



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4470

DATE FILMED 9-23-97 CAMERA NO. 4

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ORIGINAL



National Republican Congressional Committee

Bill Paxton, M.C.
Chairman

Maria Cino
Executive Director

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

SEP 18 12 00 PM '96

September 18, 1996

BEFORE THE FEDERAL ELECTION COMMISSION

WARD FOR CONGRESS COMMITTEE)
)
Republic Bank & Trust of Louisville, Kentucky)
)
William Carl Fust, W. Allen Priest, and Donna L.)
Heitzman, Treasurers to Ward for Congress)

MUR # 4470

COMPLAINT

I. SUMMARY

Despite attempts to conceal its activities through a deceptive pattern of confused and contradictory FEC disclosures, Mike Ward for Congress has clearly violated multiple federal laws for the apparent purpose of personally enriching the Congressman. In addition, the campaign itself has accepted unlawful contributions and violated multiple federal reporting laws. *At a very minimum*, Mr. Ward has:

- (1) Obtained unlawful contributions from a national bank in the form of unsecured loans provided without any standard assurances of repayment;
- (2) Pocketed early repayment of (and excessive interest on) a loan that he may not actually and could not legally have made to his own campaign; and
- (3) Made personal use of campaign funds improperly obtained as personal loans from a national bank.

Absent further documentation from the campaign, one must further conclude that Mr. Ward converted \$20,060 of committee funds to his own personal use, collecting "repayment" of a loan that he never actually made.

II. JURISDICTION

The NRCC, by and through its Executive Director, Maria Cino, brings this complaint pursuant to 2 U.S.C. § 437g(a)(1) (1994). The N.R.C.C. is located at 320 First Street, S.E., Washington, D.C. 20003.

320 First Street, S.E.
Washington, D.C. 20003
(202) 479-7020

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III. FACTS

THE FIRST \$20,000 LOAN

1. On March 31, 1994, the Mike Ward for Congress Campaign Committee ("Ward Committee") borrowed \$20,000 from Republic Bank & Trust ("RB&T") in Louisville, Kentucky, agreeing to repay the money when the loan came due on September 29, 1994. See 4/12/94 Filing Schedule C (Exh. 3).
2. The Ward Committee reported receipt of this loan on its FEC report as required. See 4/12/94 Filing Schedule A (Exh. 2).
3. Mr. Ward guaranteed the loan personally, although neither he nor his Committee provided any collateral or security for the \$20,000 other than Ward's signature. See First Amended 1994 April Quarterly Report, Schedule C-1 (Exh. 4).
4. Although the Committee received the Bank's \$20,000 on March 29, 1994, the Bank officer (a Ward contributor) did not sign the proper FEC paperwork (certifying that the information provided by the committee is accurate and that the terms and conditions of the loan comply with FEC rules) for 70 days. Id.
5. The Ward Committee did not borrow \$20,000 from any other source (including Mr. Ward himself) at that time. See 4/12/94 Filing Summary Page (Exh. 1).
6. The Ward Committee reported this Bank loan properly on its May 9, 1994 filing, but two months later the Committee arbitrarily and inaccurately declared Mr. Ward (not RB&T) as the lender. See 7/14/94 Filing Schedule C (Exh. 5).
7. Ward was again falsely identified as the loan source (and party to be repaid) on the Committee's October 15, 1994, October 24, 1994 and January 30, 1995 filings. See 10/15/94 Filing Schedule C, Page 3 of 3 (Exh. 6); 10/24/94 Filing Schedule C (Exh. 7); 1/30/95 Filing Schedule C (Exh. 8).
8. The Ward Campaign refinanced this loan to the Bank, extending the due date until March 29, 1995. See 10/15/94 Filing Schedule C-1 (Exh. 9). According to the refinance paper, this loan was Loan # 131156. See 10/15/94 Filing Bank Statement (Exh. 10).
9. According to the Ward Committee's July 22, 1995 "Disbursement Schedule", on May 12, 1995 it disbursed \$20,060 to Republic Bank & Trust as "repayment of loan due 3-29-95 and associated fees." See 7/22/95 Filing Schedule B (Exh. 12)
10. According to the Ward Committee's July 22, 1995 "Loan Schedule," on May 12, 1995 it repaid a \$20,000 loan due 3-29-95 to Mike Ward. See 7/22/95

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Filing Schedule C, page 1 of 3 (Exh. 11). No such loan, of course, had ever been made and no \$20,000 payment was itemized as a Schedule B disbursement to Mike Ward at this time.

THE ALLEGED SECOND \$20,060 LOAN

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11. On the very same FEC filing that the Committee purports to have repaid \$20,060 to RB&T, Congressman Ward alleges to have personally loaned his Committee a new \$20,060 from his own pocket at 9.664% interest. *See 7/22/95 Filing Schedule C, page 3 of 3 (Exh. 15).*
 12. However, the Committee never acknowledged receipt of a second supposed loan (on Schedule A) as is required by law, and as had been done for the bank loan and three other loans to the Committee in the past.
 13. The Committee concurrently reports "restructuring" the original \$20,060 loan obtained from the bank in March 1994 and repaid on May 12, 1995. *See 7/22/95 Filing Schedule C-1 (Exh. 16).* Concurrent Bank papers indicate this "new" loan number to be *See 7/22/95 Filing Bank Statement (Exh. 17).*
 14. Fifty-two days after allegedly receiving this second \$20,060 loan (that was never itemized as a receipt and was concurrently reported as a restructuring of the initial Bank loan) the Committee repaid Mike Ward the full balance (not due for ten more months) in addition to \$360.37 in interest. *See Second Amended 1995 Year-End Report, filed 4/15/96, Schedule B, Line 19a (Exh. 18); 1/30/96 Filing Schedule B Line 17 (Exh. 19).* Note that this July repayment was not itemized in the Committee's original year-end report, nor in its first amended year-end report.

WARD'S PERSONAL LOANS FROM RB&T

15. Mike Ward borrowed between \$15,001 and \$50,000 as a "personal loan" at some point apparently prior to commencing his 1994 campaign. *See Ward's June 15, 1994 Personal Financial Disclosure Statement ("1994 PFD") (Exh. 20).* The Ward Campaign Committee never reported this loan made to the candidate to the FEC, nor have the terms or pre-conditions for this loan ever been made public.
16. This personal loan was clearly separate and apart from the Bank's March 29, 1994 loan to Ward's Committee since the personal loan remains outstanding, while the Committee repaid the Bank on May 12, 1995. *See 1996 PFD (Exh. 22) & 7/22/95 Filing Schedule B (Exh. 12).*
17. Ward personally borrowed a second unspecified amount -- again somewhere between \$15,001 and \$50,000 -- for an automobile loan received during calendar year 1994. *See 1995 PFD (Exh. 21).* The Ward Campaign Committee

never reported this loan to the FEC, nor have the terms or pre-conditions of this second personal loan ever been made public.

18. The Ward Committee reports payment of "interest on loan on March 30, 1995, and "charges on loan on May 26, 1996. *See 7/22/95 Filing Schedule B, Line 17, Page 19 of 25 (Exh. 23)*. These are not the numbers of the Committee's loans to the Bank as identified on the Committee's filed documents.

IV. DISCUSSION

The pattern of deceptive disclosure evidenced by the Ward for Congress Committee demonstrates either utter disdain for meaningful public disclosure or intentional obfuscation intended to cover illicit activity. One would expect that a campaign that paid over \$220,000 for media advertising and over \$50,000 for political consulting advice could find the meager funds necessary to prepare correct and comprehensive FEC reports. *Despite three treasurers, 9 FEC requests for additional information and 15 Ward Committee amendments to the 16 reports filed, the Ward Committee's filings continue to violate basic federal reporting requirements and to conceal improper campaign activity.*

1. Ward Accepted Unlawful Contributions from RB&T In the Form of Campaign Loans Made Without Adequate Assurance of Repayment.

RB&T's initial loan to the Ward Committee proved to be a "sweetheart" deal well outside of the arms-length neutrality required by the law. A bank loan to a candidate or his committee will be considered a prohibited contribution unless it is "made in accordance with applicable banking laws and regulations and is made in the ordinary course of business." 11 C.F.R. § 100.7(b)(11). One requirement that a loan must meet in order to be considered "in the ordinary course of business" is that it must be "made on a basis which assures repayment." 11 C.F.R. § 100.7(b)(11)(i). Adequate bases for assuring repayment include, among others, perfected security interests, collateral whose fair market value "is equal to or greater than the loan amount," amounts guaranteed by secondary sources, and reasonable expectations of future receipts. *Id.*

For the loan at issue, *RB&T required no collateral or security for issuing this loan other than Mr. Ward's signature, even though Ward himself had already borrowed somewhere between \$30,002 and \$100,000 from the bank for personal uses in 1994. See Ward 1995 PFD (Exh. 21)*. Such preferential treatment by a national bank violates federal law. *Id.* In addition, Chip Hancock, the bank officer approving the signature-based loan, did not even sign required FEC filing papers certifying the loan until 70 days after first giving Ward the cash. *See First Amended 1994 April Quarterly Filing, Schedule C-1 (Exh. 4)*. And while the loan came due on March 29, 1995, the Committee did not pay the Bank -- according to its own reports -- for five more weeks. Again, transactions outside of the ordinary course of business constitute contributions from the Bank to the campaign. 11 C.F.R. § 100.7(b)(11).

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This illegally-preferential conduct may perhaps be explained (although not excused) by Mr. Ward's close personal relationship with RB&T and its top executives. RB&T Chairman Bernard Trager and his wife have consistently contributed large amounts to Mr. Ward's campaign committee, as have RB&T executives Scott Trager, Steve Trager, Chip Hancock, and Ruth Gillespie. RB&T has allowed the Ward Committee to use Bank telephones for campaign purposes, to hold political receptions in the bank's facilities, and to borrow Bank supplies for campaign receptions. *See* 12/6/94 Filing Schedule B, Line 17, Page 14 of 15 (Exh. 24), *Second Amended 1995 Year-End Report*, filed 4/16/96, Schedule B, Line 17, Page 8 (Exh. 25), 7/22/95 Report Schedule B, Line 17, Page 19 of 25 (Exh. 23)..

2. **Congressman Ward Pocketed Repayment of and Excessive Interest On a Loan That He May Never Have Actually & Could Not Have Legally Made**

It is uncertain whether Congressman Ward ever actually loaned \$20,060 to his Committee -- the Committee never itemized receipt of these funds. Ward clearly did collect \$20,060 from the Committee 52-days later, however, plus interest.

On its mid-year 1995 filing, the Ward Committee declares that \$20,060 in loans were received, but this summary does not indicate whether the money came from Mr. Ward or from the Bank. *See* 7/22/95 Filing Detailed Summary Page (Exh. 11). The Committee does not itemize receipt of these funds as had been done for all loans received in the past. *See* 7/22/95 Filing Detailed Summary Page (Exh. 11). On one page the Committee reports the \$20,060 loan as coming from Ward himself. *See* 7/22/95 Filing Schedule C, Page 3 of 3 (Exh. 15). But on another page the Committee declares that the original \$20,060 loan -- itemized as repaid on May 12, 1995 -- was in-fact *restructured* for one more year. *See* 7/22/95 Filing Schedule C-1 (Exh. 16). Again, however, no receipt from the Bank to the Committee was itemized as had been done for all loans received in the past, so the true source of the loan remains undisclosed.

Considering the Committee's history of misreporting loans from RB&T as loans from Mr. Ward himself, one might initially conclude that the Committee simply erred yet again in reporting a loan from the Congressman that never existed. However, on July 3, 1996, the Ward Committee paid \$20,060 to Mike Ward's personal account in settlement of this alleged loan (even though the purported loan was not officially due for another 313 days). *See* *Second Amended 1995 Year-End Report*, Filed 4/15/96, Schedule B, Line 19a (Exh. 18). In addition, Ward charged his campaign \$360.37 in interest on the questionable loan for the 52 days the money was outstanding. Considering the duration of the loan (52 days) and the amount purportedly loaned (\$20,060), Mike Ward's receipt of \$360.37 in interest payments reflects an **effective rate of return of 12.59%**, far above both the 9.664% reported and any commercially reasonable rate at that time. *See* *FEC Advisory Opinion 1986-45 (a candidate makes illegal personal use of campaign funds by charging commercially unreasonable interest on loans to the committee)*.

Clearly the Ward Committee needs to provide further evidence justifying the \$20,060 personal payment to Congressman Ward. *If a second loan were received on 5-12-95, then: (1)*

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the Committee failed to itemize receipt of the funds and (2) this loan came from RB&T and not from Mike Ward. Therefore the Bank, and not Mike Ward, should have collected repayment and interest. Should the Ward Committee assert that Ward personally borrowed money from the Bank which he then personally lent his Committee, the transaction would violate clear and long-standing FEC law: loans made to a candidate which are in turn loaned to her campaign committee are treated as loans made by the original lender to the campaign committee. *See FEC Advisory Opinion 1985-33 (Exh. 26)*. Congressman Ward must return the excessive interest he pocketed from his Committee and justify his July 3, 1996 receipt of \$20,060.

3. **RB&T'S Personal Loans to Mike Ward & the Committee's Payment of Charges on Ward's Personal Loans Were Unlawful.**

On his Personal Financial Disclosure Statements, Mr. Ward reported receipt of two separate *personal* loans from RB&T contemporaneous with his campaign activity. *See 1995 PFD (Exh. 21)*. The original personal loan, which was obtained just prior to Mr. Ward's announcement of candidacy, remains outstanding. *See 1994 & 1996 PFDs (Exhs. 20 & 22)*. A second loan -- this one ostensibly for an automobile -- was obtained and apparently paid-off during the 1994 campaign.

Loans made to a candidate which are in turn loaned to her campaign committee are treated as loans made by the original lender to the campaign committee. *See FEC Advisory Opinion 1985-33 (Exh. 26)*. Candidates are presumed to be agents of the campaign when obtaining bank loans, even if the funds are not used directly for the campaign. *Id.* Candidates may not make personal use of campaign funds. 2 U.S.C. § 439(a) (1994).

Under federal law, both personal loans obtained by Mr. Ward from his friends at RB&T constituted loans to the Ward for Congress Committee, even if Ward intended to make personal use of these funds. *See FEC Advisory Opinion 1978-40 (Exh. 27)*. *And since these loans constitute loans to the campaign, it was improper and unlawful to put these Committee funds to personal use, such as purchase of an automobile for Mr. Ward or his family. 2 U.S.C. § 439a (1996)*. Finally, the Ward Committee needs to explain why the Committee paid RB&T \$315.64 for "charges on loan" and \$451.35 for "interest on loan" when these loan numbers do not correspond with the campaign loans reported by the Committee to the FEC. *See 7/22/95 Filing Schedule B, Line 17, Page 19 of 25 (Exh. 23)*.

VI. **PRAYER FOR RELIEF**

The reprehensible reporting practices of the Ward for Congress Committee evidence either utter disdain for reporting requirements or intentional obfuscation intended to disguise illicit activity. The FEC should conduct a thorough investigation of the Ward Committee, taking appropriate and necessary measures to bring Mr. Ward's abysmal filings into compliance with the law and to deter future unlawful activity. Voters in the Third District of Kentucky deserve answers to several questions, including:

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- How, in the ordinary course of business, could an individual already owing between \$30,000 and \$100,000 to a Bank obtain a *third* loan of \$20,000 from this bank unsecured by any collateral, property or guarantees of future receipts or income, as the Ward Committee did from Republic Bank & Trust on March 29, 1994? (Exh. 4)
- Did the Committee borrow \$20,060 on May 12, 1995 -- as is reported on its detailed summary page -- and if so, why wasn't this receipt itemized (as were prior loan receipts) and from whom was this money obtained? (Exh. 11)
- If the May 12, 1995 loan came from the Bank, then why did Mr. Ward *personally* receive repayment (plus 12.6% interest) 52 days later? (Exhs. 18 & 19)
- If the May 12, 1995 loan came from Mr. Ward, then why did a Bank officer and campaign treasurer both sign a statement indicating that the Bank's original \$20,060 Bank loan had been restructured for one year and was outstanding? (Exh. 16)
- What were the terms and pre-conditions of candidate Ward's \$30,002 to \$100,000 in personal loans obtained during the 1994 election that in-fact count as campaign loans? (Exh. 21)

Referral to the Attorney General or Justice Department should be promptly made if the Commission investigation reveals knowing wrongdoing. The NRCC respectfully requests any and all appropriate actions to inform the voting public and deter future violations.

Respectfully Submitted

Maria Cino

Maria Cino
NRCC Executive Director

District of Columbia

Signed and sworn to before me this 18th day of SEPT, 1996.

