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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 515

DATE: 10/5/78

FILMED BY: YMB





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

September 15, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Miss Nancy J. Bacon, Treasurer
Committee of 1976 for Bates
for Congress
503 West Church Street
Union City, Tennessee 38261

Re: MUR 515 (78)

Dear Miss Bacon:

On September 13, 1978, the Commission voted to accept the conciliation agreement you signed in connection with MUR 515 (78).

Accordingly, upon my recommendation, the Commission has closed its file on this matter.

A copy of the signed conciliation agreement is enclosed for your records.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523 - 4161.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

20007007

BFC# 4688

RECEIVED
FEDERAL ELECTION
COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION

'78 AUG 29 AM 11:26

| | | |
|-----------------------|---|--------------|
| In the Matter of |) | |
| |) | |
| Committee of 1976 for |) | MUR 515 (78) |
| Bates for Congress |) | |

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities and reasonable cause to believe having been found that the Committee of 1976 for Bates for Congress ("Respondent") violated the provisions of 2 U.S.C. §441a(f) and 2 U.S.C. §434(b);

NOW, THEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. Respondent was the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives from the Seventh District of Tennessee in the primary election held on August 5, 1976.
4. On April 12, 1976, The Martin Bank, Martin, Tennessee made a loan to Respondent of \$30,000.

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805775

5. To secure this loan a note was signed by the candidate and Messrs. William O. Snyder, Jr., R. D. Cheeseman, and Tommy Bryant ("Guarantors").
6. Candidate Larry Bates assured The Martin Bank at the time the loan was made that he would be personally liable for the full amount of the loan. Mr. Bates repaid the full amount of the loan plus accrued interest from his personal funds.
7. 2 U.S.C. §431(e)(5)(G)(ii) provides that a loan made by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution under 2 U.S.C. §431(e)(1)(A).
8. In addition to guaranteeing the loan, Guarantors made other contributions to Respondent in the following amounts: Snyder: \$500, Cheeseman: \$800, Bryant: \$140.
9. By guaranteeing the loan each Guarantor contributed \$7,500 to Respondent bringing their total contributions to the following amounts, in violation of 2 U.S.C. §441a(a)(1)(A): Snyder: \$8,000, Cheeseman: \$8,300, Bryant: \$7,640.
10. Respondent knowingly accepted these contributions in violation of 2 U.S.C. §441a(f) and failed to report receipt of these contributions in violation of 2 U.S.C. §434(b). In this context the term "knowingly accepted" only implies that Respondent was aware of the facts of the situation and not

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that Respondent was aware that a violation of the Act had occurred.

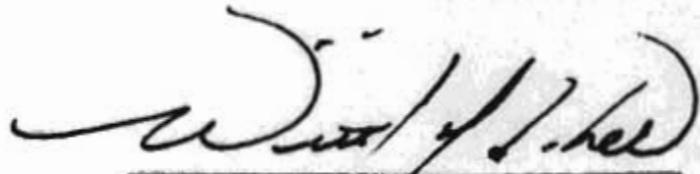
11. Respondent did not intend to violate the Act and was not aware at the time of the violation that by signing the note for the loan the Guarantors are considered to have made contributions in kind to Respondent.
12. Respondent and Mr. Bates have both cooperated fully with the Commission in its investigation of this matter.
13. Respondent will pay to the Treasury of the United States a civil penalty of three hundred dollars (\$300).
14. Respondent will not accept contributions in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.
15. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against Respondent with regard to the matters set forth in this Agreement.
16. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
17. This Agreement shall become effective as of the date that both parties have executed the same and the Commission has approved the entire Agreement.

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18. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

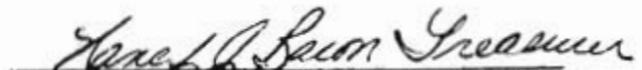
78040070006

9/15/78
Date



William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463
(202) 523-4143

8/25/78
Date



Miss Nancy J. Bacon, Treasurer
Committee of 1976 for Bates
for Congress
503 West Church Street
Union City, Tennessee 38261

BEFORE THE FEDERAL ELECTION COMMISSION

| | | |
|-----------------------|---|--------------|
| In the Matter of |) | |
| |) | |
| Committee of 1976 for |) | MUR 515 (78) |
| Bates for Congress |) | |

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on September 13, 1978, the Commission determined by a vote of 5 to 0 to adopt the recommendation of the General Counsel to take the following actions in the above-captioned matter:

1. Accept the revised conciliation agreement signed by the Committee of 1976 for Bates for Congress.
2. Close the file on MUR 515 (78).

Voting for these determinations were Commissioners Harris, Springer, Staebler, Thomson, and Tiernan.

