER OF Jim Warone $500.00

Five Hundred & No/100

KING COUNTY CREDIT UNION

MEMO Campaign Contribution

Paul Barden

[redacted]

ENDORSE HERE

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE

SEATTLE WA

MY 95 31

SEATTLE WA

*FEDERAL RESERVE BOARD OF GOVERNORS REG. CC

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4043

DATE FILMED 7/1/93 CAMERA NO. 2

CAMERAMAN EES

9504365547 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Date: 11/20/95

✓ Microfilm

_____ Public Records

_____ Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 4043

95043701074

Mr. Kamar Philbert
Office of the General Counsel
Federal Election Commission
999 E Street N.W.
Washington D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

NOV 20 3 25 PM '95

RE: MUR 4043

This is my resignation as treasurer for the Borden for Congress Campaign - FEC # C00254029. Mr Borden wishes to do all the reports now.

Enclosed is form 361 with Mr Bordens address - Please mail all future correspondence to him.

SYLVIA BARNES
18118-6th S.W.
SEATTLE, WA
98166

Thank you,

Sylvia Barnes

9504370105

Attached to Affidavit for Notarization

9 5 0 4 3 7 0 1 0 7 6

INDIVIDUAL ACKNOWLEDGMENT

STATE OF WASHINGTON }
ss.
County of King }

I, Dawn E Schachtel, Notary Public in and for the State of Washington, residing at Seattle, WA, do hereby certify that on this 13th day of November, 1995, personally appeared before me Sylvia M Barnes to me known to be the individual described in and who executed the within instrument and acknowledged that she signed the same as her free and voluntary act and deed for the uses and purposes herein mentioned.

Signed and sworn to before me this 13th day of November, 1995.

Dawn E Schachtel

Notary Public in and for the State of Washington

My appointment expires: July 9, 1998

Individual Acknowledgment
Washington Legal Blank, Inc., Issaquah, WA Form No. 64 2/91
MATERIAL MAY NOT BE REPRODUCED IN WHOLE OR IN PART IN ANY FORM WHATSOEVER

Attached to Letter of Resignation

STATEMENT OF ORGANIZATION

(See reverse side for instructions)

1. (a) NAME OF COMMITTEE IN FULL ☐ (Check if name is changed)
Barden For Congress

(b) Number and Street Address ☐ (Check if address is changed)
19907 - 4th S.W.

(c) City, State and ZIP Code
Seattle Wash. 98166

2. DATE
11/4/95

3. FEC IDENTIFICATION NUMBER
C00 255 4029

4. IS THIS STATEMENT AN AMENDMENT? ☒ YES ☐ NO

5. TYPE OF COMMITTEE (Check one)

☒ (a) This committee is a principal campaign committee. (Complete the candidate information below.)

☐ (b) This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

Name of Candidate	Candidate Party Affiliation	Office Sought	State/District
PAUL BARDEN	REPUBLICAN	Congress	Wa - 9

☐ (c) This committee supports/opposes only one candidate _____ (name of candidate) and is NOT an authorized committee.

☐ (d) This committee is a _____ (National, State or subordinate) committee of the _____ (Democratic, Republican, etc.) Party.

☐ (e) This committee is a separate segregated fund.

☐ (f) This committee supports/opposes more than one Federal candidate and is NOT a separate segregated fund or a party committee.

Name of Any Connected Organization or Affiliated Committee	Mailing Address and ZIP Code	Relationship

Type of Connected Organization
☐ Corporation ☐ Corporation w/o Capital Stock ☐ Labor Organization ☐ Membership Organization ☐ Trade Association ☐ Cooperative

7. Custodian of Records: Identify by name, address (phone number – optional) and position of the person in possession of committee books and records.

Full Name	Mailing Address	Title or Position
Paul Barden	19907 4th S.W. Seattle 98166	(206) 824-1979

8. Treasurer: List the name and address (phone number – optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).

Full Name	Mailing Address	Title or Position
Resigned No new treasurer		

9. Banks or Other Depositories: List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc.	Mailing Address and ZIP Code
Account closed	

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

TYPE OR PRINT NAME OF TREASURER	SIGNATURE OF TREASURER	DATE

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §437g.
ANY CHANGE IN INFORMATION SHOULD BE REPORTED WITHIN 10 DAYS.

For further information contact:
Federal Election Commission
Toll-free 800-424-9530
Local 202-376-3120

FEC FORM 1
(revised 4/87)

95043701017