M. D. Acton

NOTARY PUBLIC

My commission expires: _____

M. D. Acton
Notary Public, District of Columbia
My Commission Expires July 14, 1998

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April 12, 1994 Filing

**DETAILED SUMMARY PAGE
of Receipts and Disbursements
(Page 2, FEC FORM 3)**

Name of Committee (in full) Fund for CONGRESS	Report Covering the Period:		
	From: 1-1-94	To: 3-31-94	
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			
(1) Received (see Schedule A)	9529.26		11000
(2) Unitemized	17099.99		11000
(3) Total of contributions from individuals	25679.25	25679.25	11000
(b) Political Party Committees			1100
(c) Other Political Committees (such as PACs)	9750.00	9750.00	1100
(d) The Candidate	521.31	521.31	1100
(e) TOTAL CONTRIBUTIONS (other than loans) (add 11(a), (b), (c) and (d))	35841.67	35841.67	1100
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES			12
13. LOANS:			
(a) Made or Guaranteed by the Candidate	30300.00	30300.00	1000
(b) All Other Loans			1000
(c) TOTAL LOANS (add 13(a) and (b))	30300.00	30300.00	1000
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)	66241.67	66241.67	16
II. DISBURSEMENTS			
17. OPERATING EXPENDITURES	33697.48	33697.48	17
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES			18
19. LOAN REPAYMENTS:			
(a) Of Loans Made or Guaranteed by the Candidate			1000
(b) Of All Other Loans			1000
(c) TOTAL LOAN REPAYMENTS (add 19(a) and (b))			1000
20. REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees			2000
(b) Political Party Committees			2000
(c) Other Political Committees (such as PACs)			2000
(d) TOTAL CONTRIBUTION REFUNDS (add 20(a), (b) and (c))			2000
21. OTHER DISBURSEMENTS			21
22. TOTAL DISBURSEMENTS (add 17, 18, 19(c), 20(d) and 21)	33697.48	33697.48	22

III. CASH SUMMARY

23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD	\$	9929.38	23
24. TOTAL RECEIPTS THIS PERIOD (from Line 16)	\$	66241.67	24
25. SUBTOTAL (add Line 23 and Line 24)	\$	76162.06	25
26. TOTAL DISBURSEMENTS THIS PERIOD (from Line 22)	\$	33697.48	26
27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (subtract Line 26 from 25)	\$	42554.57	27

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SCHEDULE A

ITEMIZED RECEIPTS

Loans Made or Guaranteed by Candidate

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

NAME OF COMMITTEE (in Full)

Ward for Congress

FEC ID No. C00264117

A. Full Name, Mailing Address and ZIP Code Michael D. Ward 1908 Deer Park Louisville, KY 40205	Name of Employer Street Level Advertising	Date (month, day, year) 1-1-94	Amount of Cash Received This Period 2000.00
	Occupation Other	Date (month, day, year) 1-1-94	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Amount for 3-31-94 2000.00	

B. Full Name, Mailing Address and ZIP Code Michael D. Ward 1908 Deer Park Louisville, KY 40205	Name of Employer Street Level Advertising	Date (month, day, year) 2-3-94	Amount of Cash Received This Period 600.00
	Occupation Other	Date (month, day, year) 2-3-94	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Amount for 3-31-94 600.00	

C. Full Name, Mailing Address and ZIP Code Michael D. Ward 1908 Deer Park Louisville, KY 40205	Name of Employer Street Level Advertising	Date (month, day, year) 2-11-94	Amount of Cash Received This Period 2000.00
	Occupation Other	Date (month, day, year) 2-11-94	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Amount for 3-31-94 2000.00	

D. Full Name, Mailing Address and ZIP Code Michael D. Ward 1908 Deer Park Louisville, KY 40205	Name of Employer Street Level Advertising	Date (month, day, year) 3-31-94	Amount of Cash Received This Period 5000.00
	Occupation Other	Date (month, day, year) 3-31-94	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Amount for 3-31-94 5000.00	

E. Full Name, Mailing Address and ZIP Code Republic Bank and Trust 601 W. Market St Louisville, KY. 40202	Name of Employer	Date (month, day, year) 3-31-94	Amount of Cash Received This Period 20000.00
	Occupation Other	Date (month, day, year) 3-31-94	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Amount for 3-31-94 20000.00	

F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Cash Received This Period
	Occupation	Date (month, day, year)	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Amount for 3-31-94	

April 12, 1994 Filing

Schedule A

G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Cash Received This Period
	Occupation	Date (month, day, year)	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Amount for 3-31-94	

Summary of Receipts This Page (optional)	20000.00
TOTAL This Period (last page this line number only)	20000.00

9/04/94 3:00 PM



LOANS AND LINES OF CREDIT FROM LENDING INSTITUTIONS

EXH. 4

NAME OF COMMITTEE (IN FULL) Ward for Congress		FEC IDENTIFICATION NUMBER c00284117	
FULL NAME, MAILING ADDRESS AND ZIP CODE OF LENDING INSTITUTION (LENDER) Republic Bank and Trust Co. 601 W. Market St. Louisville, KY 40202		AMOUNT OF LOAN \$20000	INTEREST RATE (APR) 8.000
		DATE INCURRED OR ESTABLISHED 3-29-94	DATE DUE 9-29-94

A. Has loan been restructured? No Yes If yes, date originally incurred: _____

B. If line of credit, amount of this draw: NA; total outstanding balance: NA

C. Are other parties secondarily liable for the debt incurred?
 No Yes (Endorsers and guarantors must be reported on Schedule C.)

D. Are any of the following pledged as collateral for the loan: real estate, personal property, goods, negotiable instruments, certificates of deposit, chattel papers, stocks, accounts receivable, cash on deposit, or other similar traditional collateral?

No Yes If yes, specify: _____

What is the value of this collateral? _____

Does the lender have a perfected security interest in it? No Yes

E. Are any future contributions or future receipts of interest income, pledged as collateral for the loan?

No Yes If yes, specify: _____ What is the estimated value? _____

A depository account must be established pursuant to 11 CFR 100.7(b)(11)(i)(B) and 100.8(b)(12)(i)(B). Date account established: _____ Location of account: _____

F. If neither of the types of collateral described above was pledged for this loan, or if the amount pledged does not equal or exceed the loan amount, state the basis upon which this loan was made and the basis on which it assures repayment.

Signature of candidate

G. COMMITTEE TREASURER

TYPED NAME Donna Heitzman, CPA

SIGNATURE *Donna Heitzman*

DATE

1-6-94

H. Attach a signed copy of the loan agreement.

I. TO BE SIGNED BY THE LENDING INSTITUTION:

I. To the best of this institution's knowledge, the terms of the loan are accurate as stated above.

First Amended April Quarterly Report 1994

II. The loan was made on terms and conditions (including imposed for similar extensions of credit to other borrowers)

III. This institution is aware of the requirement that it has complied with the requirements set forth at 11 CFR 100.7(b)(11)(i)(B) and 100.8(b)(12)(i)(B).

AUTHORIZED REPRESENTATIVE

Chip Hancock

Chip Hancock

TITLE

Vice Pres.

DATE

4/7/94

SCHEDULE C
(Revised 1993)

LOANS

Page 3 of 3 for
LINE NUMBER 1
(Use separate schedule
for each numbered line)

EXH. 5

Name of Committee (in Full) Ward for Congress		FEC ID No c00284117	
A. Full Name, Mailing Address and ZIP Code of Loan Source Mike Ward 1905 Deer Park Louisville, KY 40205		Original Amount of Loan 20000.00	Cumulative Payments To Date -0-
Elector: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Balance Outstanding Close of This Period 20000.00	
Term: Date Incurred 3-29-94 Date Due 6-1-94 Interest Rate 8.000 % (apr) <input type="checkbox"/> Secured			

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

1. Full Name, Mailing Address and ZIP Code Mike Ward 1905 Deer Park Louisville KY 40205	Name of Employer Street Level Adv. Occupation Other Amount Guaranteed Outstanding \$ 20000.00
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding

July 14, 1994 Filing
Schedule C

B. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Cumulative Payments To Date	Balance Outstanding Close of This Period
Elector: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):				
Term: Date Incurred Date Due Interest Rate % (apr) <input type="checkbox"/> 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)	20000.00
TOTALS This Period (Total must agree in this line only)	30300.00

Check whether the reference made in LINE 2, Schedule B, for this loan, is to Schedule C, entry reported in appropriate line of

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SCHEDULE C
(Revised 2002)

LOANS

Page 3 of 3 for
LINE NUMBER 0
(Use separate schedules
for each numbered line)

EXH.
6

Name of Committee (in Full) Ward for Congress		FEC ID No c00284117	
A. Full Name, Mailing Address and ZIP Code of Loan Source Mike Ward 1905 Deer Park Louisville, KY 40205		Original Amount of Loan 20000.00	Cumulative Payments To Date Balance Outstanding Close of This Period 20000.00
Section: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Insured 3-29-94		Date Due 3-29-95	Interest Rate 9.313 % (apr) <input type="checkbox"/> Secured

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

1. Full Name, Mailing Address and ZIP Code Mike Ward 1905 Deer Park Louisville, KY 40205	Name of Employer Street Level Adv. Occupation Order Amount Guaranteed Outstanding \$ 20000.00
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding \$
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding \$

October 15, 1994 Filing
Schedule C

B. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Cumulative Payments To Date	Balance Outstanding Close of This Period
Section: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):				
Terms: Date Insured		Date Due	Interest Rate	% (apr) <input type="checkbox"/> 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)	20000.00
TOTALS This Period (and page in this line only)	20000.00

Carry subtotals from previous page to 1-BB & Schedule D. For this line, if on Schedule D, carry forward to appropriate line of

97040033869



EXH.
7

Name of Committee (in Full)
Ward for Congress FEC ID No c00284117

A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payments To Date	Balance Outstanding Close of This Period
Mike Ward 1905 Deer Park Louisville, KY 40205 Election: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	2500.00	2200.00	300.00

Terms: Date Insured **2-11-94** Date Due **12-1-94** Interest Rate **0.000** % (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 \$

B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payments To Date	Balance Outstanding Close of This Period
Mike Ward 1905 Deer Park Louisville, KY 40205 Election: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	20000.00	-0-	20000.00

Terms: Date Insured **3-29-94** Date Due **3-29-95** Interest Rate **9.313** % (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 \$
Mike Ward 1905 Deer Park Louisville, KY 40205	Street Level Adv.	Other	20000.00

October 24, 1994 Filing
Schedule C

SUBTOTALS This Period This Page (optional)	20300.00
TOTALS This Period (and page in this line only)	20300.00

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

9704303



SCHEDULE C

(Worksheet 278)

LOANS

Page 1 of 2 for
LINE NUMBER 12
(Use separate schedule
for each individual loan)

EXH.
8

Name of Lender (to Fully Disclose)		EFC ID No. 00024117		
A. Full Name, Mailing Address and ZIP Code of Lender	Original Amount of Loan	Cumulative Payments To Date	Balance Outstanding at Close of This Period	
Wells Fargo 1905 Bear Park Ave. Louisville, KY 40205 Member <input type="checkbox"/> FDIC <input checked="" type="checkbox"/> SBA <input type="checkbox"/> Other Specialty	2,000.00	2,000.00	300.00	
Term: New Interest <u>2-11-91</u> Expire Date <u>12-1-91</u> Interest Rate <u>6.000 % apr</u> <input type="checkbox"/> Fixed				
List All Endorsees or Guarantors (if any) to Item A				
1. Full Name, Mailing Address and ZIP Code	Name of Employer			
	Company			
	Amount Guaranteed/Guarantee			
2. Full Name, Mailing Address and ZIP Code	Name of Employer			
	Company			
	Amount Guaranteed/Guarantee			
3. Full Name, Mailing Address and ZIP Code	Name of Employer			
	Company			
	Amount Guaranteed/Guarantee			
B. Full Name, Mailing Address and ZIP Code of Lender	Original Amount of Loan	Cumulative Payments To Date	Balance Outstanding at Close of This Period	
Wells Fargo 1905 Bear Park Ave. Louisville, KY 40205 Member <input type="checkbox"/> FDIC <input checked="" type="checkbox"/> SBA <input type="checkbox"/> Other Specialty	20,000.00	2,313.00	17,687.00	
Term: New Interest <u>1-20-91</u> Expire Date <u>1-20-95</u> Interest Rate <u>9.313 % apr</u> <input type="checkbox"/> Fixed				
List All Endorsees or Guarantors (if any) to Item B				
1. Full Name, Mailing Address and ZIP Code	Name of Employer			
Wells Fargo 1905 Bear Park Ave. Louisville, KY 40205	U. S. Government Company U. S. Environmental Amount Guaranteed/Guarantee <u>20,000.00</u>			
2. Full Name, Mailing Address and ZIP Code	Name of Employer			
	Company			
	Amount Guaranteed/Guarantee			
3. Full Name, Mailing Address and ZIP Code	Name of Employer			
	Company			
	Amount Guaranteed/Guarantee			
DISBURSED This Period This Page (optional)			2,000.00	
TOTAL This Period (not more than 25 lines)				

1/30/95
Filing

January 30, 1995 Filing
Schedule C

970435587
JOSW. O. J. W. P. O. U. S.



LOANS AND LINES OF CREDIT FROM LENDING INSTITUTIONS

NAME OF COMMITTEE (IN FULL) Ward for Congress		FEC IDENTIFICATION NUMBER c00284117	
FULL NAME, MAILING ADDRESS AND ZIP CODE OF LENDING INSTITUTION (LENDER) Republic Bank and Trust Co. 601 W. Market St. Louisville, KY 40202		AMOUNT OF LOAN \$20060.00	INTEREST RATE (APR) 9.3138
		DATE INCURRED OR ESTABLISHED 9/29/94	DATE DUE 3/29/95
A. Has loan been restructured? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes If yes, date originally incurred: <u>3/29/94</u>			
B. If line of credit, amount of this draw: <u>NA</u> ; total outstanding balance: <u>NA</u>			
C. Are other parties secondarily liable for the debt incurred? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Endorsers and guarantors must be reported on Schedule C.)			
D. Are any of the following pledged as collateral for the loan: real estate, personal property, goods, negotiable instruments, certificates of deposit, chattel papers, stocks, accounts receivable, cash on deposit, or other similar traditional collateral? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, specify: _____			
What is the value of this collateral? _____			
Does the lender have a perfected security interest in it? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			
E. Are any future contributions or future receipts of interest income, pledged as collateral for the loan? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, specify: _____ What is the estimated value? _____			
A depository account must be established pursuant to 11 CFR 100.7(b)(11)(i)(B) and 100.8(b)(12)(i)(B). Date account established: _____ Location of account: _____			
F. If neither of the types of collateral described above was pledged for this loan, or if the amount pledged does not equal or exceed the loan amount, state the basis upon which this loan was made and the basis on which it assures repayment. signature of candidate _____			
G. COMMITTEE TREASURER TYPED NAME Donna Heitzman, CPA SIGNATURE <i>Donna L. Heitzman</i>			DATE 10-15-94
H. Attach a signed copy of the loan agreement.			
I. TO BE SIGNED BY THE LENDING INSTITUTION: I. To the best of this institution's knowledge, the terms of the loan are accurate as stated above. October 15, 1994 Filing II. The loan was made on terms and conditions (including interest imposed for similar extensions of credit to other borrowers of comparable creditworthiness) as stated above. Schedule C-1 III. This institution is aware of the requirement that a loan must comply with the requirements set forth at 11 CFR 100.7(b)(11). and has			
AUTHORIZED REPRESENTATIVE TYPED NAME Stephen Coleman SIGNATURE <i>Stephen Coleman</i>		TITLE Branch Manager	
		DATE 10-12-94	

97043053872
JOHN DEER, MO. F.C.



DETAILED SUMMARY PAGE
of Receipts and Disbursements
(Page 2, FEC FORM 3)

EXH. 11
July 22, 1995 Filing

Name of Committee (in full) Ward for Congress	Report Covering the Period:	
	From: 1-1-95	To: 6-30-95
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)	23325.00	
(ii) Unitemized	16385.00	
(iii) Total of contributions from individuals	39710.00	39710.00
(b) Political Party Committees		
(c) Other Political Committees (such as PACs)	71575.00	71575.00
(d) The Candidate		
(e) TOTAL CONTRIBUTIONS (other than loans) (add 11(a)(i), (ii), (c) and (d))	111285.00	111285.00
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES		
13. LOANS:		
(a) Made or Guaranteed by the Candidate	20060.00	20060.00
(b) All Other Loans		
(c) TOTAL LOANS (add 13(a) and (b))	20060.00	20060.00
14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	1644.83	1644.83
15. OTHER RECEIPTS (Dividends, Interest, etc.)		
16 TOTAL RECEIPTS (add 11(e), 12, 13(c), 14 and 15)	132989.83	132989.83
II. DISBURSEMENTS		
17 OPERATING EXPENDITURES	47919.38	47919.38
18 TRANSFERS TO OTHER AUTHORIZED COMMITTEES		
19 LOAN REPAYMENTS:		
(a) Of Loans Made or Guaranteed by the Candidate	20060.00	20060.00
(b) Of All Other Loans		
(c) TOTAL LOAN REPAYMENTS (add 19(a) and (b))	20060.00	20060.00
20. REFUNDS OF CONTRIBUTIONS TO:		
(a) Individuals/Persons Other Than Political Committees		
(b) Political Party Committees		
(c) Other Political Committees (such as PACs)		
(d) TOTAL CONTRIBUTION REFUNDS (add 20(a), (b) and (c))		
21. OTHER DISBURSEMENTS		
22. TOTAL DISBURSEMENTS (add 17, 18, 19(c), 20(d) and 21)	67979.38	67979.38

III. CASH SUMMARY

23 CASH ON HAND AT BEGINNING OF REPORTING PERIOD	\$	476.84
24 TOTAL RECEIPTS THIS PERIOD (from Line 16)	\$	132989.83
25 SUBTOTAL (add Line 23 and Line 24)	\$	133466.67
26 TOTAL DISBURSEMENTS THIS PERIOD (from Line 22)	\$	67979.38
27 CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (subtract Line 26 from 25)	\$	65487.29

97040030874

EXH. 12

SCHEDULE B ITEMIZED DISBURSEMENTS

Page 1	of 1
FOR LINE NUMBER 10	

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 contributor (to full) FEB ID No.
Ward for Congress **c00284117**

A Full Name, Mailing Address and Zip Code Republic Bank & Trust Co. 601 West Market Street Louisville, KY 40202	Purpose of Disbursement repayment of loan due 3-29-95 and associated fees	Date (month day year) 5/12/95	Amount of Each Disbursement this period \$ 20,080.00
	Disbursement for Primary _____ General _____ Other _____		



B Full Name, Mailing Address and Zip Code	July 22, 1995 Filing Schedule B	Date (month day year)	Amount of Each Disbursement this period
---	------------------------------------	--------------------------	--

C Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month day year)	Amount of Each Disbursement this period
Disbursement for Primary _____ General _____ Other _____			

D Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month day year)	Amount of Each Disbursement this period
Disbursement for Primary _____ General _____ Other _____			

E Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month day year)	Amount of Each Disbursement this period
Disbursement for Primary _____ General _____ Other _____			

F Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month day year)	Amount of Each Disbursement this period
Disbursement for Primary _____ General _____ Other _____			

SUBTOTAL of Disbursements: This Page: \$ 20,080.00

TOTAL This Period: \$ 20,080.00

97040633875 JOHN GUN HO INS

EXH.
14

Name of Committee (in Full) Ward for Congress				PEC ID No. c00284117			
A Full Name, Mailing Address and ZIP Code of Loan Source Mike Ward 1905 Deer Park Ave. Louisville, KY 40205		Original Amount of Loan 2500.00	Cumulative Payment To Date 2200.00	Balance Outstanding at Close of This Period 300.00			
Election: <input checked="" type="checkbox"/> Primary 94 <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Terms: Date Incurred 2-11-94 Date Due 12-1-94 Interest Rate 0.000 (Apr)		Secured			
List All Endorsers or Guarantors (if any) to Item A							
1. Full Name, Mailing Address and ZIP Code		Name of Employer		July 22, 1995 Filing Schedule C, p. 1 of 3			
		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 Mike Ward 1905 Deer Park Ave. Louisville, KY 40205		Original Amount of Loan 20000.00	Cumulative Payment To Date 20000.00				
Election: <input checked="" type="checkbox"/> Primary 94 <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Terms: Date Incurred 3-29-94 Date Due 3-29-95 Interest Rate 9.375 (Apr)		<input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item B							
1. Full Name, Mailing Address and ZIP Code Mike Ward 1905 Deer Park Ave. Louisville, KY 40205		Name of Employer U.S. Government		July 22, 1995 Filing Schedule C, p. 1 of 3			
		Occupation U.S. Representative					
		Amount Guaranteed Outstanding: \$ 20000.00					
2. Full Name, Mailing Address and ZIP Code		Name of Employer					
		Occupation					
		Amount Guaranteed Outstanding: \$					
3. Full Name, Mailing Address and ZIP Code		Name of Employer					
		Occupation					
		Amount Guaranteed Outstanding: \$					
SUBTOTALS This Period This Page (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.							