9/14/78
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

| | |
|---|---------------|
| Received in Office of Commission Secretary: | 9-8-78, 5:05 |
| Circulated on 48 hour basis: | 9-11-78, 4:00 |
| General Counsel's Report dated: | 8-30-78 |

7304007007

September 4, 1978

MEMORANDUM TO: Marge Hoover
FROM: Elissa T. Goff
SUBJECT: MUR 515

Please have the attached General Counsel's Report on MUR 515 distributed to the Commission on a 48 hour tally basis.

Thank you.

7804007008

BEFORE THE FEDERAL ELECTION COMMISSION
August 30, 1978

In the Matter of)
)
Committee of 1976 for) MUR 515 (78)
Bates for Congress)

GENERAL COUNSEL'S REPORT

BACKGROUND

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This matter arose from information developed in the course of a review of loans to 1976 principal campaign committees. On April 30, 1976, The Martin Bank, Martin, Tennessee loaned the Committee of 1976 for Bates for Congress ("Bates Committee") \$30,000. The loan was made without a pledge of collateral and was secured by a note signed by Messrs. Larry Bates (the candidate), William O. Snyder, Jr., R. D. Cheeseman, and Tommy Bryant.

The Commission voted on May 10, 1978, to find reasonable cause to believe Messrs. Snyder, Cheeseman, and Bryant ("guarantors") violated 2 U.S.C. §441a(a)(1)(A) by guaranteeing the note. The Commission also found reason to believe the Bates Committee violated 2 U.S.C. §441a(f) by knowingly accepting the guarantors' contributions-in-kind in excess of the limitations of 2 U.S.C. §441a(a)(1)(A).

Respondent guarantors entered into conciliation agreements which were approved by the Commission. Each paid a civil penalty of \$100.

On July 19, 1978, the Commission found reasonable cause to believe the Bates Committee had violated 2 U.S.C. §441a(f) and approved sending a proposed conciliation agreement (Attachment I).

The proposed conciliation agreement required an admission of violation, amendment of reports, and payment of a civil penalty of \$1,000. Respondent received the proposed agreement on July 24, 1978.

REVISED CONCILIATION AGREEMENT

An Office of General Counsel staff member held two telephone conversations with candidate Larry Bates and one with the Bates Committee Treasurer, Miss Nancy Bacon. Because Miss Bacon was going on an extended vacation, she authorized Mr. Bates to act on the Committee's behalf in this matter.

Mr. Bates informed us that the Committee had paid its debts and was now disbanded and insolvent. Any civil penalty imposed on the Committee will therefore have to be paid by Mr. Bates personally.

Mr. Bates raised objections to the proposed agreement in three areas discussed in detail below. Our telephone conversations resulted in a revised proposed conciliation agreement which Miss Bacon has signed. A check for a revised proposed penalty has also been included. (Attachment II)

A. Changes in Wording

Mr. Bates objected to the wording of the original proposed agreement because it made the violation appear to have been intentional. As we have stated in previous reports on this matter (see our reports of May 3 and July 13, 1978) we do not believe there was any intent on the part of the Committee or the guarantors to violate the Act. Nor do we believe that the guarantors considered themselves to be liable for the note at

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the time they signed it (although legally they were). Mr. Bates' assets and his subsequent repayment of the loan from personal funds bear out our opinion that he did not intend for the guarantors to incur a personal liability and did not need their individual credit to secure the loan.

To give a more accurate picture of this violation, the following wording has been added to the Agreement. Clause 6 explains that Mr. Bates assured the bank he would be personally liable for the loan and that he did, in fact, repay the loan from personal funds. Sentence 2, Clause 10 explains that "knowingly accepted" does not imply an intent to violate the Act but only knowledge of the facts involved. Clause 11 states that respondent was not aware at the time of the violation that a violation had occurred. Finally, Clause 12 sets out that Mr. Bates and respondent have cooperated fully with the Commission's investigation of this matter.

We believe the additional wording correctly sets forth the mitigating factors in this violation and should be approved by the Commission.

B. Deletion of Requirement to Amend Reports

Mr. Bates was concerned that if the Committee amended its reports to show receipt of the contributions in kind by the guarantors the result might be misleading to one who inspected the reports without knowledge of the existence of a conciliation agreement. Without the explanation of the sequence of events contained in the conciliation agreement, someone reviewing the

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reports could get the impression that the violation had been an intentional attempt by the Committee to circumvent the Act. The requirement to amend the Committee reports was therefore deleted from the revised agreement. In our opinion requiring respondent to amend its reports is not a crucial matter. The conciliation agreement will be on the public record and will itself adequately serve the needs of public disclosure.

C. Amount of Civil Penalty

As we mentioned earlier, the Bates Committee had no funds left after paying its outstanding debts and obligations. Since Mr. Bates will be paying the civil penalty from his own funds, he objected to the \$1,000 amount.

Taking into account the fact that Mr. Bates will be personally paying on the Committee's behalf, but also considering that the amount of the Committee's violation is approximately three times as large as that of each guarantor, Mr. Bates has agreed to pay a civil penalty of \$300. This amount was determined by multiplying the civil penalty paid by each guarantor by a factor of three.