9704363 JUN 10 1995



SCHEDULE C
(Revised 3/80)

LOANS

Page 3 of 3 for
LINE NUMBER 10
(Use separate schedules
for each numbered line)

EXH.
15

Name of Committee (in Full) Ward for Congress		FEC ID No. c00284117	
A Full Name, Mailing Address and ZIP Code of Loan Source Mike Ward 1905 Deer Park Ave. Louisville, KY 40205		Original Amount of Loan 20090.00	Cumulative Payment To Date 30.00
Election <input checked="" type="checkbox"/> Primary 94 General <input type="checkbox"/> Other (specify)		Balance Outstanding at Close of This Period 20060.00	
Terms: Date Incurred 5-12-95 Date Due 5-12-96 Interest Rate 9.664%		Secured	
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code Mike Ward 1905 Deer Park Ave. Louisville, KY 40205		Name of Employer U.S. Government	July 22, 1995 Filing Schedule C, p. 3 of 3
		Occupation U.S. Representative	
		Amount Guaranteed Outstanding \$ 20060.00	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding \$	
B Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Balance Outstanding at Close of This Period	
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (apr)		<input type="checkbox"/> 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)		20060.00	
TOTALS This Period (last page in this line only)		22360.00	
Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.			

97043033877

EXH. 16

LOANS AND LINES OF CREDIT FROM LENDING INSTITUTIONS

NAME OF COMMITTEE (IN FULL) Ward for Congress	FEC IDENTIFICATION NUMBER c00284117	
FULL NAME, MAILING ADDRESS AND ZIP CODE OF LENDING INSTITUTION (LENDER) Republic Bank and Trust Co. 601 W. Market St. Louisville, KY 40202	AMOUNT OF LOAN \$20060.00	INTEREST RATE (APR) 9.664%
	DATE INCURRED OR ESTABLISHED 5/12/95	DATE DUE 5/12/96

A. Has loan been restructured? No Yes If yes, date originally incurred: 3/29/94

B. If line of credit, amount of this draw: NA; total outstanding balance: NA

C. Are other parties secondarily liable for the debt incurred?
 No Yes (Endorsers and guarantors must be reported on Schedule C.)

D. Are any of the following pledged as collateral for the loan: real estate, personal property, goods, negotiable instruments, certificates of deposit, chattel papers, stocks, accounts receivable, cash on deposit, or other similar traditional collateral?
 No Yes If yes, specify: _____

What is the value of this collateral? _____

Does the lender have a perfected security interest in it? No Yes

E. Are any future contributions or future receipts of interest income, pledged as collateral for the loan?
 No Yes If yes, specify: _____ What is the estimated value? _____

A depository account must be established pursuant to 11 CFR 100.7(b)(11)(i)(B) and 100.8(b)(12)(i)(B). Date account established: _____ Location of account: _____

F. If neither of the types of collateral described above was pledged for this loan, or if the amount pledged does not equal or exceed the loan amount, state the basis upon which this loan was made and the basis on which it assures repayment.

signature of candidate

G. COMMITTEE TREASURER	DATE
TYPED NAME W. Allen Priest, CPA SIGNATURE	7/17/95

H. Attach a signed copy of the loan agreement.

I. TO BE SIGNED BY THE LENDING INSTITUTION:

I. To the best of this institution's knowledge, the terms of the loan are accurate as stated above. July 22, 1995 Filing extension of

II. The loan was made on terms and conditions (including imposed for similar extensions of credit to other borrowers.) Schedule C-1 in those

III. This institution is aware of the requirement that a loan must be made on a basis which assures repayment, and has complied with the requirements set forth at 11 CFR 100.7(b)(11) and 100.8(b)(12) in making this loan.

AUTHORIZED REPRESENTATIVE	TITLE	DATE
Steve Gelboese SIGNATURE	Assistant Vice President	

REPUBLIC BANK & TRUST COMPANY
601 WEST MARKET STREET
LOUISVILLE, KY 40202

LOAN NO. 0000128315
LOAN DATE 5/12/95
LOAN AMT. \$ 220,000.00
RENEWAL OF
MFC# 25210599
SBS: 407-74-0475

MICHAEL D. WARD
1202 DUNE BARK AVENUE
LOUISVILLE, KY 40202

LENDER

BORROWER'S NAME AND ADDRESS

Check One The following Disclosures apply to your loan of this date.
 The following Disclosures are based on your loan application of _____

EXH.
17

AMOUNT FINANCED THE AMOUNT OF CREDIT PROVIDED TO YOU OR ON YOUR BEHALF. \$ 20,060.00	FINANCE CHARGE THE DOLLAR AMOUNT THE CREDIT WILL COST YOU. \$ 1,938.55	TOTAL OF PAYMENTS THE AMOUNT YOU WILL HAVE PAID AFTER YOU HAVE MADE ALL PAYMENTS AS SCHEDULED. \$ 21,998.55	ANNUAL PERCENTAGE RATE THE COST OF YOUR CREDIT AS A YEARLY RATE 7.654 %
---	---	--	--

You have the right to receive at this time an itemization of the Amount Financed.
I want an itemization. I do not want an itemization.

Your payment schedule will be:

Number of Payments	Amount of Payments	When Payments are Due
3	\$ 2977.14	Quarterly beginning 9/12/95
1	\$ 220,567.14	5/12/96

If checked the Note: is payable on demand. All disclosures are based on an assumed maturity of one year; or has a demand feature.

VARIABLE RATE: If checked your loan contains a variable-rate feature. Disclosures about the variable-rate feature have been provided to you earlier.

If this box is checked your loan contains a variable-rate feature. The annual percentage rate may increase during the term of this transaction if the index increases. The index is _____

The Rate may not increase more often than once every _____. The maximum interest rate increase of one time will be _____%.

The interest rate will never increase above _____%. If checked the amount of the increase is within the Lender's discretion.

Any increase in the interest rate will take the form of: higher payment amounts or more payments in the same amount.

For example, if the interest rate increases by _____% to _____%:

Your _____ payment will increase to \$ _____ and if checked your final payment will increase to \$ _____ or you will have to make _____ additional payments.

SECURITY: You are giving a security interest in:

Your deposit accounts with us. Collateral securing other loans with us may also secure this loan.

The goods or property being purchased

Other _____

FILED FEES: \$ _____ NON-FILED INSURANCE: \$ _____

PREPAYMENT: If you pay off early, you may will not have to pay a penalty. may will not be entitled to a refund of part of the finance charge.

LATE CHARGE: If this box is checked , you will pay a late charge on each payment more than _____ days late, in the amount of \$ _____ or _____% of the payment whichever is less.

ASSUMPTION: If checked , the following disclosure applies: Someone buying your home may, subject to conditions, be allowed to cannot assume the remainder of the mortgage on the original terms.

REQUIRED DEPOSIT: If checked , the following disclosure applies: The annual percentage rate does not take into account your required deposit.

CONTRACT REFERENCE: See appropriate contract documents for any additional information about repayment, default, any late fees, and in full before the scheduled date and prepayment refunds and penalties.

If there are others _____

INSURANCE: Credit life insurance and credit accident and health insurance are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost.

Type	Premium	Year	DESCRIPTION
Credit Life	\$		I WANT CREDIT LIFE INSURANCE
Credit Accident and Health	\$		I WANT CREDIT ACCIDENT AND HEALTH INSURANCE

You may obtain property insurance from anyone you want that is acceptable to us.

If this box is checked you must obtain Lender's Single Interest Insurance. You may obtain Lender's Single Interest Insurance from anyone you want that is acceptable to us. If you obtain it from us, you will pay \$ _____ for the term of _____

If this box is checked you must obtain Flood Insurance. You may obtain Flood Insurance from anyone you want that is acceptable to us.

ITEMIZATION OF THE AMOUNT FINANCED

Paid to you directly and/or credited to your deposit account	\$ _____	00
PAID TO OTHERS ON YOUR BEHALF		
MCCY AMBER CHECK # _____	\$ _____	
Paid on your indebtedness to the Lender	\$ 20,060.00	
Paid to others on your behalf	\$ _____	
To public officials	\$ _____	00
For property insurance	\$ _____	
For credit insurance	\$ _____	00
To _____	\$ _____	
To PREPARATION FEE	\$ 10.00	
Total paid to others	\$ _____	10.00
Sub-Total - Amounts paid to you and to others:	\$ 20,070.00	
Prepaid Finance Charge:	\$ 10.00	
Amount Financed	\$ 20,060.00	

The undersigned acknowledges receipt of a true copy of this Disclosure Statement (prior to signing) the same evidencing this transaction.

Michael D. Ward 5/12/95
MICHAEL D. WARD Date
Signature Date
Signature Date
Signature Date

TRUTH IN LENDING DISCLOSURE STATEMENT

7/22/95 Filing, Bank Statement

6783304076

EXH.
18

Any info. copied from Reports or Statements may not be sold or used by any person for purpose of soliciting contrib. or for commercial purpose, other than using name & addr. of a political comm. to solicit from comm.

Full Name of Committee: Ward for Congress C00284117

A. Full Name, Address, Zipcode	Purpose of Disbursement	Date	Disburse
Mike Ward 1909 Deer Park Ave. Louisville, KY 40205	repayment of loan	07/03/95	\$20060.00

Disburs for: P

Second Amended 1995 Year-End Report

Filed 4/15/96

Schedule B

97043038308

SUBTOTAL of Disbursements This Page	\$20060.00
TOTAL This Period	\$20060.00

EXH. 19

SCHEDULE B

ITEMIZED DISBURSEMENTS

Use separate schedules for each category of the Detailed Summary Page

PAGE: 5 OF 16
FOR LINE NUMBER: 17

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 purpose other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full):

WARD FOR CONGRESS

97043030881

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month day year)	Amount of Each Disbursement This Period
ZIPCOM 1234 W. Broadway Louisville Ky 40203	Pager Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	10/24/95 11/20/95	40.37 40.37
B. Full Name, Mailing Address and ZIP Code MIKE WARD 1905 DEER PARK AVENUE Louisville Ky 40205	Pads Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	7/1/95	38.50
C. Full Name, Mailing Address and ZIP Code Republic Bank & Trust Matfield PO Box 98170 Louisville Ky 40298	charges Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	11/14/95	67.25
D. Full Name, Mailing Address and ZIP Code WAL-MART Louisville Ky	PAPER products Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	10/4/95	MEMO 52.96
E. Full Name, Mailing Address and ZIP Code Office Depot Louisville Ky	cleaning supplies Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	10/15/95	MEMO 14.29
F. Full Name, Mailing Address and ZIP Code Republic Bank & Trust Box 98170 Louisville Ky 40298	CHECK ORDER Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	12/10/95	MEMO 24.75
G. Full Name, Mailing Address and ZIP Code MIKE WARD 1905 DEER PARK AV Louisville Ky	INTEREST on loan Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify):	7/3/95	360.37
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month day year)	Amount of Each Disbursement This Period
January 30, 1996 Filing			
Schedule B			
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month day year)	Amount of Each Disbursement This Period

SUBTOTAL of Disbursements This Page: 571.61

571.61

TOTAL of Disbursements This Page: 571.61

EXH 20

Mike Ward Personal Financial Disclosure Statement
for 1/1/93 - 6/14/94 "1994 PFD"

Reporting Individual's Name
Mike Ward KY 03

SCHEDULE III - LIABILITIES

Report liabilities of over \$10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence (unless it is rented out); loans secured by automobiles, household furniture, or appliances; and liabilities owed to a spouse, child, parent, or sibling of the reporting individual or the reporting individual's spouse. For further information, see instructions, page 21.

S, DC, JT	Creditor	Type of Liability	Category of Amount or Value (X)						
			B \$10,001 - \$15,000	C \$15,001 - \$50,000	D \$50,001 - \$100,000	E \$100,001 - \$250,000	F \$250,001 - \$500,000	G \$500,001 - \$1,000,000	H Over \$1,000,000
	Example: First Bank of Wilmington, Delaware	Mortgage on 1112 Main Street, Dover, Del.				X			
	Republic Bank & Trust	Personal Loan		X					

SCHEDULE IV - POSITIONS

Report all positions, compensated or uncompensated, held on or before the date of filing during the current calendar year and in the two prior years as an officer, director, trustee of an organization, partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution other than the United States. For further information, see instructions, page 25.

EXCLUSIONS: Positions held in any religious, social, fraternal, or political entities, and positions solely of an honorary nature need not be shown.

Position	Name of Organization
President/Owner	Street Level Advertising, Inc., Sub S Corp. incorporated Sept., 1993
Board Member	Community Coordinated Child Care (non-profit)
" "	Kentuckianna Hemophilia Foundation "
" "	Home of the Innocents "
" "	Hugh O'Brien Youth Foundation, West Ky. Chapter (non-profit)

Use additional sheets if more space is required.

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"1995 PFD" EXH. 21

Mike Ward Personal Financial Disclosure Statement for 1994

SCHEDULE V — LIABILITIES

Name **Mike Ward KY 03**

Page **5** of **6**

Report liabilities of over \$10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent child. Mark the highest amount owed during the year. Exclude: Any mortgage on your personal residence (unless it is rented out); loans secured by automobiles, household furniture, or appliances; and liabilities owed to a spouse, or the child, parent, or sibling of you or your spouse. Report revolving charge accounts only if the balance at the end of the reporting period exceeded \$10,000. For further information, see Instructions, pages 21–22.

SP, DC, JT	Creditor	Type of Liability	Amount of Liability						
			B \$10,001- \$15,000	C \$15,001- \$50,000	D \$50,001- \$100,000	E \$100,001- \$250,000	F \$250,001- \$500,000	G \$500,001- \$1,000,000	H over \$1,000,000
Example:	First Bank of Wilmington, Delaware	Mortgage on 123 Main St., Dover, Del.				X			
	Republic Bank & Trust	Personal Loan		X					
	" " "	Auto Loan		X					

SCHEDULE VI — GIFTS

Report the source, a brief description, and the value of all gifts totalling more than \$250 received by you, your spouse, or a dependent child from any source during the year. Exclude: Gifts from relatives, gifts of personal hospitality of an individual, local meals, and gifts to a spouse or dependent child that are totally independent of his or her relationship to you. Gifts with a value of \$100 or less need not be added towards the \$250 disclosure threshold. Note: House Rule 43, clause 4, prohibits most gifts exceeding \$250. For further information, see Instructions, pages 22–23.

Source	Description	Value
Example: Mr. Joseph H. Smith, Anytown, Anystate	Silver Platter (waiver received from Committee on Standards)	\$270

Use additional sheets if more space is required.

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"1996 PFD" EXH.

22

Name The Honorable Mike Ward

Page 4 of 4

SCHEDULE V -- LIABILITIES

Report liabilities of over \$10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent child. Mark the highest amount owed during the year. Exclude: Any mortgage on your personal residence (unless it is rented out); loans secured by automobiles, household furniture, or appliances; and liabilities owed to a spouse, or the child, parent, or sibling of you or your spouse. Report revolving charge accounts only if the balance at the end of the reporting period exceeded \$10,000. For further information, see Instructions, pages 21-22

SP,DC,JT	Creditor	Type of Liability	Amount of Liability
Example:	First Bank of Wilmington, Delaware	Mortgage on 123 Main St., Dover, Del.	\$100,001 - \$250,000
	Republic Bank & Trust	Personal Loan	\$15,001 - \$50,000
Mike Ward Personal Financial Disclosure Statement for 1995			

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SCHEDULE B ITEMIZED DISBURSEMENTS

PAGE 10	OF 25
FOR LINE NUMBER 17	

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) **Ward for Congress** FEID # No. **c00284117**

A. Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Republic Bank & Trust Co. 601 W. Market St. Louisville, KY 40202	Interest on loan #03002 charges on loan #25210588 Disbursement for: Primary _____ General _____ Other _____	3/30/95 5/28/95	\$ 461.36 \$ 316.84
Republic Bank & Trust Co. 601 W. Market St. Louisville, KY 40202	reception -- supplies Disbursement for: Primary _____ General _____ Other _____	6/8/95	\$ 322.00
Republic Bank Mastercard Republic Bank & Trust Co. 601 W. Market St. Louisville, KY 40202	monthly charges Disbursement for: Primary _____ General _____ Other _____	6/18/95	\$ 183.74
Staples 1935 South Hurstbourne Pkwy. Louisville, KY 40220	office supplies Disbursement for: Primary _____ General _____ Other _____	4/28/95	(MEMO) \$ 56.55
Office Depot 1001 Breckinridge Lane Louisville, KY 40207	office supplies Disbursement for: Primary _____ General _____ Other _____	5/3/95	(MEMO) \$ 50.85
Kinko's 2226 Bardstown Rd. Louisville, KY 40205	printing -- copies Disbursement for: Primary _____ General _____ Other _____	5/12/95	(MEMO) \$ 41.34

SUBTOTAL of Disbursements This Page \$ 1,272.73

TOTAL This Period _____

**SCHEDULE B
Operating Expenditures**

AMENDED DISBURSEMENTS

Page 8 of 14
For line number: 17

**EXH.
25**

Any info. copied from Reports or Statements may not be sold or used by any person for purpose of soliciting contrib. or for commercial purpose, other than using name & addr. of a political comm. to solicit from comm.

Full Name of Committee: Ward for Congress C00284117

A. Full Name, Address, Zipcode	Purpose of Disbursement	Date	Disburse
A. T. & T P. O. Box 914000 Orlando, FL 32891	telephone-monthly	10/23/95	\$36.21
	telephone-long distance	12/21/95	\$36.40

Disburs for:

B. Full Name, Address, Zipcode	Purpose of Disbursement	Date	Disburse
Bell South P. O. Box 33009 Southern Bell, NC 28243	telephone-charges	10/18/95	\$196.77
	telephone-charges	11/14/95	\$211.22

Disburs for:

C. Full Name, Address, Zipcode	Purpose of Disbursement	Date	Disburse
Bell South P. O. Box 33009 Southern Bell, NC 28243	telephone-charges	12/21/95	\$167.98

Disburs for:

D. Full Name, Address, Zipcode	Purpose of Disbursement	Date	Disburse
Republic Bank & Trust P. O. Box 98170 Louisville, KY 40298	reception room	07/28/95	\$57.50
	finance charge	10/12/95	\$11.50

Disburs for:

E. Full Name, Address, Zipcode	Purpose of Disbursement	Date	Disburse
Republic Bank & Trust P. O. Box 98170 Louisville, KY 40298	check order	12/10/95	\$24.75

Disburs for:

F. Full Name, Address, Zipcode	Purpose of Disbursement	Date	Disburse
The Seelbach Hotel 500 4TH Ave. Louisville, KY 40202	meeting expense	11/03/95	\$569.11

Disburs for:

SUBTOTAL of Disbursements This Page \$1311.44
TOTAL This Period \$19061.94

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[Loans made to a candidate which are in turn loaned to her campaign committee are to be treated as loans made by the original lender to the campaign committee. Answer to Representative Cardiss Collins, Citizens to Re-Elect Cardiss Collins, 210 Seventh Street, S. E., Suite 1985/C, Washington, D. C. 20003.]

This responds to your letter of October 3, 1985, requesting an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations to the reporting of loans by your principal campaign committee.

You state that there are "entities" that are willing to make personal loans to you as a candidate but are not willing to make loans to your principal campaign committee, Citizens to Re-Elect Cardiss Collins.^{1/} You state that you in turn wish to loan these funds to your committee. You add that as a Member of Congress the personal loans to you are reportable in your financial disclosure report.^{2/}

You ask whether your committee may report the receipt of these funds as a personal loan from the candidate to the committee.

Commission regulations permit a candidate to make unlimited contributions, including loans, from the candidate's personal funds to her authorized committees. See 11 CFR 110.10(a) and Advisory Opinion 1984-60 [95802].^{3/} Such loans are reportable by the committee as loans made to the committee by the candidate. See 2 U.S.C. §434(b)(2)(G) and (3)(E); 11 CFR 104.3(a)(3)(vii) and 104.3(a)(4)(iv). This procedure applies to loans to the committee from the candidate's personal funds.

The Act and Commission regulations, however, specifically provide that when a candidate receives a loan for use in connection with her campaign, the candidate receives such a loan as an agent of her authorized committee or committees. 2 U.S.C. §432(e)(2); 11 CFR 101.2 and 102.7(d). Such loans are reportable by the committee and itemized as loans from the lender to the committee, rather than as loans from the candidate to the committee. 2 U.S.C. §434(b)(2)(H) and (3)(E); 11 CFR 104.3(a)(3)(vii) and 104.3(a)(4)(iv); see also 11 CFR 104.3(d). Furthermore, the repayment of such loans are reported and itemized as disbursements to the lender. 2 U.S.C. §434(b)(4)(E) and (5)(D); 11 CFR 104.3(b)(2)(iii) and 104.3(b)(4)(iii) and (iv).^{4/}

The Act further provides that loans by lending institutions described in the Act made in accordance with applicable law and in the ordinary course of business do not constitute contributions to the candidate or her authorized committees. 2 U.S.C. §431(8)(B)(vii); 11 CFR 100.7(b)(11). Thus, any loans to a candidate as an agent of her authorized committees or to her authorized committees from persons or entities, other than those lending institutions described in the Act, come within the Act's definition of contribution. See 2 U.S.C. §431(8)(A)(i); 11 CFR 100.7(a)(1). As contributions, such loans become subject to the prohibitions and limitations of the Act. See 2 U.S.C. §§441a, 441b, 441c, 441e, and 441f; Advisory Opinions 1982-64 and 1978-40.

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You are a candidate who will receive personal loans which you then plan to loan to your committee. The Act specifies that you will be treated as receiving or obtaining these loans as an agent of your committee. Therefore, these loans do not qualify as your personal funds. Accordingly, your committee should report and itemize these loans as loans from the initial lender rather than as loans of your personal funds. See Advisory Opinions 1982-64 and 1978-40.

This response constitutes an advisory opinion concerning application of the Act, or regulations prescribed by the Commission, to the specific transaction or activity set forth in your request. 2 U.S.C. §437f.

Dated: November 22, 1985.

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- 1/ Your principal campaign committee reported the receipt of \$38,660 in contributions during the period of January 1, 1985, through June 30, 1985. You filed your Statement of Candidacy on September 26, 1985. See 2 U.S.C. §431(2) and 11 CFR 100.3.
 - 2/ This report is filed with the Clerk of the House of Representatives pursuant to the Ethics in Government Act of 1978, 2 U.S.C. §701 et seq. The Commission does not address any questions regarding the filing of your financial disclosure report since such questions are not within its jurisdiction.
 - 3/ Commission regulations also define "personal funds." See 11 CFR 110.10 (b); Advisory Opinions 1982-64 [95705] and 1978-40 [95341].
 - 4/ The Act and regulations also provide that debts and obligations owed to or by a political committee which remain outstanding shall be continuously reported until extinguished. See 2 U.S.C. §434(b)(8); 11 CFR 104.3(d) and 104.11. This reporting requirement attaches to both loans of a candidate's personal funds to her authorized committee and loans obtained by the candidate as an agent of her committee. This reporting requirement also continues into subsequent election cycles where the debt or obligation remains outstanding.

[75341] AO 1978-40: Loans for Living Expenses as Contributions

[Loans to pay living expenses while a person decides whether or not to become a candidate become contributions if the person does become a candidate. Answer to Thomas E. Jagger, Treasurer, Ray Kogovsek for Congress, 127 First National Bank Building, Pueblo, Colorado 81003.]

This responds to your letter of June 21, 1978, requesting an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act") and applicable regulations regarding loans received by a candidate for personal and family living expenses during the period when he was evaluating his candidacy.

Your letter states that on June 1, 1977, Ray Kogovsek's position as a paralegal was abolished and that he needed funds for his personal and family living expenses while evaluating his candidacy. During the month of June 1977, before his decision to seek nomination or election to the United States House of Representatives, Mr. Kogovsek borrowed a total of \$3,900 from ten individuals. A note was executed for each loan. The proceeds were placed in a separate checking account. All withdrawals from the account were made for personal and family living expenses. Mr. Kogovsek announced his candidacy and filed FEC Form 2, statement of candidacy, after he borrowed the money.

Specifically, you ask if these loans are contributions under the Act. If so, you ask how the loans and expenditures from the loan proceeds for personal living expenses are to be reported, and by whom? Finally you ask what "procedures" and "specific forms" the candidate must file to be in compliance with the Act.

The Commission concludes that these loans are contributions for purposes of the Act. Therefore the loans must be disclosed in reports filed by the Ray Kogovsek For Congress Committee, and the amount contributed (loaned) by any individual with respect to any election must not exceed \$1,000.1/ 2 U.S.C. §434(b), §441a(a)(1).

Candidate status may arise before candidacy is publicly declared or before an FEC Form 2 is filed. 2 U.S.C. §431(b) defines "candidate", in part, as an individual who seeks nomination for election, or election, to Federal office... and... an individual shall be deemed to seek nomination for election, or election, if he has -

- (1) taken the action necessary under the law of a State to qualify himself for nomination for election, or election to Federal office; or
- (2) received contributions or made expenditures... with a view of bringing about his nomination for election, or election to such office.

A "contribution" is defined in part, as a "gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing the nomination, for election, or election, of any person to Federal office." 2 U.S.C. §431(e)(1). A limited exception to that definition is recognized in Commission regulation §100.4(b)(1) where it is stated that the term contribution does not include payments made for the purpose of determining whether an individual should become a candidate, if the individual does not otherwise become a candidate. If, however, the individual subsequently becomes a candidate, the payments are contributions and must be reported with the first appropriate report filed regardless of the date the payments were made. 11 CFR 100.7(b)(2) is a similar exception for expenditures.

In this instance you state that, during June 1977, Mr. Kogovsek was evaluating his candidacy. Reports filed by the Ray Kogovsek for Congress Committee, show contributions received in April 1977 and both contributions and expenditures in June 1977. Although these may have been payments made for the purpose of determining whether he should become a candidate, the fact that he did become a

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candidate has the effect of making these payments contributions and expenditures for purposes of the Act as of the date the transactions occurred.

As already stated, a contribution is defined, in part, as a "gift... loan... or anything of value made for the purpose of influencing the nomination, for election, or election, of any person to Federal office. The Commission has previously held that funds provided to a candidate to be used solely for personal living expenses and subsistence of the candidate and his family are contributions for purposes of the Act if the funds are not "personal funds" under Commission regulations, §110.10(b).2/

This section states that, except for Presidential candidates receiving public financing, candidates may make unlimited expenditures from personal funds. The following definition is given:

(b) for purposes of this section, "personal funds" means—

(1) Any assets to which at the time he or she became a candidate the candidate had legal and rightful title, or with respect to which the candidate had the right of beneficial enjoyment under applicable State law, and which the candidate had legal right of access to or control over, including funds from immediate family members; and

(2) Salary and other earned income from bona fide employment; dividends and proceeds from the sale of the candidate's stocks or other investments; bequests to the candidate; income from trusts established before candidacy; income from trusts established by bequest after candidacy of which the candidate is the beneficiary; gifts of a personal nature which had been customarily received prior to candidacy; proceeds from lotteries and similar legal games of chance.

The thrust of §110.10 is that a candidate is expending campaign contributions rather than personal funds, unless the funds involved are assets to which he or she had legal and rightful title or the right of beneficial enjoyment at the time he or she became a candidate, or unless the funds were personal assets under §110.10(b)(2). The same rationale would apply to the proceeds of loans received by a candidate, although used only for personal living expenses, since using this test those loans are not personal funds, but are contributions under the Act. Accordingly, the loans must be reported giving the information specified in 2 U.S.C. §434(b)(5). See also §104.2(b)(5) of Commission regulations and supplemental reporting instructions for loans to candidates (copy enclosed).

Since the \$3,900 in loans constitute contributions rather than personal funds, the expenditures for personal living expenses from the \$3,900 must be reported in accord with 2 U.S.C. §434(b)(9) and §104.2 of the Commission regulations.3/ Mr. Kogovsek may be identified as the person to whom the expenditure was made and the purpose of the expenditure may be described as personal and family living expenses during a stated time period. §104.2(b)(9).

Your final question concerns the procedures to be followed to comply with the Act in connection with the described loans. Since the loans fall within §100.4(b)(1) of the regulations, which requires that contributions be reported with the first report filed by the candidate or principal campaign committee, the committee should file an amendment to its first report within the next 15 days listing both the loans, and payments made from the loan proceeds, in the manner discussed above.

This response constitutes an advisory opinion concerning the application of a general rule of law stated in the Act, or prescribed as a Commission regulation, to the specific factual situation set forth in your request. See 2 U.S.C. §437f.

Dated: September 1, 1978.

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- 1/ A loan from an individual is a contribution as long as it is outstanding and unpaid by the candidate or committee to whom the loan was made. 11 C.F.R. 100.4(a)(1)(i). As it is repaid, the individual lender is no longer charged with a contribution for limit purposes under 2 U.S.C. §441a.
- 2/ See the Commission's response to Advisory Opinion Request 1976-84 and Advisory Opinion 1976-70, copies enclosed.
- 3/ As contributions, the loan proceeds constitute campaign funds not personal funds. Therefore, the reporting exemption in §100.7(b)(10) of Commission regulations for payments of routine living expenses from "non-campaign funds" would not apply in the circumstances you have presented.

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 25, 1996

Maria Cino, Executive Director
National Republican Congressional Committee
320 First Street, SE
Washington, DC 20003

RE: MUR 4470

Dear Ms. Cino:

This letter acknowledges receipt on September 18, 1996, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). The respondent(s) will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 4470. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Colleen T. Schlander, Attorney
Central Enforcement Docket

Enclosure
Procedures

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 25, 1996

The Honorable Michael D. Wood
1905 Deer Park Avenue
Louisville, KY 40205

RE: MUR 4470

Dear Representative Wood:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4470. Please refer to this number in all future correspondence.

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

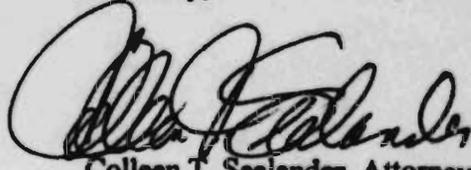
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed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

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If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

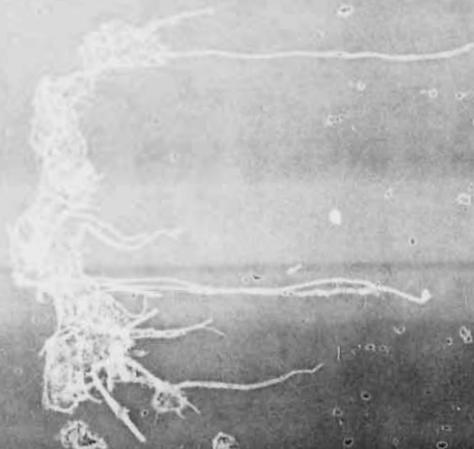


Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 25, 1996

The Honorable Michael D. Ward
US House of Representatives
1032 Longworth House Office Bldg.
Washington, DC 20515

RE: MUR 4470

Dear Representative Ward:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4470. Please refer to this number in all future correspondence.

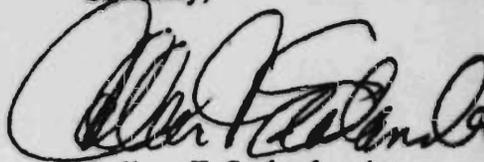
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under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

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

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If you have any questions, please contact Aiva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

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to be taken against the Commission
in legal proceedings

This matter is closed.



FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 25, 1996

William Carl Fust, Treasurer
Ward for Congress
1250 Bardstown Road
Louisville, KY 40204

RE: MUR 4470

Dear Mr. Fust:

The Federal Election Commission received a complaint which indicates that Ward for Congress ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4470. Please refer to this number in all future correspondence.

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

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

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If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 25, 1996

Bernard Trager, Chairman
Republic Bank and Trust Co.
601 W. Market Street
Louisville, KY 40204

RE: MUR 4470

Dear Mr. Trager:

The Federal Election Commission received a complaint which indicates that the Republic Bank and Trust Co. may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4470. Please refer to this number in all future correspondence.

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

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

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If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 25, 1996

W. Allen Priest
200 S. 5th Street
Louisville, KY 40204

RE: MUR 4470

Dear Mr. Priest:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4470. Please refer to this number in all future correspondence.

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

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

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If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

97043836903



FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 25, 1996

Donna L. Heitzman
4030 Norbourne Blvd.
Louisville, KY 40207

RE: MUR 4470

Dear Ms. Heitzman:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4470. Please refer to this number in all future correspondence.