We believe that this is a fair civil penalty, given the mitigating factors outlined in subsection A and the fact that Mr. Bates will be paying the civil penalty from personal funds.

SUMMARY

For the above reasons, we believe the revised conciliation agreement which Miss Bacon has signed is an equitable resolution of this matter. It retains the essentials of the previous agreement regarding the Commission's interpretation of the Act

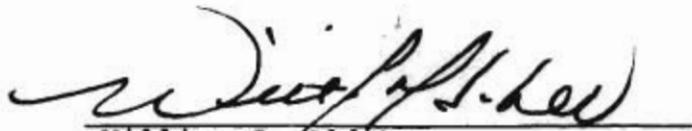
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and an admission of violation by respondent. The conciliation agreement makes it clear that the amount of the penalty was agreed to because of the particular mitigating circumstances present in this matter. We therefore recommend the Commission accept the revised conciliation agreement (Attachment II).

RECOMMENDATION

1. Accept the revised conciliation agreement signed by the Committee of 1976 for Bates for Congress.
2. Close the file on MUR 515 (78).

9/8/78
Date



William C. Oldaker
General Counsel

78040070013

Attachments

- I. Proposed Conciliation Agreement (Unsigned)
- II. Revised Conciliation Agreement (Signed)

BEFORE THE FEDERAL ELECTION COMMISSION
July 13, 1978

In the Matter of)
)
Committee of 1976 for) MUR 515 (78)
Bates for Congress)

CONCILIATION AGREEMENT

78040070014
This matter having been initiated by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities and reasonable cause to believe having been found that the Committee of 1976 for Bates for Congress ("Respondent") violated the provisions of 2 U.S.C. §441a (f) and 2 U.S.C. §434(b);

NOW, THEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. Respondent was the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives from the Seventh District of Tennessee in the primary election held on August 5, 1976.
4. On April 12, 1976, The Martin Bank, Martin, Tennessee made a loan to Respondent of \$30,000.

ATTACHMENT I (1 of 3)

5. To secure this loan a note was signed by the candidate and Messrs. William O. Snyder, Jr., R.D. Cheeseman, and Tommy Bryant ("Guarantors").
6. 2 U.S.C. §431(e)(5)(G)(ii) provides that a loan made by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution under 2 U.S.C. §431(e)(1)(A).
7. In addition to guaranteeing the loan, Guarantors made other contributions to Respondent in the following amounts: Snyder: \$500, Cheeseman: \$800, Bryant: \$140.
8. By guaranteeing the loan each Guarantor contributed \$7,500 to Respondent bringing their total contributions to the following amounts, in violation of 2 U.S.C. §441a(a)(1)(A): Snyder: \$8,000, Cheeseman: \$8,300, Bryant: \$7,640.
9. Respondent knowingly accepted these contributions in violation of 2 U.S.C. §441a(f) and failed to report receipt of these contributions in violation of 2 U.S.C. §434(b).
10. Respondent will pay to the Treasury of the United States a civil penalty of one thousand dollars (\$1,000).
11. Respondent will amend its reports to include receipt of the contributions in question as of May 11, 1976.
12. Respondent will not accept contributions in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.

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I(2 of 3)

- 13. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against Respondent with regard to the matters set forth in this agreement.
- 14. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a) (1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
- 15. This Agreement shall become effective as of the date that both parties have executed the same and the Commission has approved the entire Agreement.
- 16. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

73040070016

Date

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
(202) 523-4143

Date

Miss Nancy J. Bacon, Treasurer
Committee of 1976 for Bates
for Congress
503 West Church Street
Union City, Tennessee 38261

I(30f3)

Christian 4688

FEDERAL ELECTION COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION

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In the Matter of)
)
Committee of 1976 for) MUR 515 (78)
Bates for Congress)

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities and reasonable cause to believe having been found that the Committee of 1976 for Bates for Congress ("Respondent") violated the provisions of 2 U.S.C. §441a(f) and 2 U.S.C. §434(b);

NOW, THEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. Respondent was the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives from the Seventh District of Tennessee in the primary election held on August 5, 1976.
4. On April 12, 1976, The Martin Bank, Martin, Tennessee made a loan to Respondent of \$30,000.

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ATTACHMENT II (1. A 5)

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5. To secure this loan a note was signed by the candidate and Messrs. William O. Snyder, Jr., R. D. Cheeseman, and Tommy Bryant ("Guarantors").
6. Candidate Larry Bates assured The Martin Bank at the time the loan was made that he would be personally liable for the full amount of the loan. Mr. Bates repaid the full amount of the loan plus accrued interest from his personal funds.
7. 2 U.S.C. §431(e)(5)(G)(ii) provides that a loan made by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution under 2 U.S.C. §431(e)(1)(A).
8. In addition to guaranteeing the loan, Guarantors made other contributions to Respondent in the following amounts: Snyder: \$500, Cheeseman: \$800, Bryant: \$140.
9. By guaranteeing the loan each Guarantor contributed \$7,500 to Respondent bringing their total contributions to the following amounts, in violation of 2 U.S.C. §441a(a)(1)(A): Snyder: \$8,000, Cheeseman: \$8,300, Bryant: \$7,640.
10. Respondent knowingly accepted these contributions in violation of 2 U.S.C. §441a(f) and failed to report receipt of these contributions in violation of 2 U.S.C. §434(b). In this context the term "knowingly accepted" only implies that Respondent was aware of the facts of the situation and not

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that Respondent was aware that a violation of the Act had occurred.

11. Respondent did not intend to violate the Act and was not aware at the time of the violation, that by signing the note for the loan the Guarantors are considered to have made contributions in kind to Respondent.
12. Respondent and Mr. Bates have both cooperated fully with the Commission in its investigation of this matter.
13. Respondent will pay to the Treasury of the United States a civil penalty of three hundred dollars (\$300).
14. Respondent will not accept contributions in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.
15. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against Respondent with regard to the matters set forth in this Agreement.
16. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
17. This Agreement shall become effective as of the date that both parties have executed the same and the Commission has approved the entire Agreement.

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II(3of5)

18. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

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Date

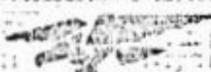
William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463
(202) 523-4143

8/25/78
Date

Nancy J. Bacon Treasurer
Miss Nancy J. Bacon, Treasurer
Committee of 1976 for Bates
for Congress
503 West Church Street
Union City, Tennessee 38261

II (4 of 5)

78040070021



REEFOOT BANK

HORNBEAK AND UNION CITY
TENNESSEE

8-25

1078

No. 16890

Larry Bates
REMITTER

PAY TO THE ORDER OF Federal Election Commission

\$ 300.00

REEFOOT BANK 300 DOLLARS 00 CTS

DOLLARS

CASHIER'S CHECK

Wesley D. Houston
Adm. Asst.

II (5 of 5)

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REEFOOT BANK

HORNBEAK AND UNION CITY
TENNESSEE

Larry Bates
REMITTER

8-25

1978

No. 16890

PAY TO THE ORDER OF Federal Election Commission

\$ 300.00

REEFOOT BANK 300 DOLLARS 00 CTS

DOLLARS

CASHIER'S CHECK

Wesley D. Houston
Adm. Asst.

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Committee of 1976 for Bates for Congress
503 West Church Street
Union City, TN 38261

070025

RETURN RECEIPT REQUESTED

CERTIFIED

No. 286640

MAIL

FEDERAL ELECTION COMMISSION



'78 AUG 2nd 11:27

Mr. William C. Oldaker
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 11, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Larry Bates
503 West Church Street
Union City, Tennessee 38261

Re: MUR 515 (78)

Dear Mr. Bates:

Pursuant to your conversation with Gary Christian on August 8, 1978, I am enclosing a revised conciliation agreement which we would be willing to recommend to the Commission.

We understand that you have written authorization from Miss Nancy J. Bacon to act on her behalf in this matter. Please enclose a copy of this authorization with the signed conciliation agreement.

Please sign the enclosed agreement and return it to us along with the civil penalty within ten days of your receipt of this letter.

Should you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4161.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

7304007002

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Christian MUR-515

PS Form 3811, Apr 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- Show to whom and date delivered. c
 - Show to whom, date, and address of delivery. c
 - RESTRICTED DELIVERY
Show to whom and date delivered. c
 - RESTRICTED DELIVERY
Show to whom, date, and address of delivery. \$ _____
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Larry Bates
 503 West Church Street
 Union City, Tenn. 38261

3. ARTICLE DESCRIPTION:

| | | |
|----------------|---------------|-------------|
| REGISTERED NO. | CERTIFIED NO. | INSURED NO. |
| | 438122 | |

(Always obtain signature of addressee or agent)

I have received the article described above

SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY
 AUG 21 1977



5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE

CLERK'S INITIALS

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Committee of 1976 for) MUR 515 (78)
Bates for Congress)

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities and reasonable cause to believe having been found that the Committee of 1976 for Bates for Congress ("Respondent") violated the provisions of 2 U.S.C. §441a(f) and 2 U.S.C. §434(b);

NOW, THEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. Respondent was the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives from the Seventh District of Tennessee in the primary election held on August 5, 1976.
4. On April 12, 1976, The Martin Bank, Martin, Tennessee made a loan to Respondent of \$30,000.