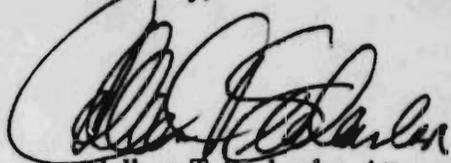
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under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

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

9704333904

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

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97043033905



FEDERAL ELECTION COMMISSION

Washington, DC 20463

September 25, 1996

Chip Hancock, Vice President
Republic Bank and Trust Co.
601 W. Market Street
Louisville, KY 40202

RE: MUR 4470

Dear Mr. Hancock:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4470. Please refer to this number in all future correspondence.

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

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

97043636906

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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9704333907



REPUBLIC
Bank & Trust Company
Member FDIC

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

OCT 9 11 42 AM '96

October 4, 1996

Colleen T. Sealander, Attorney
Central Enforcement Docket
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

Re: Republic Bank & Trust Company Response to MUR #4470

Dear Ms. Sealander,

I am in receipt of your letter dated September 25, 1996 which includes a Complaint filed by the National Republican Congressional Committee ("NRCC") against Republic Bank & Trust Company ("Republic") and others. Republic Bank & Trust Company specifically denies the allegation of the Complaint against it.

Republic Bank & Trust Company is a Kentucky chartered commercial bank headquartered in Louisville, Kentucky. Over the years Republic has enjoyed a good business relationship with Congressman Mike Ward and his wife Christina Heavrin which includes various standard deposit and loan relationships. Mr. Ward and his wife have been good, long standing customers of Republic who have performed all of their contractual obligations with Republic as agreed.

The NRCC now complains that because Republic's loan to Mike Ward in the amount of \$20,000 was unsecured it was made "without adequate assurance of repayment" and therefore constitutes an unlawful contribution from Republic. To the contrary, not only does Republic, like thousands of other lending institutions, make many unsecured loans with identical "assurance of repayment" but regular quarterly interest payments were made throughout the term of the loan and the loan was ultimately paid off in full on July 3, 1995 within a year and a half of its origination. Based on Mr. Ward's financial statement, annual income and unblemished credit we would have made this loan to any applicant with identical terms and conditions.

The NRCC's absurd attempt to harass Republic simply because a few of Republic's officers have supported Mike Ward is

Bagdad • Benton
Bowling Green • Elizabethtown
Frankfort • Lexington
Louisville • Mayfield
Murray • Owensboro
Paducah • Shelbyville

Affiliated with the statewide Republic group of banks and financial service companies

Republic Corporate Center • 601 West Market Street • Louisville, Kentucky 40202-2700 • (502) 584-3600

9704033700

9704383391C

\$30,002 and \$100,000 from the bank for personal uses in 1994". The NRCC cites C.F.R. Sec. 100.7(b)(11) claiming "adequate bases for assuring repayment include, among others, perfected security interests, collateral whose fair market value is equal to or greater than the loan amount, amounts guaranteed by secondary sources, and reasonable expectations of future receipts." What the NRCC fails to mention is that while the cited provisions represent a "safe harbor" for lenders 11 C.F.R. 100.7(b)(11)(ii) states that "the Commission will consider the totality of the circumstances on a case-by-case basis in determining whether a loan was made on a basis which assures repayment" in the event the loan does not fall within the "safe harbor".

It is preposterous to think that making an unsecured loan is outside Republic's ordinary course of business. Currently, Republic has over \$60 million outstanding in unsecured and uncollateralized loans. Our loan policy states that "unsecured loans are offered to all applicants who have sufficient credit based on their credit report, character, and the capacity to repay without dependance on collateral based on verification of income". The officer who made the loan had authority to make unsecured loans of up to \$25,000, while other officers have individual authority to make such loans up to \$150,000.

At the time Mr. Ward applied for the loan he clearly qualified for \$20,000 in unsecured credit. His credit report was perfect and he was a full bank customer with over in deposits at Republic.

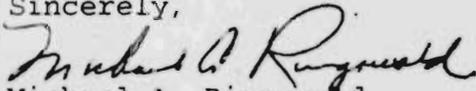
Unsecured loans of this amount to borrowers with perfect credit and adequate income are not uncommon at Republic and clearly not outside "the ordinary course of our business". The standard assurance of repayment that Republic requires for these type of borrowers are their signatures and I can cite millions of dollars in unsecured term loans that have paid in that regard just like this loan was paid.

The NRCC further argues that while the loan came due on March 29, 1995, the Committee did not pay the Bank for five more weeks. It is quite common for a small unsecured short term loan to "roll over" at maturity as this one did. Often times scheduling and administrative obstacles prevent a loan from renewing on the maturity date in which case we continue to charge interest until we are able to schedule either a payoff or renewal. Mr. Ward continued to be charged interest for

the interim period until renewal on May 12, 1995. The loan was ultimately paid in full one month later on July 3, 1995.

In summary, the NRCC's attempt to harass and penalize Republic because of a few officer's friendship and support of Mike Ward is unforgivable. In a democratic society we as citizens should have the freedom to choose leaders without fear of such repercussions.

Sincerely,



Michael A. Ringswald
Senior Vice President and
General Counsel

9704333711

REPUBLIC BANK & TRUST COMPANY
601 WEST MARKET STREET
LOUISVILLE, KY 40202

LOAN NO. 131156
DATE OF NOTE 3/29/91
FINAL MATURITY DATE 9/29/91
PRINCIPAL AMT \$ 20,000.00
RENEWAL OF
Note# 25149934

MICHAEL D. WARD
1903 D. W. PARK AVENUE
LOUISVILLE, KY 40205
BORROWER'S NAME(S) AND ADDRESS

LENDER

On or before the Final Maturity Date, for value received, the undersigned (sometimes called "You" or "Your"), jointly and severally promise to pay to the order of the LENDER, named at ova, at its main office or any branch office, the Principal Amount shown above, together with interest at the annual interest rate checked below beginning on the Date of Note and continuing until paid in full. Unless specified differently below, payments will be applied first to interest accrued on the unpaid Principal Amount to the date of payment, then to the scheduled reduction of the Principal Amount, and the excess, if any, to any unpaid late charges and then to reduce the Principal Amount.

Interest will be accrued according to the 365/365, 360/360 365/360 accrual method.

If checked , Lender shall be entitled to a minimum of \$10.00 in interest.

If checked , you will pay a late charge on each payment that is more than 10 days late, in the amount of \$ 100.00 or 5.00 % of the payment, whichever is less.

You promise to pay as follows: 1 payment of accrued interest due 6/29/91; 1 payment of principal due 9/29/91.

THE ANNUAL INTEREST RATE ON THIS NOTE

- I is a FIXED RATE of 8.000 %
- II is a VARIABLE RATE which may change from time to time. The rate will be determined by adding _____ percentage points to the Index (described below) on each index Review Date. That sum, subject to any adjustments and limitations (described below) will be the New Rate. The New Rate will become effective on the next following Rate Change Date. The annual interest rate on this Note today -- Date of Note -- is _____ %

The Index _____
Index Review Date(s) (date lender checks index and sets rate): _____
First Rate Change Date (first date a rate change may take effect): _____
Later Rate Change Dates (all other dates a rate change may take effect): _____

Adjustments in setting the New Rate: None unless one or both of the following is checked:
 on each Index Review Date the New Rate will be rounded to the next _____ of one percent.
 on any Index Review Date the Lender may, at its option, add fewer percentage points to the Index than otherwise provided.

Limitations on setting the New Rate:
Maximum Rate Increase on any Rate Change Date is _____ percentage points more than the Rate in effect prior to that Rate Change Date. Maximum Rate at any time is _____ % (Provisions do not apply if blank.)
Maximum Rate Decrease on any Rate Change Date is _____ percentage points less than the Rate in effect prior to that Rate Change Date. Minimum Rate at any time is _____ % (Provisions do not apply if blank.)

Effect of Interest Rate Change on Payments: If the Interest Rate changes, the payment(s) will change as follows (check one):
 Different Periodic Principal and Interest Payments - Each remaining payment will change to the amount necessary to pay, in equal installments, the unpaid Principal Amount on the Rate Change Date plus interest by the Final Maturity Date.
 Different Periodic Interest Payment(s) - The remaining payment(s) will change to the amount necessary to pay the interest accrued to the date of each payment, and the last payment due on the Final Maturity Date will include the unpaid Principal Amount. The amount of scheduled periodic principal payment(s) will remain the same.
 Different Final Payment - The payment due on the Final Maturity Date will change to the amount necessary to pay the interest accrued to that date and the unpaid Principal Amount. Scheduled periodic payments, if any, will remain the same.
 Different Number of Payments - Each payment (except the last payment) and the frequency of payments will remain the same but the total number of payments and the Final Maturity Date will change.
 Different Periodic and Final Payments - The remaining payments will change to the amount necessary to pay, in equal installments by the next to last payment, that portion of the unpaid Principal Amount plus interest scheduled to be paid prior to the Final Maturity Date, and the payment due on the Final Maturity Date will change to the amount necessary to pay the interest accrued to that date and the remaining Principal Amount.

SECURITY: In addition to any other security interest which Lender may have, the following apply if checked:
 This indebtedness is secured by separate Real Estate Mortgage Assignment Security Agreement
 Other _____ of same date as the Note. If not same date, the date is _____
Collateral: _____
 IF CHECKED THIS DOCUMENT IS ALSO A SECURITY AGREEMENT. The undersigned grants and pledges to the Lender a security interest in the following described property: ADDITIONAL TERMS AND CONDITIONS OF THE SECURITY AGREEMENT ARE ON THE REVERSE SIDE HEREOF. (Describe the property fully, include make, model, serial no., if any, etc.)

 If checked, the property is affixed or is to be affixed to the following real estate, or is crops growing or to be grown on the following real estate. (Describe real estate):
The use of the above property will be Personal Business Agricultural Other _____

THE TERMS AND CONDITIONS OF THIS NOTE (AND SECURITY AGREEMENT IF APPLICABLE) STATED ON THE REVERSE SIDE HEREOF ARE INCORPORATED BY REFERENCE HEREIN AND CONSTITUTE A PART OF THIS CONTRACT TO THE SAME EXTENT AS IF PRINTED IN FULL AT THIS POINT. THE UNDERSIGNED ACKNOWLEDGE RECEIPT OF A TRUE COPY OF THIS DOCUMENT, AND AGREE TO THE TERMS AND CONDITIONS HEREOF.

Michael D. Ward
SIGNATURE MICHAEL D. WARD

SIGNATURE

SIGNATURE

SIGNATURE

FOR LENDER USE ONLY
PRIMARY ELECTIONS EXPENSE
OFF. CH.
PREP. CA
ATTN: _____
Interest pursuant to (if checked):
 KRS 208 KRS 290

THE PARTY SIGNING HEREIN DOES SO TO GRANT A SECURITY INTEREST IN THE ABOVE DESCRIBED PROPERTY, BUT ASSUMES NO PERSONAL LIABILITY TO PAY THE NOTE.
NAME _____ DATE _____
ADDRESS _____
SIGNATURE _____

9704333912

REPUBLIC BANK & TRUST COMPANY
601 MARKET STREET
LOUISVILLE KY 40202

TAN NO. 1311
DATE OF NOTE 3/29/94
FINAL MATURITY DATE 3/29/94
PRINCIPAL AMT \$ 20,060.00
RENEWAL OF 25149954
Note# 25175262

MICHAEL J. WARD
1906 BIRD PARK AVENUE
LOUISVILLE KY 40205

(BORROWER'S NAME(S) AND ADDRESS)

LENDER

On or before the Final Maturity Date, for value received, the undersigned (sometimes called "You" or "Your"), jointly and severally promise to pay to the order of the LENDER, named above, at its main office or any branch office, the Principal Amount shown above, together with interest at the annual interest rate checked below beginning on the Date of Note and continuing until paid in full. Unless specified differently below, payments will be applied first to interest accrued on the unpaid Principal Amount to the date of payment, then to the scheduled reduction of the Principal Amount, and the excess, if any, to any unpaid late charges and then to reduce the Principal Amount.

Interest will be accrued according to the 365/365 360/360 365/360 accrual method.

If checked Lender shall be entitled to a minimum of \$10.00 in interest.

If checked You will pay a late charge on each payment that is more than 10 days late, in the amount of \$ 100.00 or 5.00 % of the payment, whichever is less.

You promise to pay as follows: 1 payment of accrued interest due 12/29/94, 1 payment of principal and accrued interest due 03/29/95.

THE ANNUAL INTEREST RATE ON THIS NOTE

I is a FIXED RATE of 9.000 %
II is a VARIABLE RATE which may change from time to time. The rate will be determined by adding _____ percentage points to the index (described below) on each Index Review Date. That sum, subject to any adjustments and limitations (described below) will be the New Rate. The New Rate will become effective on the next following Rate Change Date. The annual interest rate on this Note today -- Date of Note -- is _____ %
The Index _____

Index Review Date(s) (date lender checks index and sets rate):
First Rate Change Date (first date a rate change may take effect):
Later Rate Change Dates (all other dates a rate change may take effect):

Adjustments in setting the New Rate: None unless one or both of the following is checked
 on each Index Review Date the New Rate will be rounded to the next _____ of one percent
 on any Index Review Date the Lender may, at its option, add fewer percentage points to the index than otherwise provided

Limitations on setting the New Rate
Maximum Rate Increase on any Rate Change Date is _____ percentage points more than the Rate in effect prior to that Rate Change Date. Maximum Rate at any time is _____ % (Provisions do not apply if blank.)
Maximum Rate Decrease on any Rate Change Date is _____ percentage points less than the Rate in effect prior to that Rate Change Date. Minimum Rate at any time is _____ % (Provisions do not apply if blank.)

Effect of Interest Rate Change on Payments: If the Interest Rate changes, the payment(s) will change as follows (check one):
 Different Periodic Principal and Interest Payments - Each remaining payment will change to the amount necessary to pay, in equal installments, the unpaid Principal Amount on the Rate Change Date plus interest by the Final Maturity Date.
 Different Periodic Interest Payment(s) - The remaining payment(s) will change to the amount necessary to pay the interest accrued to the date of each payment, and the last payment due on the Final Maturity Date will include the unpaid Principal Amount. The amount of scheduled periodic principal payment(s) will remain the same.
 Different Final Payment - The payment due on the Final Maturity Date will change to the amount necessary to pay the interest accrued to that date and the unpaid Principal Amount. Scheduled periodic payments, if any, will remain the same.
 Different Number of Payments - Each payment (except the last payment) and the frequency of payments will remain the same but the total number of payments and the Final Maturity Date will change.
 Different Periodic and Final Payments - The remaining payments will change to the amount necessary to pay, in equal installments to the next to last payment, that portion of the unpaid Principal Amount plus interest scheduled to be paid prior to the Final Maturity Date, and the payment due on the Final Maturity Date will change to the amount necessary to pay the interest accrued to that date and the remaining Principal Amount.

SECURITY: In addition to any other security interest which Lender may have, the following apply if checked:
This indebtedness is secured by separate Real Estate Mortgage Assignment Security Agreement
Other _____ of same date as the Note. If not same date, the date is: _____
Collateral
If CHECKED THIS DOCUMENT IS ALSO A SECURITY AGREEMENT. The undersigned grants and pledges to the Lender a security interest in the following described property. ADDITIONAL TERMS AND CONDITIONS OF THE SECURITY AGREEMENT ARE ON THE REVERSE SIDE HEREOF. (Describe the property fully, include make, model, serial no., if any, etc.)

If checked, the property is affixed or is to be affixed to the following real estate, or is crops growing or to be grown on the following real estate (Describe real estate):
The use of the above property will be: Personal Business Agricultural Other

THE TERMS AND CONDITIONS OF THIS NOTE (AND SECURITY AGREEMENT IF APPLICABLE) STATED ON THE REVERSE SIDE HEREOF ARE INCORPORATED BY REFERENCE HEREIN AND CONSTITUTE A PART OF THIS CONTRACT TO THE SAME EXTENT AS IF PRINTED IN FULL AT THIS POINT. THE UNDERSIGNED ACKNOWLEDGE RECEIPT OF A TRUE COPY OF THIS DOCUMENT, AND AGREE TO THE TERMS AND CONDITIONS HEREOF.

X *Michael J. Ward*
SIGNATURE MICHAEL D. WARD

SIGNATURE

SIGNATURE

SIGNATURE

FOR LENDER USE ONLY
RENEWAL
OFF: SC
PREP: VLA
APPR:
Interest Due/Amount (if checked)
 KRS 288 KRS 290

THE PARTY SIGNING HEREIN DOES SO TO GRANT A SECURITY INTEREST IN THE ABOVE DESCRIBED PROPERTY, BUT ASSUMES NO PERSONAL LIABILITY TO PAY THE NOTE
NAME *MJW* DATE
ADDRESS
SIGNATURE

97043033913

REPUBLIC BANK & TRUST COMPANY
601 WEST MARKET STREET
LOUISVILLE, KY 40202

LOAN NO. 000198315
DATE OF NOTE 7/13/95
FINAL MATURITY DATE 5/12/96
PRINCIPAL AMT. \$ 220,990.00
RENEWAL OF _____
Note# 25210599

T. CARL D. WARD
DEER PARK AVENUE
LOUISVILLE, KY 40205
BORROWER'S NAME AND ADDRESS

LENDER

On or before the Final Maturity Date, for value received, the undersigned (sometimes called "You" or "Your"), jointly and severally promise to pay to the order of the LENDER, named above, at its main office or any branch office, the Principal Amount shown above, together with interest at the annual interest rate checked below beginning on the Date of Note and continuing until paid in full. Unless specified differently below, payments will be applied first to interest accrued on the unpaid Principal Amount to the date of payment, then to the scheduled reduction of the Principal Amount, and the excess, if any, to any unpaid late charges and then to reduce the Principal Amount.

Interest will be accrued according to the 365/365 360/360 365/360 accrual method.