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5. To secure this loan a note was signed by the candidate and Messrs. William O. Snyder, Jr., R. D. Cheeseman, and Tommy Bryant ("Guarantors").
6. Candidate Larry Bates assured The Martin Bank at the time the loan was made that he would be personally liable for the full amount of the loan. Mr. Bates repaid the full amount of the loan plus accrued interest from his personal funds.
7. 2 U.S.C. §431(e) (5) (G) (ii) provides that a loan made by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution under 2 U.S.C. §431(e) (1) (A).
8. In addition to guaranteeing the loan, Guarantors made other contributions to Respondent in the following amounts: Snyder: \$500, Cheeseman: \$800, Bryant: \$140.
9. By guaranteeing the loan each Guarantor contributed \$7,500 to Respondent bringing their total contributions to the following amounts, in violation of 2 U.S.C. §441a(a) (1) (A): Snyder: \$8,000, Cheeseman: \$8,300, Bryant: \$7,640.
10. Respondent knowingly accepted these contributions in violation of 2 U.S.C. §441a(f) and failed to report receipt of these contributions in violation of 2 U.S.C. §434(b). In this context the term "knowingly accepted" only implies that Respondent was aware of the facts of the situation and not

78040070027

that Respondent was aware that a violation of the Act had occurred.

11. Respondent did not intend to violate the Act and was not aware at the time of the violation that by signing the note for the loan the Guarantors are considered to have made contributions in kind to Respondent.
12. Respondent and Mr. Bates have both cooperated fully with the Commission in its investigation of this matter.
13. Respondent will pay to the Treasury of the United States a civil penalty of three hundred dollars (\$300).
14. Respondent will not accept contributions in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.
15. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against Respondent with regard to the matters set forth in this Agreement.
16. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
17. This Agreement shall become effective as of the date that both parties have executed the same and the Commission has approved the entire Agreement.

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18. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

7 8 0 4 0 0 7 0 0 2 9

Date

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463
(202) 523-4143

Date

Miss Nancy J. Bacon, Treasurer
Committee of 1976 for Bates
for Congress
503 West Church Street
Union City, Tennessee 38261



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 10, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. William O. Snyder, Jr.
Raven Street
Martin, Tennessee 38237

Re: MUR 515 (78)

Dear Mr. Snyder:

On July 11, 1978, the Commission voted to accept the conciliation agreement which you signed in connection with MUR 515 (78).

Accordingly, upon my recommendation, the Commission has closed its file on this matter inasmuch as it relates to your violation of the Act.

A copy of the signed conciliation agreement is enclosed for your records.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4161.

Sincerely,

A handwritten signature in cursive script, appearing to read "William C. Oldaker".

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

79040070031

Christian MUR 515 (78)

PS Form 3811, Apr 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
 Show to whom and date delivered. _____ c
 Show to whom, date, and address of delivery. _____ c
 RESTRICTED DELIVERY Show to whom and date delivered. _____ c
 RESTRICTED DELIVERY Show to whom, date, and address of delivery. \$ _____
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO
 William O. Snyder, Jr.
 Raven Street
 Martin, Tennessee 38237

3. ARTICLE DESCRIPTION
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 _____ 438067 _____

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
 Eric [Signature]

4. DATE OF DELIVERY POSTMARK
 8-12-78 12 1978

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS
 _____ [Signature]

BEFORE THE FEDERAL ELECTION COMMISSION
May 1, 1978

In the Matter of)
William O. Snyder, Jr.) MUR 515 (78)

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities, and an investigation having been conducted and reasonable cause to believe having been found that William O. Snyder, Jr. ("Respondent") violated the provisions of 2 U.S.C. §441a(a)(1)(A).

NOW, THEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. The Committee of 1976 for Bates for Congress ("Bates Committee") was the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives from the Seventh District of Tennessee in the primary election held on August 5, 1976.

803058

7 8 0 4 0 0 7 0 0 3 2
FEDERAL ELECTION COMMISSION
MAY 24 PM 11:35

4. On April 12, 1976, the Martin Bank, Martin, Tennessee, made a loan of thirty thousand dollars (\$30,000) to the Bates Committee.
5. To secure this loan a note was signed by Respondent and others, including candidate Larry Bates.
6. 2 U.S.C. §431(e)(5)(G)(ii) provides that a loan by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution by each endorser or guarantor under 2 U.S.C. §431(e)(1)(A).
7. In addition to his guaranteeing the loan, Respondent made contributions to the Bates Committee totalling five hundred dollars (\$500).
8. By guaranteeing the loan Respondent contributed \$7,500 to the Bates Committee, bringing Respondent's total individual contribution to eight thousand dollars (\$8,000), in violation of 2 U.S.C. §441a(a)(1)(A).
9. Respondent will pay to the treasury of the United States a civil penalty of one hundred dollars (\$100).
10. Respondent will have his name removed from the note securing the loan from the Martin Bank to the Bates Committee.
11. Respondent will not endorse or guarantee loans in connection with a Federal election in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.

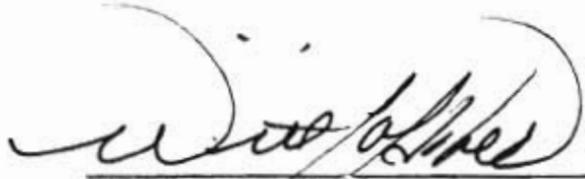
78040070033

12. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against Respondent with regard to the matters set forth in this agreement.
13. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437(g)(a)(1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
14. This Agreement shall become effective as of the date that both parties hereto have executed the same and the Commission has approved the entire Agreement.
15. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

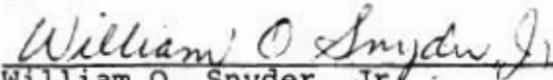
78040070034

8/8/78
Date

5/23/78
Date



William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
(202) 523-4143



William O. Snyder, Jr.
Raven Street
Martin, Tennessee 38237



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 10, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Tommy Bryant
Glenwood Estates
Martin, Tennessee 38237

Re: MUR 515 (78)

Dear Mr. Bryant:

On July 11, 1978, the Commission voted to accept the conciliation agreement which you signed in connection with MUR 515 (78).

Accordingly, upon my recommendation, the Commission has closed its file on this matter inasmuch as it relates to your violation of the Act.

A copy of the signed conciliation agreement is enclosed for your records.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4161.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

7 9 0 4 0 0 7 0 0 3 3

2003680

RECEIVED
FEDERAL ELECTION
COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION
May 1, 1978

'78 MAY 31 AM 1:23

In the Matter of)
)
Tommy Bryant) MUR 515(78)

803197

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities, and an investigation having been conducted and reasonable cause to believe having been found that Tommy Bryant ("Respondent") violated the provisions of 2 U.S.C. §441a(a)(1)(A):

NOW, THEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. The Committee of 1976 for Bates for Congress ("Bates Committee") was the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives from the Seventh District of Tennessee in the primary election held on August 5, 1976.

78040070036

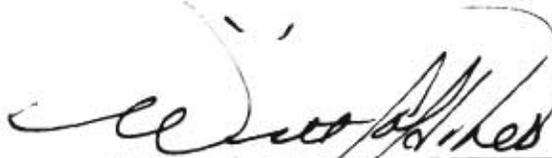
4. On April 12, 1976, the Martin Bank, Martin, Tennessee, made a loan of thirty thousand dollars (\$30,000) to the Bates Committee.
5. To secure this loan a note was signed by Respondent and others, including candidate Larry Bates.
6. 2 U.S.C. §431(e)(5)(G)(ii) provides that a loan by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution by each endorser or guarantor under 2 U.S.C. §431(e)(1)(A).
7. In addition to his guaranteeing the loan, Respondent made contributions to the Bates Committee totalling one hundred forty dollars (\$140).
8. By guaranteeing the loan Respondent contributed \$7,500 to the Bates Committee, bringing Respondent's total individual contribution to seven thousand six hundred forty dollars (\$7,640), in violation of 2 U.S.C. §441a(a)(1)(A).
9. Respondent will pay to the Treasury of the United States a civil penalty of one hundred dollars (\$100).
10. Respondent will have his name removed from the note securing the loan from the Martin Bank to the Bates Committee.
11. Respondent will not endorse or guarantee loans in connection with a Federal election in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.

78040070037

- 12. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against respondent with regard to the matters set forth in this agreement.
- 13. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
- 14. This Agreement shall become effective as of the date that both parties hereto have executed the same and the Commission has approved the entire Agreement.
- 15. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

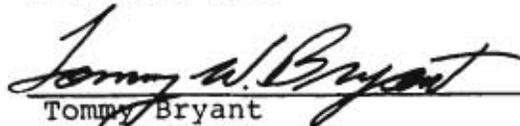
78040070033

8/8/78
Date



William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
(202) 523-4143

May 25, 1978
Date



Tommy Bryant
Glenwood Estates
Martin, Tennessee 38237



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 10, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. R. D. Cheeseman
Route 4, Scenic Hills
Martin, Tennessee 38237

Re: MUR 515 (78)

Dear Mr. Cheeseman:

On July 11, 1978, the Commission voted to accept the conciliation agreement which you signed in connection with MUR 515 (78).

Accordingly, upon my recommendation, the Commission has closed its file on this matter inasmuch as it relates to your violation of the Act.

A copy of the signed conciliation agreement is enclosed for your records.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4161.

Sincerely,

A handwritten signature in cursive script, appearing to read "William C. Oldaker".

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

7 8 0 4 0 0 7 0 0 4 0

Christian MUR-515(78)

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER Complete items 1, 2, and 3. Add your address in the RETURN TO space on reverse.

1. The following service is requested (check one):
- Show to whom and date delivered c
 - Show to whom, date, and address of delivery c
 - RESTRICTED DELIVERY
Show to whom and date delivered c
 - RESTRICTED DELIVERY
Show to whom, date, and address of delivery. \$ ____
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
R.D. Chessman
Route 4, scenic Hills
Martin, Tennessee 38237

3. ARTICLE DESCRIPTION:

| REGISTERED NO. | CERTIFIED NO. | INSURED NO. |
|----------------|---------------|-------------|
| | <i>43869</i> | |

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent

R.D. Chessman

4. DATE OF DELIVERY *8-13-78* POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

D.S.H.