If checked , Lender shall be entitled to a minimum of \$10.00 in interest.

If checked , you will pay a late charge on each payment that is more than 10 days late, in the amount of \$ 100.00 or 5.000 % of the payment, whichever is less.
You promise to pay as follows: 3 quarterly interest payments due on the 12th beginning 8/12/95, 1 final payment of principal and accrued interest due 05/12/96.

THE ANNUAL INTEREST RATE ON THIS NOTE:

I. is a FIXED RATE of 9.500 %.
II. is a VARIABLE RATE which may change from time to time. The rate will be determined by adding _____ percentage points to the Index (described below) on each Index Review Date. That sum, subject to any adjustments and limitations (described below) will be the New Rate. The New Rate will become effective on the next following Rate Change Date. The annual interest rate on this Note today -- Date of Note -- is _____ %.

The Index _____

Index Review Date(s) (date lender checks index and sets rate): _____

First Rate Change Date (first date a rate change may take effect): _____

Later Rate Change Dates (all other dates a rate change may take effect): _____

P A I D
JUL 04 1995

Adjustments in setting the New Rate: None unless one or both of the following is checked:
 on each Index Review Date the New Rate will be rounded to the next _____ of one percent.
 on any Index Review Date the Lender may, at its option, add fewer percentage points to the index than otherwise provided.

Limitations on setting the New Rate

Maximum Rate Increase on any Rate Change Date is _____ percentage points more than the Rate in effect prior to that Rate Change Date. Maximum Rate at any time is _____ % (Provisions do not apply if blank.)

Maximum Rate Decrease on any Rate Change Date is _____ percentage points less than the rate in effect prior to that Rate Change Date. Minimum Rate at any time is _____ % (Provisions do not apply if blank.)

Effect of Interest Rate Change on Payments: If the Interest Rate changes, the payment(s) will change as follows (check one):

Different Periodic Principal and Interest Payments - Each remaining payment will change to the amount necessary to pay, in equal installments, the unpaid Principal Amount on the Rate Change Date plus interest by the Final Maturity Date.

Different Periodic Interest Payment(s) - The remaining payment(s) will change to the amount necessary to pay the interest accrued to the date of each payment, and the last payment due on the Final Maturity Date will include the unpaid Principal Amount. The amount of scheduled periodic principal payment(s) will remain the same.

Different Final Payment - The payment due on the Final Maturity Date will change to the amount necessary to pay the interest accrued to that date and the unpaid Principal Amount. Scheduled periodic payments, if any, will remain the same.

Different Number of Payments - Each payment (except the last payment) and the frequency of payments will remain the same but the total number of payments and the Final Maturity Date will change.

Different Periodic and Final Payments - The remaining payments will change to the amount necessary to pay, in equal installments by the next to last payment, that portion of the unpaid Principal Amount plus interest scheduled to be paid prior to the Final Maturity Date, and the payment due on the Final Maturity Date will change to the amount necessary to pay the interest accrued to that date and the remaining Principal Amount.

SECURITY: In addition to any other security interest which Lender may have, the following apply if checked:

This indebtedness is secured by separate: Real Estate Mortgage Assignment Security Agreement

Other _____, of same date as the Note. If not same date, the date is _____.

Collateral: _____

Repayment of the indebtedness evidenced by this Note (which includes all extensions and renewals hereof) (the "Loan"), shall be secured by the property in which you grant an interest to Lender directly securing this Loan. That same property shall also secure all existing and future indebtedness (direct or contingent) of any of you to Lender, except that existing indebtedness shall not be secured by the property if it is now used as your principal dwelling and future indebtedness shall not be secured by the property if it is used as your principal dwelling at the time of the future credit extension, unless the document evidencing such indebtedness specifically states that it is so secured, and further, existing indebtedness shall not be secured by the property if the property is Household Goods as defined in 12 C.F.R. 227.12(d), and future indebtedness shall not be secured by the property if the property is Household Goods as defined above unless said future debts are the result of a refinancing or consolidation of this Loan. All other property in which you have granted an interest to Lender shall also secure payment of this Loan, except that any prior interest in property presently used as your principal dwelling will not secure this Loan, unless the Note so provides, and any prior interest in Household Goods as defined above will not secure this Loan unless this Loan is a refinancing or consolidation of a debt directly secured by a purchase money security interest in said Household Goods. Lender shall have the right to call for additional security as it may deem proper for its protection.

In addition, each of you hereby delivers, grants, pledges, assigns, conveys and transfers (except where such actions are prohibited or restricted by law) to Lender an interest in all accounts, moneys and deposits now or hereafter in possession or control of Lender, and each of you agrees that Lender shall have a lien upon, security title to and a security interest in such accounts, moneys and deposits now or hereafter in possession or control of Lender, and each of you agrees that Lender shall have a lien upon, security title to and a security interest in such accounts, moneys and deposits to secure repayment of this Loan and all other existing and future indebtedness of you to Lender (excluding any credit card indebtedness arising out of the use of such card for personal, family, or household purposes). This Loan is secured by the designation of Lender as a loss payee or beneficiary of the proceeds and unearned premiums of the insurance maintained in connection with this Loan and any insurance maintained in connection with any other indebtedness that you owe to Lender if the security for that indebtedness also secures this Loan.

9704363914

DEFAULT: Time is of the essence of this Note and in the event any of you fail to make any payment when due under this Note, or under any lease or obligations of any of you to Lender; or in the event any of you or any of you or guarantor of this Note shall be adjudged bankrupt, or file or have filed against him a petition in bankruptcy; or in the event of the dissolution or termination of the existence of the undersigned or any endorser or guarantor of this Note; or if you fail to obtain or maintain the insurance required by Lender; or if a writ, order of attachment, execution or garnishment shall be issued or made against any of the property of any of you or any endorser or guarantor of this Note; or in the event Lender in good faith deems itself insecure with respect to repayment of this Note, or in good faith believes that the prospect of payment is impaired; or in the event of a failure to comply with a call for additional security; or in the event of the death of any of you or any endorser or guarantor of this Note; or in the event of a breach of any other agreement or obligation any of you have with Lender; then in any such case, this Note and/or all liabilities of any and/or all of you to Lender shall, at Lender's option, be deemed in default.

EFFECT OF DEFAULT: In the event of default, this Note and/or all liabilities of any and/or all of you to Lender shall, at Lender's option, forthwith become due and payable without demand or notice. Lender may immediately proceed with the sale, as provided by law, of any of the property securing this Note, substitutes therefor or additions thereto, and/or any property securing other liabilities of any and/or all of you to Lender, substitutes therefor, or additions thereto. The proceeds of any sale made hereunder, after deducting any expenses, attorney fees, and costs of handling said property incurred incident to said sale, may be applied by Lender, in the amounts and order determined in Lender's sole discretion, to any one or more of all of the liabilities of any or all of you to Lender, whether such liabilities are due or not, and the remaining balance of said proceeds, if any, shall be returned to you.

INSURANCE

A. Only those of you who have signed a separate document requesting credit life and/or credit accident and health insurance will be covered by that type of insurance. Insurance coverage is subject to the terms and conditions of the Policy or Certificate of Insurance.

B. If you are giving Lender a security interest in a motor vehicle or boat, you are required to maintain collision, fire and theft insurance on the property in a form and amount that is acceptable to Lender.

C. If you are giving Lender a security interest in real estate or a mobile home, you are required to maintain fire and other insurance (including flood insurance if required by Lender) on the real estate or mobile home in a form and amount that is acceptable to Lender.

D. If you are giving Lender a security interest in other types of personal property, you are required to maintain casualty insurance on the property in a form and amount that is acceptable to Lender.

If you fail to obtain and maintain the insurance described above as required by Lender, or fail to provide Lender with satisfactory evidence that such insurance has been obtained and maintained, Lender may, but is not obligated to, obtain such insurance as it deems appropriate and pay the premium therefor. If Lender does obtain such insurance, you agree to reimburse Lender for the costs thereof within five (5) days from the date that a notice of the purchase of such insurance is mailed to you. In the event you do not pay such costs within five (5) days, then you shall pay such costs plus interest, at the Annual Rate of Interest stated in this Note, from the date that said notice of the purchase of such insurance is mailed to you, until it is paid, with such interest, in full.

RIGHTS AND RESPONSIBILITIES: If more than one person shall sign this Note, the obligation of all such persons shall be joint and several, and any reference in this Note to "you" or "your" shall refer to each one separately as well as to all. If this Note shall be paid by any one of you signing this Note, Lender may surrender to the one so paying the Note all security pledged with it for this Loan. If a settlement is made by any one of you signing this Note, on terms satisfactory to Lender, then any security pledged by such person may be returned to him without prejudice to Lender's rights and claims against other persons who have signed this Note or other obligations, and without prejudice to Lender's security interest in any property of such other persons. Lender may release any one or more of you at any time without prejudice to its other rights as to any of the others of you. Each of you hereby consents that any property held by Lender as collateral may at any time be released by Lender, without prejudice to the rights of Lender against any party to this Note.

All parties hereto, whether makers, endorsers, cosigners, sureties, guarantors, accommodation parties, or otherwise concerned herein, hereby waive all acts on the part of the holder otherwise required in fixing the liability of sureties aforesaid, including among other things, presentment, demand, notice of dishonor, protest, notice of nonpayment and all other notice and further waive legal diligence to enforce collection. Lender shall not be under obligation to exercise any of its rights hereunder, and no failure to do so or delay in doing so shall waive or impair its rights, or render Lender in any way liable to anyone. The rights, remedies, or legal actions specified are cumulative and do not exclude any right, remedies, or legal action which Lender may otherwise have.

ATTORNEY FEES: In the event the Loan and/or this Note is referred to an attorney, not a salaried employee of Lender for collection, you will pay reasonable attorney fees and all costs of collection, incurred by Lender.

GENERAL PROVISIONS: In the event this Note shall be transferred, the transferee shall be entitled to all the rights secured to Lender hereunder. In the event Lender obtains judgment against you, or any one or more of you, said judgment shall bear interest at the same Annual Interest Rate in effect on the date a Complaint is filed. Any provisions hereof which may prove unenforceable shall not affect the validity of any other provision of this contract. This obligation may not be assumed on its original terms. This Note shall be governed by the laws of the State of Kentucky.

THE UNDERSIGNED ACKNOWLEDGE RECEIPT OF A TRUE COPY OF THIS DOCUMENT AND AGREE TO THE TERMS AND CONDITIONS HEREOF.

Michael D. Ward
SIGNATURE MICHAEL D. WARD

SIGNATURE

SIGNATURE

SIGNATURE

FOR LENDER USE ONLY
RENEWAL
OFF: SVC PREP: CA APPR:
LATEST PURCHASE TO BE CHECKED:
 KRS 288 KRS 290

WARD

9704333915

Mike Ward

October 3, 1996

Federal Election Commission
ATTN: Colleen Sealander, Attorney
Central Enforcement Docket
999 E Street NW
Washington, DC 20463

IN RE: MUR 4470

Dear Mrs. Sealander:

This letter acknowledge receipt of your letter of September 25, 1996 enclosing complaint MUR 4470.

We respectfully request an extension of time in order to more fully respond to the Complaint.

This Complaint involves loan transactions reported in FEC report for the period 1-1-94 to 3-31-94 and subsequent reports related to such transactions. These transactions do not involve the current 1996 election. Full disclosure has been made of such transactions as to amounts, parties involved and purpose.

The Complaint does point out apparent clerical inconsistencies in the FEC reports which were inadvertent and can and will be corrected if required.

The facts are that Ward borrowed \$20,000.00 from Republic Bank and Trust on 1-31-94 to provide funds for his 1994 campaign, secured by the personal obligation of Ward. This is the only loan made by the bank to Ward for campaign expenses. This is fully disclosed in the FEC reports made by Ward. In order to fully respond, we have to rebuild the loan and interest history.

The Complaint does not allege any failure to disclose, but sets forth inconsistencies in the FEC reports regarding such loan. The outcome of this inquiry will have no impact on the pending election.

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
OCT 15 3 29 PM '96

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Mike Ward

Given that the 1996 election is but five weeks away, and given the age of the alleged violations, and given that the Complaint was filed by the campaign committee supporting our opponent and given that our resources are tied up in the pending election, we respectfully request an extension of 60 days.

It is our wish and intent to be fully responsive.

Sincerely,



Wm. Carl Fust
Treasurer

9704333917

Congressman

Democrat

Mike Ward

October 17, 1996

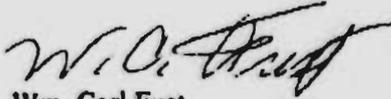
Federal Election Commission
ATTN: Alva Smith
999 E Street, NW
Washington, DC 20463

IN RE: 4470

Dear Ms. Smith:

Per our conversation today we agree to a thirty day extension, which will expire November 15, 1996.

Sincerely,


Wm. Carl Fust
Treasurer

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COMMISSION
OFFICE OF GENERAL
COUNSEL

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(302) 473-7777
FAX 473-7575

Mid-City Mall, 1250 Bardonia Rd., Fairport, NY 10201



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 18, 1996

William Carl Fust, Treasurer
Ward for Congress
1250 Bardstown Road
Louisville, KY 40204

RE: MUR 4470

Dear Mr. Fust:

This is in response to your letter dated October 3, 1996, requesting a 60 day extension to respond to the complaint filed in the above-noted matter and your telephone conversation with Alva E. Smith on October 17, 1996, during which you agreed to respond to the complaint filed in the above-noted matter within 30 days.

Considering the Federal Election Commission's responsibilities to act expeditiously in the conduct of investigations, the Office of General Counsel cannot grant your full request, but can only agree to a 30 day extension. Accordingly, the response is due by close of business on November 15, 1996.

If you have any questions, please contact Alva E. Smith at (202) 219-3400.

Sincerely,

Colleen T. Sealander
Colleen T. Sealander, Attorney
Central Enforcement Docket
MAB

97043833919

Rubin Hays & Foley

ATTORNEYS AT LAW

First Trust Centre, 200 South Fifth Street, Louisville, Kentucky 40202-3236
Telephone (502) 569-7550 Telefax (502) 569-7555

WM. CARL FUST
HARRY LEE MEYER
DAVID W. GRAY
IRVIN D. FOLEY
JOSEPH R. GATHRIGHT, JR.
LISA KOCH BRYANT*
SHARON C. HARDY
CHARLES S. MUSSON
W. RANDALL JONES
K. GAIL RUSSELL
CHRISTIAN L. JUCKETT
COURTNEY L. MCCALL

OF COUNSEL
JAMES L. FAHEY

*ALSO ADMITTED IN INDIANA

November 14, 1996

NOV 18 2 43 PM '96
FEDERAL ELECTION
COMMISSION
OFFICE OF THE CLERK

Federal Election Commission
999 E Street N.W.
Washington D.C. 20463
Identification Number C00284117
Attention: Colleen T. Sealander, Esq.

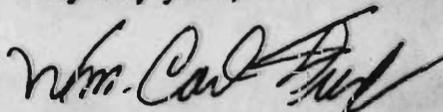
Re:
MUR #4470

Dear Ms. Sealander:

Enclosed is my response to referenced MUR's as the current treasurer for the Ward for Congress Committee. If you need to correspond with me or to telephone me, please use the address and telephone number on the letter head of this letter. The campaign headquarters for Mike Ward will be closing shortly.

If this response does not adequately address the issues raised in the MUR's, please advise. Also bear in mind that I am a volunteer, non-paid treasurer recently appointed to close out the operations for the Ward for Congress Committee. I will do the best I can to resolve these issues.

Very truly yours,



Wm. Carl Fust

cc: Mike Ward

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Rubin Hays & Foley

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

ATTORNEYS AT LAW

First Trust Centre, 200 South Fifth Street, Louisville, Kentucky 40202-3236
Telephone (502) 569-7550 Telefax (502) 569-7555

Nov 18 3 37 PM '96

WM CARL FUST
HARRY LEE MEYER
DAVID W. GRAY
IRVIN D. FOLEY
JOSEPH R. GATHRIGHT, JR.
LISA KOCH BRYANT*
SHARON C. HARDY
CHARLES S. MUSSON
W. RANDALL JONES
K. GAIL RUSSELL
CHRISTIAN L. JUCKETT
COURTNEY L. MCCALL

OF COUNSEL
JAMES E. FAHEY

*ALSO ADMITTED IN INDIANA

November 14, 1996

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
Nov 19 2 38 PM '96

Federal Election Commission
999 E Street N.W.
Washington D.C. 20463
Identification Number C00284117
Attention: John D. Gibson

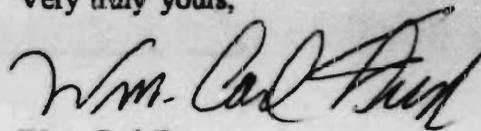
Re: Mid-Year Report (1/1/95-6/30/95)

Dear Mr. Gibson:

I apologize for the delay in responding to the letter of October 16, 1996 from Lilly Marco, but the October 16 letter was received at campaign headquarters and was never forwarded to me until receipt of your letter of November 7.

As a response to both letters, I am enclosing my response to MUR #4470 with attachments which should explain this loan transaction. If you require further information, please advise.

Very truly yours,



Wm. Carl Fust

cc: Mike Ward

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BEFORE THE FEDERAL ELECTION COMMISSION

Mike Ward for Congress Committee)
))
Republic Bank & Trust Company, Louisville, Kentucky)
))
William Carl Fust, W. Allen Priest, and Donna L. Heitzman)
Treasurers to Ward for Congre.s)

MUR #4470

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
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RESPONSE

William Carl Fust, the current Treasurer for the Mike Ward 1996 Congressional Campaign, on behalf of himself and on behalf of Mike Ward for Congress Committee, W. Allen Priest and Donna L. Heitzman does herewith make this Response to the Complaint filed by the NRCC. The Complaint alleges that the Mike Ward for Congress Committee has engaged in the unlawful practices set forth in numerical paragraphs 1, 2 and 3 of the Summary of the Complaint. This Response shall deal with each of such allegations in the same numerical order.