ACC 3682

RECEIVED
FEDERAL ELECTION
COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION
May 1, 1978

'78 MAY 30 AM 1:21

In the Matter of)
R. D. Cheeseman) MUR 515 (78) 803200

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities, and an investigation having been conducted and reasonable cause to believe having been found that R. D. Cheeseman ("Respondent") violated the provisions of 2 U.S.C. §441a(a)(1)(A):

NOW, THEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. The Committee of 1976 for Bates for Congress ("Bates Committee") was the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives from the Seventh District of Tennessee in the primary election held on August 5, 1976.

78040070041

4. On April 12, 1976, the Martin Bank, Martin, Tennessee, made a loan of thirty thousand dollars (\$30,000) to the Bates Committee.
5. To secure this loan a note was signed by Respondent and others, including candidate Larry Bates.
6. 2 U.S.C. §431(e) (5) (G) (ii) provides that loan by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution by each endorser or guarantor under 2 U.S.C. §431(e) (1) (A).
7. In addition to his guaranteeing the loan, Respondent made contributions to the Bates Committee totalling eight hundred dollars (\$800).
8. By guaranteeing the loan Respondent contributed \$7,500 to the Bates Committee, bringing Respondent's total individual contribution to eight thousand three hundred dollars (\$8,300), in violation of 2 U.S.C. §441a(a) (1) (A).
9. Respondent will pay to the Treasury of the United States a civil penalty of one hundred dollars (\$100).
10. Respondent will have his name removed from the note securing the loan from the Martin Bank to the Bates Committee.
11. Respondent will not endorse or guarantee loans in connection with a Federal election in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.

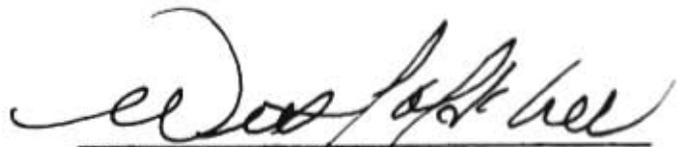
78040070042

78040070043

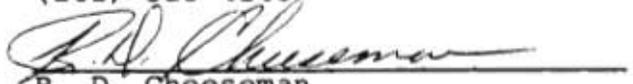
- 12. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against respondent with regard to the matters set forth in this agreement.
- 13. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
- 14. This Agreement shall become effective as of the date that both parties hereto have executed the same and the Commission has approved the entire Agreement.
- 15. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

8/8/78
 Date

5/26/78
 Date



William C. Oldaker
 General Counsel
 Federal Election Commission
 1325 K Street, N.W.
 Washington, D.C. 20463
 (202) 523-4143



R. D. Cheeseman
 Route 4, Scenic Hills
 Martin, Tennessee 38237

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
William O. Snyder, Jr.)
R. D. Cheeseman)
Tommy Bryant)

MUR 515 (78)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on July 11, 1978, the Commission approved by a vote of 5-0 the conciliation agreements, attached to the General Counsel's memorandum dated July 5, 1978, which have been signed by the above-mentioned respondents.

Commissioner Harris was not present during the time of the vote.

Date: 7/11/78

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 7-6-78, 3:42
Circulated on 48 hour vote basis: 7-7-78, 9:00

78040070044

July 6, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 515

Please have the attached memo and conciliation agreements in MUR 515 distributed to the Commission on a 48 hour tally basis.

Thank you.

78040070045



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM

TO: The Commission July 5, 1978

FROM: William C. Oldaker *WCO*
General Counsel

SUBJECT: MUR 515 (78): Conciliation Agreements

The attached conciliation agreements (Attachments I, II, & III) signed by Messrs. William O. Snyder, Jr., R. D. Cheeseman, and Tommy Bryant were circulated to the Commission as attachments to an Interim Report on June 15.

The conciliation agreements are identical to those the Commission instructed us to send on May 10, 1978. They were accompanied by checks for the civil penalty and we have also been notified that the other requirements of the agreements have already been met (see Attachment IV). We therefore recommend the Commission approve the attached agreements.

Action in MUR 515 will continue against the Committee of 1976 for Bates for Congress pursuant to the Commission's finding reason to believe on May 10, 1978, that the Committee violated 2 U.S.C. §441a(f).

78040070046

BEFORE THE FEDERAL ELECTION COMMISSION
May 1, 1978

In the Matter of)
William O. Snyder, Jr.) MUR 515 (78)

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities, and an investigation having been conducted and reasonable cause to believe having been found that William O. Snyder, Jr. ("Respondent") violated the provisions of 2 U.S.C. §441a(a)(1)(A).

NOW, THEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. The Committee of 1976 for Bates for Congress ("Bates Committee") was the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives from the Seventh District of Tennessee in the primary election held on August 5, 1976.