1. The Complaint alleges that unlawful contributions were obtained from a national bank in the form of unsecured loans provided without any standard assurances of repayment. The Respondents acknowledge that Mike Ward did in fact borrow \$20,000 from Republic Bank & Trust Co., a state banking institution, for the purpose of providing funds for his 1994 election campaign. Only one loan of \$20,000 was made to Mike Ward, which loan was made on March 29, 1994 and was repaid with interest on July 3, 1995. The loan was a signature loan secured by the personal obligation of Mike Ward for a term of six months due September 29, 1994 at an interest rate of 8% per annum. The loan was subsequently renewed on September 29, 1994 and May 12, 1995 at an interest rate of 9.313% per annum and 9.5% per annum respectively, all as evidenced by the documentation attached as Exhibit 1, Exhibit 2 and Exhibit 3 to the response filed by Republic Bank & Trust Company dated October 4, 1996. All the amounts received from and payments made on this loan were reported on the appropriate FEC reports of the Mike Ward for Congress Committee either as direct disbursements to Republic Bank or as reimbursements to Mike Ward for such payments. Respondents aver that it is not out of the ordinary course of business for a bank in Louisville, Kentucky to make an unsecured personal loan for six months in the amount of \$20,000 and subsequently renew the loans twice for six month terms to a person like Mike Ward. In the FEC reports of the Ward for Congress Committee evidencing these transactions, the then Treasurer showed each renewal note as a receipt and disbursement transaction where in fact no cash transactions occurred. Attached as Exhibit 1 is a statement from the Republic Bank & Trust Co., Louisville, Kentucky to the effect that the loan was made in the ordinary course of business without preference because of Mike Ward being a candidate for Congress. The car loan mentioned in the Complaint was for the pay off amount on a matured car lease.

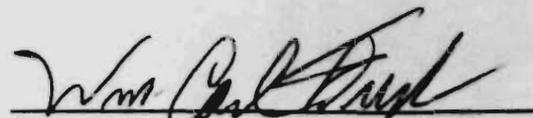
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2. The Complaint alleges that Mike Ward pocketed early repayment of and received excessive interest on a loan that he may not actually and could not legally have made to his campaign. Respondents deny this allegation and reiterate Respondent's statement set forth in paragraph 1 above.

3. The Complaint alleges that Mike Ward made personal use of campaign funds improperly obtained as personal loans from a national bank. Respondents deny this allegations and reiterate the statement set forth in paragraph 1 above.

Respondents believe that based on the foregoing, the Complaint does not set forth violations of the Federal Election Campaign Act of 1971, as amended and that the Commission make such finding and close the file.

Respectfully Submitted,

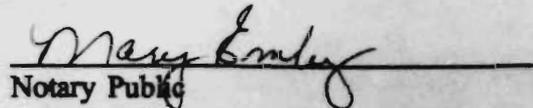


Wm. Carl Fust

Treasurer, Mike Ward for Congress Committee

Signed and sworn to before me this 14th day of November, 1996.

My Commission expires March 24, 1997



Notary Public
State at Large

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Exhibit 1

To: Carl Fust

October 4, 1996

Colleen T. Sealander, Attorney
Central Enforcement Docket
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

Re: Republic Bank & Trust Company Response to MUR #4470

Dear Ms. Sealander,

I am in receipt of your letter dated September 25, 1996 which includes a Complaint filed by the National Republican Congressional Committee ("NRCC") against Republic Bank & Trust Company ("Republic") and others. Republic Bank & Trust Company specifically denies the allegation of the Complaint against it.

Republic Bank & Trust Company is a Kentucky chartered commercial bank headquartered in Louisville, Kentucky. Over the years Republic has enjoyed a good business relationship with Congressman Mike Ward and his wife Christina Heavrin which includes various standard deposit and loan relationships. Mr. Ward and his wife have been good, long standing customers of Republic who have performed all of their contractual obligations with Republic as agreed.

The NRCC now complains that because Republic's loan to Mike Ward in the amount of \$20,000 was unsecured it was made "without adequate assurance of repayment" and therefore constitutes an unlawful contribution from Republic. To the contrary, not only does Republic, like thousands of other lending institutions, make many unsecured loans with identical "assurance of repayment" but regular quarterly interest payments were made throughout the term of the loan and the loan was ultimately paid off in full on July 3, 1995 within a year and a half of its origination. Based on Mr. Ward's financial statement, annual income and unblemished credit we would have made this loan to any applicant with identical terms and conditions.

The NRCC's absurd attempt to harass Republic simply because a few of Republic's officers have supported Mike Ward is

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Bagdad • Benton
Bowling Green • Elizabethtown
Frankfort • Lexington
Louisville • Mayfield
Murray • Owensboro
Paducah • Shelbyville

reprehensible and constitutes an abuse of the process the Federal Election Commission is empowered to administer.

The specific allegation against Republic is as follows:

1. Ward Accepted Unlawful Contributions from RB&T In the Form of Campaign Loans Made Without Adequate Assurance of Repayment.

The facts regarding the loan in question are as follows:

On March 29, 1994 Mike Ward signed a promissory note with Republic in the amount of \$20,030 at an interest rate of 8% (1.75% over the then existing New York Prime rate) and a maturity date of September 29, 1994 (See Exhibit 1). The note obligated Mr. Ward to make a quarterly interim interest payment on June 29, 1994 which payment was made on June 17, 1994 in the amount of \$400.54.

On September 29, 1994 the note was renewed (See Exhibit 2) in the amount of \$20,060 with a stepped up interest rate of 9% and a maturity date of March 29, 1995. Again, interim quarterly interest was paid on October 6, 1994 in the amount of \$400.60 for the period from June 29, 1994 to September 29, 1994, while quarterly interest due on December 29, 1994 and March 29, 1995 was paid on December 27, 1994 and April 3, 1995 respectively in the amount of \$451.35. This loan was ultimately renewed on May 12, 1995 (Exhibit 3) with an additional increase in the interest rate to 9.5% and a maturity date of May 12, 1996. An interim interest payment was made on May 30, 1995 for the period from the maturity of the previous note on March 29, 1995 to the renewal on May 12, 1995. The loan was ultimately paid off in full on July 3, 1995.

Discussion

The NRCC's challenge regarding the Loan is based solely on their contention that the loan was not "made in the ordinary course of business" as a result of the non existence of "adequate assurance of repayment". The NRCC states "one requirement that a loan must meet in order to be considered in the ordinary course of business is that it must be made on a basis which assures repayment." The NRCC would have you believe that there was insufficient assurance of repayment because Republic "required no collateral or security for issuing this loan other than Mr. Ward's signature, even though Ward himself had already borrowed somewhere between

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\$30,002 and \$100,000 from the bank for personal uses in 1994". The NRCC cites C.F.R. Sec. 100.7(b)(11) claiming "adequate bases for assuring repayment include, among others, perfected security interests, collateral whose fair market value is equal to or greater than the loan amount, amounts guaranteed by secondary sources, and reasonable expectations of future receipts." What the NRCC fails to mention is that while the cited provisions represent a "safe harbor" for lenders 11 C.F.R. 100.7(b)(11)(ii) states that "the Commission will consider the totality of the circumstances on a case-by-case basis in determining whether a loan was made on a basis which assures repayment" in the event the loan does not fall within the "safe harbor".

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It is preposterous to think that making an unsecured loan is outside Republic's ordinary course of business. Currently, Republic has over \$60 million outstanding in unsecured and uncollateralized loans. Our loan policy states that "unsecured loans are offered to all applicants who have sufficient credit based on their credit report, character, and the capacity to repay without dependance on collateral based on verification of income". The officer who made the loan had authority to make unsecured loans of up to \$25,000, while other officers have individual authority to make such loans up to \$150,000.

At the time Mr. Ward applied for the loan he clearly qualified for \$20,000 in unsecured credit. His credit report was perfect and he was a full bank customer with over \$14,000 in deposits at Republic.

Unsecured loans of this amount to borrowers with perfect credit and adequate income are not uncommon at Republic and clearly not outside "the ordinary course of our business". The standard assurance of repayment that Republic requires for these type of borrowers are their signatures and I can cite millions of dollars in unsecured term loans that have paid in that regard just like this loan was paid.

The NRCC further argues that while the loan came due on March 29, 1995, the Committee did not pay the Bank for five more weeks. It is quite common for a small unsecured short term loan to "roll over" at maturity as this one did. Often times scheduling and administrative obstacles prevent a loan from renewing on the maturity date in which case we continue to charge interest until we are able to schedule either a payoff or renewal. Mr. Ward continued to be charged interest for

the interim period until renewal on May 12, 1995. The loan was ultimately paid in full one month later on July 3, 1995.

In summary, the NRCC's attempt to harass and penalize Republic because of a few officer's friendship and support of Mike Ward is unforgivable. In a democratic society we as citizens should have the freedom to choose leaders without fear of such repercussions.

Sincerely,

Michael A. Ringswald

Michael A. Ringswald
Senior Vice President and
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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ENFORCEMENT PRIORITY

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AUG 19 1997

**EXECUTIVE SESSION
SUBMITTED LATE**

GENERAL COUNSEL'S REPORT

I. INTRODUCTION.

The cases listed below have been identified as either stale or of low priority based upon evaluation under the Enforcement Priority System (EPS). This report is submitted to recommend that the Commission no longer pursue these cases.

II. CASES RECOMMENDED FOR CLOSURE.

A. Cases Not Warranting Further Action Relative to Other Cases Pending Before the Commission

EPS was created to identify pending cases which, due to the length of their pendency in inactive status or the lower priority of the issues raised in the matters relative to others presently pending before the Commission, do not warrant further expenditure of resources. Central Enforcement Docket (CED) evaluates each incoming matter using Commission-approved criteria which results in a numerical rating of each case.

Closing such cases permits the Commission to focus its limited resources on more important cases presently pending before it. Based upon this review, we have identified 34 cases which do not warrant further action relative to other pending matters.¹

¹ These cases are: MUR 4470 (Ward for Congress); MUR 4478 (Citizens for Tom Reynolds); MUR 4492 (Friends of Ken Poston); MUR 4498 (Darryl Roberts for Congress); MUR 4506 (The Hon. Ted Little); MUR 4512 (Friends of Lane Evans); MUR 4517 (Unknown Respondent); MUR 4523 (Kansas for Rathbun); MUR 4520 (Larry Lerner for

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Attachment 1 to this report contains summaries of each case, the EPS rating, and the factors leading to assignment of a low priority and recommendation not to further pursue the matter.

B. Stale Cases

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Effective enforcement relies upon the timely pursuit of complaints and referrals to ensure compliance with the law. Investigations concerning activity more distant in time usually require a greater commitment of resources, primarily due to the fact that the evidence of such activity becomes more remote and consequently more difficult to develop. Focusing investigative efforts on more recent and more significant activity also has a more positive effect on the electoral process and the regulated community. In recognition of these facts, EPS also provides us with the means to identify those cases which, though earning a higher rating when received, remained unassigned due to a lack of resources for effective investigation. The utility of commencing an investigation declines as these cases age, until they reach a point when activation of a case would not be an efficient use of the Commission's resources.

Congress); MUR 4522 (*Republican Party of Bexar County*); MUR 4523 (*Cong. Andrea Seastrand*); MUR 4524 (*Danny Covington Campaign Fund Committee*); MUR 4526 (*Hoeffell for Congress*); MUR 4528 (*Pete King for Congress*); MUR 4529 (*Pete King for Congress*); MUR 4532 (*Citizen's Committee for Gilman for Congress*); MUR 4535 (*Visclosky for Congress*); MUR 4537 (*Di Nicola for Congress*); MUR 4541 (*Ross Perot*); MUR 4548 (*Blagojevich for Congress*); MUR 4550 (*Friends of Wamp for Congress*); MUR 4551 (*John N. Hostettler*); MUR 4557 (*De La Rosa for Congress*); MUR 4559 (*Bill Baker for Congress*); MUR 4560 (*George Stuart Jr. for Congress*); MUR 4562 (*Wayne E. Schile*); MUR 4566 (*Al Gore*); MUR 4574 (*Danny Covington Campaign Fund Committee*); MUR 4576 (*Volunteers for Shimkus*); MUR 4579 (*New Zion Baptist Church*); MUR 4580 (*Friends of Mike Forbes*); MUR 4584 (*Bill Baker for Congress*); MUR 4588 (*Navarro for Congress*); and MUR 4613 (*Gary Kelley for Congress*).

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The U.S. District Court for the District of Columbia, however, held in *Democratic Senatorial Campaign Committee v. FEC*, Civil Action No. 95-0349 (D.D.C. April 17, 1996) that 24 months was too long a time in which to hold a case in an inactive status.

Twenty one cases have remained on the Central Enforcement Docket for a sufficient period of time to render them stale, all of which are recommended for closure in this Report.⁴ This group includes four MURs that became stale several months ago, but were held pending criminal prosecution by the Department of Justice.⁵ DOJ obtained convictions in the two criminal cases related to these four MURs (*U.S. v. Jay Kim* and *U.S. v. Dynamic Energy Resources*) based upon guilty pleas by the key defendants, who are also the principal respondents in our pending matters. Pursuit of civil enforcement action in view of the satisfactory results obtained in the criminal cases would not be the most effective use of the Commission's scarce resources at this time.

We recommend that the Commission exercise its prosecutorial discretion and direct closure of the cases listed below, effective August 29, 1997. Closing these cases as

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⁴ These cases are: MUR 4274 (*GOPAC*); MUR 4358 (*Miller for Senate*); MUR 4361 (*ABC-TV*); MUR 4368 (*Citizens Business Bank*); MUR 4380 (*AFGE Local 2391 PAC*); MUR 4385 (*Dial for Congress*); MUR 4386 (*Zimmer for Senate*); MUR 4396 (*ABC*); MUR 4404 (*Friends of Steve Stockman*); MUR 4410 (*39th Legislative District*); MUR 4417 (*Our Choice II*); MUR 4422 (*Deanna for Congress Committee*); and Pre-MUR 336 (*Park National Bank & Trust*).

⁵ These cases are: MUR 3796 (*Jay Kim for Congress*); MUR 3798 (*Jay Kim*); MUR 4275 (*Jay Kim*); and MUR 4356 (*Dynamic Energy Resources*). In dismissing the Jay Kim cases, we also recommend closing Pre-MUR 352, which is the transmittal of the guilty plea agreement and related documentation in the criminal case against Congressman Kim forwarded by United States Attorney's office.

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of this date will permit CED and the Legal Review Team the necessary time to prepare closing letters and case files for the public record.

III. RECOMMENDATIONS.

A. Decline to open a MUR, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:

Pre-MUR 336

Pre-MUR 352

B. Take no action, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:

MUR 3796	MUR 4396	MUR 4522	MUR 4559
MUR 3798	MUR 4404	MUR 4523	MUR 4560
MUR 4274	MUR 4410	MUR 4524	MUR 4562
MUR 4275	MUR 4417	MUR 4526	MUR 4566
	MUR 4422	MUR 4528	MUR 4574
MUR 4356	MUR 4470	MUR 4529	MUR 4576
MUR 4358	MUR 4478	MUR 4532	MUR 4579
MUR 4361	MUR 4492	MUR 4535	MUR 4580
MUR 4368	MUR 4498	MUR 4537	MUR 4584
	MUR 4506	MUR 4541	MUR 4588
MUR 4380	MUR 4512	MUR 4548	MUR 4613
MUR 4385	MUR 4517	MUR 4550	
MUR 4386	MUR 4518	MUR 4551	
	MUR 4520	MUR 4557	

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8/14/97
Date

Lawrence M. Noble (72)
Lawrence M. Noble
General Counsel

Attachment:
Case Summaries

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Enforcement Priority) Agenda Document No. X97-55

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on August 19, 1997, do hereby certify that the Commission decided by a vote of 4-1 to take the following actions with respect to Agenda Document No. X97-55:

- A. Decline to open a MUR, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:
1. Pre-MUR 336. 2. Pre-MUR 352.
- B. Take no action, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:
1. MUR 3796. 2. MUR 3798. 3. MUR 4274.
4. MUR 4275. 5. MUR 4356. 6. MUR 4358.
7. MUR 4361. 8. MUR 4368. 9. MUR 4380.
10. MUR 4385. 11. MUR 4386. 12. MUR 4396.
13. MUR 4404. 14. MUR 4410. 15. MUR 4417.
16. MUR 4422. 17. MUR 4470. 18. MUR 4478.

(continued)

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Federal Election Commission
Certification: Enforcement Priority
August 19, 1997

Page 2

19. MUR 4492. 20. MUR 4498. 21. MUR 4506.
22. MUR 4512. 23. MUR 4517. 24. MUR 4518.
25. MUR 4520. 26. MUR 4522. 27. MUR 4523.
28. MUR 4524. 29. MUR 4526. 30. MUR 4528
31. MUR 4529. 32. MUR 4532. 33. MUR 4535.
34. MUR 4537. 35. MUR 4541. 36. MUR 4548
37. MUR 4550. 38. MUR 4551. 39. MUR 4557.
40. MUR 4559. 41. MUR 4560. 42. MUR 4562.
43. MUR 4566. 44. MUR 4574. 45. MUR 4576.
46. MUR 4579. 47. MUR 4580. 48. MUR 4584.
49. MUR 4588. 50. MUR 4613.

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

Attest:

8-21-97
Date

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

97043033933



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 29, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Sam Dawson, Executive Director
National Republican Congressional Committee
320 First Street, S.E.
Washington, D.C. 20003

RE: MUR 4470

Dear Mr. Dawson:

On September 18, 1996, the Federal Election Commission received a complaint filed by Maria Cino alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against the respondents. See attached narrative. Accordingly, the Commission closed its file in this matter on August 29, 1997. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

97043331934

MUR 4470
WARD FOR CONGRESS

Maria Cino, former Executive Director of the National Republican Congressional Committee, first alleges that Mike Ward for Congress ("the Committee") obtained prohibited contributions from Republic Bank & Trust in the form of an unsecured loan for \$20,000, personally guaranteed by the candidate. Her second allegation is that the committee failed to file an FEC Schedule C-1 signed by a banking official and later misreported the source of the loan as being Mr. Ward rather than the bank. She further alleges that the campaign repaid a loan to the candidate which she believes was in fact a loan made to the campaign by Republic Bank & Trust, thereby constituting a conversion of campaign funds for personal use by Mr. Ward. She asserts that the Committee appeared to have borrowed an additional \$20,060, for which it failed to file a FEC Schedule A disclosing the receipt and which it misreported on FEC Schedule C-1 as a loan from the candidate rather than a restructured bank loan. Finally, Ms. Cino asserts that the repayment of \$360.37 in interest to Mr. Ward on the alleged \$20,000 loan constituted further conversion of campaign funds to personal use, assuming the loan was not made by him to the campaign.

William Carl Fust, the Committee's Treasurer, denies the allegations that the candidate converted campaign funds and interest on loans to personal use as described in the complaint. According to Mr. Fust, Mr. Ward borrowed \$20,000 from Republic Bank & Trust Co. for the 1994 campaign. This loan was secured by the personal obligation of the candidate for a term of six months and renewed twice. Mr. Ward apparently made some payments on this note, for which he was reimbursed by the Committee. The Committee reported loan payments both to the bank and to the candidate for payments made on behalf of the Committee.

Michael A. Ringswald, Senior Vice President and General Counsel of Republic Bank & Trust Company, categorically denies the allegations in the complaint. Mr. Ward signed a promissory note for a \$20,030 loan which obligated him to make quarterly interim interest payments, which were made. The note was renewed twice in the amount of \$20,060, which included the requirement to make quarterly interest payments. Mr. Ringswald states that unsecured loans to borrowers with perfect credit and adequate income to assure repayment are made in the bank's ordinary course of business, and that Mr. Ward met these qualifications for a signature loan in the amount of \$20,600.

This matter is less significant relative to others pending before the Commission.

97043036935



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 29, 1997

W. Allen Priest
200 S. 5th Street
Louisville, KY 40204

RE: MUR 4470

Dear Mr. Priest:

On September 25, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against you. See attached narrative. Accordingly, the Commission closed its file in this matter on August 29, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

97043833936

**MUR 4470
WARD FOR CONGRESS**

Maria Cino, former Executive Director of the National Republican Congressional Committee, first alleges that Mike Ward for Congress ("the Committee") obtained prohibited contributions from Republic Bank & Trust in the form of an unsecured loan for \$20,000, personally guaranteed by the candidate. Her second allegation is that the committee failed to file an FEC Schedule C-1 signed by a banking official and later misreported the source of the loan as being Mr. Ward rather than the bank. She further alleges that the campaign repaid a loan to the candidate which she believes was in fact a loan made to the campaign by Republic Bank & Trust, thereby constituting a conversion of campaign funds for personal use by Mr. Ward. She asserts that the Committee appeared to have borrowed an additional \$20,060, for which it failed to file a FEC Schedule A disclosing the receipt and which it misreported on FEC Schedule C-1 as a loan from the candidate rather than a restructured bank loan. Finally, Ms. Cino asserts that the repayment of \$360.37 in interest to Mr. Ward on the alleged \$20,000 loan constituted further conversion of campaign funds to personal use, assuming the loan was not made by him to the campaign.

William Carl Fust, the Committee's Treasurer, denies the allegations that the candidate converted campaign funds and interest on loans to personal use as described in the complaint. According to Mr. Fust, Mr. Ward borrowed \$20,000 from Republic Bank & Trust Co. for the 1994 campaign. This loan was secured by the personal obligation of the candidate for a term of six months and renewed twice. Mr. Ward apparently made some payments on this note, for which he was reimbursed by the Committee. The Committee reported loan payments both to the bank and to the candidate for payments made on behalf of the Committee.

Michael A. Ringswald, Senior Vice President and General Counsel of Republic Bank & Trust Company, categorically denies the allegations in the complaint. Mr. Ward signed a promissory note for a \$20,030 loan which obligated him to make quarterly interim interest payments, which were made. The note was renewed twice in the amount of \$20,060, which included the requirement to make quarterly interest payments. Mr. Ringswald states that unsecured loans to borrowers with perfect credit and adequate income to assure repayment are made in the bank's ordinary course of business, and that Mr. Ward met these qualifications for a signature loan in the amount of \$20,600.

This matter is less significant relative to others pending before the Commission.

97043033937





FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 29, 1997

Donna L. Heitzman
4030 Norbourne Blvd.
Louisville, KY 40207

RE: MUR 4470

Dear Ms. Heitzman:

On September 25, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against you. See attached narrative. Accordingly, the Commission closed its file in this matter on August 29, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

97043633938

**MUR 4470
WARD FOR CONGRESS**

Maria Cino, former Executive Director of the National Republican Congressional Committee, first alleges that Mike Ward for Congress ("the Committee") obtained prohibited contributions from Republic Bank & Trust in the form of an unsecured loan for \$20,000, personally guaranteed by the candidate. Her second allegation is that the committee failed to file an FEC Schedule C-1 signed by a banking official and later misreported the source of the loan as being Mr. Ward rather than the bank. She further alleges that the campaign repaid a loan to the candidate which she believes was in fact a loan made to the campaign by Republic Bank & Trust, thereby constituting a conversion of campaign funds for personal use by Mr. Ward. She asserts that the Committee appeared to have borrowed an additional \$20,060, for which it failed to file a FEC Schedule A disclosing the receipt and which it misreported on FEC Schedule C-1 as a loan from the candidate rather than a restructured bank loan. Finally, Ms. Cino asserts that the repayment of \$360.37 in interest to Mr. Ward on the alleged \$20,000 loan constituted further conversion of campaign funds to personal use, assuming the loan was not made by him to the campaign.

William Carl Fust, the Committee's Treasurer, denies the allegations that the candidate converted campaign funds and interest on loans to personal use as described in the complaint. According to Mr. Fust, Mr. Ward borrowed \$20,000 from Republic Bank & Trust Co. for the 1994 campaign. This loan was secured by the personal obligation of the candidate for a term of six months and renewed twice. Mr. Ward apparently made some payments on this note, for which he was reimbursed by the Committee. The Committee reported loan payments both to the bank and to the candidate for payments made on behalf of the Committee.

Michael A. Ringswald, Senior Vice President and General Counsel of Republic Bank & Trust Company, categorically denies the allegations in the complaint. Mr. Ward signed a promissory note for a \$20,030 loan which obligated him to make quarterly interim interest payments, which were made. The note was renewed twice in the amount of \$20,060, which included the requirement to make quarterly interest payments. Mr. Ringswald states that unsecured loans to borrowers with perfect credit and adequate income to assure repayment are made in the bank's ordinary course of business, and that Mr. Ward met these qualifications for a signature loan in the amount of \$20,600.

This matter is less significant relative to others pending before the Commission.

9704303939



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 29, 1997

Chip Hancock, Vice President
Republic Bank and Trust Co.
601 W. Market Street
Louisville, KY 40202

RE: MUR 4470

Dear Mr. Hancock:

On September 25, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against you. See attached narrative. Accordingly, the Commission closed its file in this matter on August 29, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

9704363940

**MUR 4470
WARD FOR CONGRESS**

9 7 0 4 3 6 3 3 9 4 1

Maria Cino, former Executive Director of the National Republican Congressional Committee, first alleges that Mike Ward for Congress ("the Committee") obtained prohibited contributions from Republic Bank & Trust in the form of an unsecured loan for \$20,000, personally guaranteed by the candidate. Her second allegation is that the committee failed to file an FEC Schedule C-1 signed by a banking official and later misreported the source of the loan as being Mr. Ward rather than the bank. She further alleges that the campaign repaid a loan to the candidate which she believes was in fact a loan made to the campaign by Republic Bank & Trust, thereby constituting a conversion of campaign funds for personal use by Mr. Ward. She asserts that the Committee appeared to have borrowed an additional \$20,060, for which it failed to file a FEC Schedule A disclosing the receipt and which it misreported on FEC Schedule C-1 as a loan from the candidate rather than a restructured bank loan. Finally, Ms. Cino asserts that the repayment of \$360.37 in interest to Mr. Ward on the alleged \$20,000 loan constituted further conversion of campaign funds to personal use, assuming the loan was not made by him to the campaign.

William Carl Fust, the Committee's Treasurer, denies the allegations that the candidate converted campaign funds and interest on loans to personal use as described in the complaint. According to Mr. Fust, Mr. Ward borrowed \$20,000 from Republic Bank & Trust Co. for the 1994 campaign. This loan was secured by the personal obligation of the candidate for a term of six months and renewed twice. Mr. Ward apparently made some payments on this note, for which he was reimbursed by the Committee. The Committee reported loan payments both to the bank and to the candidate for payments made on behalf of the Committee.

Michael A. Ringswald, Senior Vice President and General Counsel of Republic Bank & Trust Company, categorically denies the allegations in the complaint. Mr. Ward signed a promissory note for a \$20,030 loan which obligated him to make quarterly interim interest payments, which were made. The note was renewed twice in the amount of \$20,060, which included the requirement to make quarterly interest payments. Mr. Ringswald states that unsecured loans to borrowers with perfect credit and adequate income to assure repayment are made in the bank's ordinary course of business, and that Mr. Ward met these qualifications for a signature loan in the amount of \$20,600.

This matter is less significant relative to others pending before the Commission.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 29, 1997

Bernard Trager, Chairman
Republic Bank of Trust Co.
601 W. Market Street
Louisville, KY 40204

RE: MUR 4470

Dear Mr. Trager:

On September 25, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against Republic Bank and Trust Co. See attached narrative. Accordingly, the Commission closed its file in this matter on August 29, 1997.

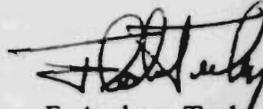
The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

97043833942

Bernard Trager, Chairman
Republic Bank of Trust Co.
Page 2

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,



F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

97043035943

MUR 4470
WARD FOR CONGRESS

Maria Cino, former Executive Director of the National Republican Congressional Committee, first alleges that Mike Ward for Congress ("the Committee") obtained prohibited contributions from Republic Bank & Trust in the form of an unsecured loan for \$20,000, personally guaranteed by the candidate. Her second allegation is that the committee failed to file an FEC Schedule C-1 signed by a banking official and later misreported the source of the loan as being Mr. Ward rather than the bank. She further alleges that the campaign repaid a loan to the candidate which she believes was in fact a loan made to the campaign by Republic Bank & Trust, thereby constituting a conversion of campaign funds for personal use by Mr. Ward. She asserts that the Committee appeared to have borrowed an additional \$20,060, for which it failed to file a FEC Schedule A disclosing the receipt and which it misreported on FEC Schedule C-1 as a loan from the candidate rather than a restructured bank loan. Finally, Ms. Cino asserts that the repayment of \$360.37 in interest to Mr. Ward on the alleged \$20,000 loan constituted further conversion of campaign funds to personal use, assuming the loan was not made by him to the campaign.

William Carl Fust, the Committee's Treasurer, denies the allegations that the candidate converted campaign funds and interest on loans to personal use as described in the complaint. According to Mr. Fust, Mr. Ward borrowed \$20,000 from Republic Bank & Trust Co. for the 1994 campaign. This loan was secured by the personal obligation of the candidate for a term of six months and renewed twice. Mr. Ward apparently made some payments on this note, for which he was reimbursed by the Committee. The Committee reported loan payments both to the bank and to the candidate for payments made on behalf of the Committee.

Michael A. Ringswald, Senior Vice President and General Counsel of Republic Bank & Trust Company, categorically denies the allegations in the complaint. Mr. Ward signed a promissory note for a \$20,030 loan which obligated him to make quarterly interim interest payments, which were made. The note was renewed twice in the amount of \$20,060, which included the requirement to make quarterly interest payments. Mr. Ringswald states that unsecured loans to borrowers with perfect credit and adequate income to assure repayment are made in the bank's ordinary course of business, and that Mr. Ward met these qualifications for a signature loan in the amount of \$20,600.

This matter is less significant relative to others pending before the Commission.

9704305944



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 29, 1997

William Carl Fust, Treasurer
Ward for Congress
1250 Bardstown Road
Louisville, KY 40204

RE: MUR 4470

Dear Mr. Fust:

On September 25, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against Ward for Congress and you, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter on August 29, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

97043833945

William Carl Fust, Treasurer
Ward for Congress
Page 2

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,



F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

97043636946

MUR 4470
WARD FOR CONGRESS

Maria Cino, former Executive Director of the National Republican Congressional Committee, first alleges that Mike Ward for Congress ("the Committee") obtained prohibited contributions from Republic Bank & Trust in the form of an unsecured loan for \$20,000, personally guaranteed by the candidate. Her second allegation is that the committee failed to file an FEC Schedule C-1 signed by a banking official and later misreported the source of the loan as being Mr. Ward rather than the bank. She further alleges that the campaign repaid a loan to the candidate which she believes was in fact a loan made to the campaign by Republic Bank & Trust, thereby constituting a conversion of campaign funds for personal use by Mr. Ward. She asserts that the Committee appeared to have borrowed an additional \$20,060, for which it failed to file a FEC Schedule A disclosing the receipt and which it misreported on FEC Schedule C-1 as a loan from the candidate rather than a restructured bank loan. Finally, Ms. Cino asserts that the repayment of \$360.37 in interest to Mr. Ward on the alleged \$20,000 loan constituted further conversion of campaign funds to personal use, assuming the loan was not made by him to the campaign.

William Carl Fust, the Committee's Treasurer, denies the allegations that the candidate converted campaign funds and interest on loans to personal use as described in the complaint. According to Mr. Fust, Mr. Ward borrowed \$20,000 from Republic Bank & Trust Co. for the 1994 campaign. This loan was secured by the personal obligation of the candidate for a term of six months and renewed twice. Mr. Ward apparently made some payments on this note, for which he was reimbursed by the Committee. The Committee reported loan payments both to the bank and to the candidate for payments made on behalf of the Committee.

Michael A. Ringswald, Senior Vice President and General Counsel of Republic Bank & Trust Company, categorically denies the allegations in the complaint. Mr. Ward signed a promissory note for a \$20,030 loan which obligated him to make quarterly interim interest payments, which were made. The note was renewed twice in the amount of \$20,060, which included the requirement to make quarterly interest payments. Mr. Ringswald states that unsecured loans to borrowers with perfect credit and adequate income to assure repayment are made in the bank's ordinary course of business, and that Mr. Ward met these qualifications for a signature loan in the amount of \$20,600.

This matter is less significant relative to others pending before the Commission.

97043033947



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 29, 1997

The Honorable Michael D. Ward
1905 Deer Park Avenue
Louisville, KY 40205

RE: MUR 4470

Dear Mr. Ward:

On September 25, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against you. See attached narrative. Accordingly, the Commission closed its file in this matter on August 29, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

97043833948

MUR 4470
WARD FOR CONGRESS

Maria Cino, former Executive Director of the National Republican Congressional Committee, first alleges that Mike Ward for Congress ("the Committee") obtained prohibited contributions from Republic Bank & Trust in the form of an unsecured loan for \$20,000, personally guaranteed by the candidate. Her second allegation is that the committee failed to file an FEC Schedule C-1 signed by a banking official and later misreported the source of the loan as being Mr. Ward rather than the bank. She further alleges that the campaign repaid a loan to the candidate which she believes was in fact a loan made to the campaign by Republic Bank & Trust, thereby constituting a conversion of campaign funds for personal use by Mr. Ward. She asserts that the Committee appeared to have borrowed an additional \$20,060, for which it failed to file a FEC Schedule A disclosing the receipt and which it misreported on FEC Schedule C-1 as a loan from the candidate rather than a restructured bank loan. Finally, Ms. Cino asserts that the repayment of \$360.37 in interest to Mr. Ward on the alleged \$20,000 loan constituted further conversion of campaign funds to personal use, assuming the loan was not made by him to the campaign.

William Carl Fust, the Committee's Treasurer, denies the allegations that the candidate converted campaign funds and interest on loans to personal use as described in the complaint. According to Mr. Fust, Mr. Ward borrowed \$20,000 from Republic Bank & Trust Co. for the 1994 campaign. This loan was secured by the personal obligation of the candidate for a term of six months and renewed twice. Mr. Ward apparently made some payments on this note, for which he was reimbursed by the Committee. The Committee reported loan payments both to the bank and to the candidate for payments made on behalf of the Committee.

Michael A. Ringswald, Senior Vice President and General Counsel of Republic Bank & Trust Company, categorically denies the allegations in the complaint. Mr. Ward signed a promissory note for a \$20,030 loan which obligated him to make quarterly interim interest payments, which were made. The note was renewed twice in the amount of \$20,060, which included the requirement to make quarterly interest payments. Mr. Ringswald states that unsecured loans to borrowers with perfect credit and adequate income to assure repayment are made in the bank's ordinary course of business, and that Mr. Ward met these qualifications for a signature loan in the amount of \$20,600.

This matter is less significant relative to others pending before the Commission.

970433949



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4470

DATE FILMED 9-25-97 CAMERA NO. 4

CAMERAMAN JM/S

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