803058

ATTACHMENT I

RECEIVED
FEDERAL ELECTION
COMMISSION
MAY 24 PM 11:35

73040070047

4. On April 12, 1976, the Martin Bank, Martin, Tennessee, made a loan of thirty thousand dollars (\$30,000) to the Bates Committee.
5. To secure this loan a note was signed by Respondent and others, including candidate Larry Bates.
6. 2 U.S.C. §431(e)(5)(G)(ii) provides that a loan by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution by each endorser or guarantor under 2 U.S.C. §431(e)(1)(A).
7. In addition to his guaranteeing the loan, Respondent made contributions to the Bates Committee totalling five hundred dollars (\$500).
8. By guaranteeing the loan Respondent contributed \$7,500 to the Bates Committee, bringing Respondent's total individual contribution to eight thousand dollars (\$8,000), in violation of 2 U.S.C. §441a(a)(1)(A).
9. Respondent will pay to the treasury of the United States a civil penalty of one hundred dollars (\$100).
10. Respondent will have his name removed from the note securing the loan from the Martin Bank to the Bates Committee.
11. Respondent will not endorse or guarantee loans in connection with a Federal election in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.

73040070048

- 78040070049
12. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against Respondent with regard to the matters set forth in this agreement.
 13. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437(g)(a)(1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
 14. This Agreement shall become effective as of the date that both parties hereto have executed the same and the Commission has approved the entire Agreement.
 15. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

Date

5/23/78

Date

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
(202) 523-4143

William O. Snyder, Jr.
William O. Snyder, Jr.
Raven Street
Martin, Tennessee 38237



87-401
843

REELFOOT BANK
MEMBER FDIC
TENNESSEE

5-23 1978 No.

PAY TO THE ORDER OF Federal Election Commission \$100⁰⁰

One Hundred & ⁰⁰/₁₀₀ DOLLARS

FILL IN ACCOUNT NUMBER HERE
30202910

FOR William O. Snyder, Jr.

⑆0843⑉040⑆

5684

RECEIVED
FEDERAL ELECTION
COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION
May 1, 1978

'78 MAY 30 AM 1:21

In the Matter of
R. D. Cheeseman

)
)
)

MUR 515 (78)

803200

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities, and an investigation having been conducted and reasonable cause to believe having been found that R. D. Cheeseman ("Respondent") violated the provisions of 2 U.S.C. §441a(a)(1)(A):

NOW, THEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. The Committee of 1976 for Bates for Congress ("Bates Committee") was the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives from the Seventh District of Tennessee in the primary election held on August 5, 1976.

78040070051

ATTACHMENT II

4. On April 12, 1976, the Martin Bank, Martin, Tennessee, made a loan of thirty thousand dollars (\$30,000) to the Bates Committee.
5. To secure this loan a note was signed by Respondent and others, including candidate Larry Bates.
6. 2 U.S.C. §431(e)(5)(G)(ii) provides that loan by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution by each endorser or guarantor under 2 U.S.C. §431(e)(1)(A).
7. In addition to his guaranteeing the loan, Respondent made contributions to the Bates Committee totalling eight hundred dollars (\$800).
8. By guaranteeing the loan Respondent contributed \$7,500 to the Bates Committee, bringing Respondent's total individual contribution to eight thousand three hundred dollars (\$8,300), in violation of 2 U.S.C. §441a(a)(1)(A).
9. Respondent will pay to the Treasury of the United States a civil penalty of one hundred dollars (\$100).
10. Respondent will have his name removed from the note securing the loan from the Martin Bank to the Bates Committee.
11. Respondent will not endorse or guarantee loans in connection with a Federal election in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.

78040070052

- 12. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against respondent with regard to the matters set forth in this agreement.
- 13. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
- 14. This Agreement shall become effective as of the date that both parties hereto have executed the same and the Commission has approved the entire Agreement.
- 15. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

78040070053

Date

Date 5/26/78

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
(202) 523-4143

R. D. Cheeseman
R. D. Cheeseman
Route 4, Scenic Hills
Martin, Tennessee 38237

7801052405

1207

MR. OR MRS. R. D. CHEESEMAN
SCENIC DR., RT. 4 - PH. 587-2101
MARTIN, TN 38237

5/26 1978 87-162
843

PAY TO THE
ORDER OF

James G. White
One Hundred and

\$ 100.00

DOLLARS

THE MARTIN BANK
MARTIN, TENNESSEE

FOR

Beto Committee

R. D. Cheeseman

⑆0843⑉0162⑆

30 1978

ACC3680
RECEIVED
FEDERAL ELECTION
COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION
May 1, 1978

'78 MAY 31 AM 1:23

In the Matter of
Tommy Bryant

)
)
)

MUR 515(78)

803197

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities, and an investigation having been conducted and reasonable cause to believe having been found that Tommy Bryant ("Respondent") violated the provisions of 2 U.S.C. §441a(a)(1)(A):

NOW, THEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. The Committee of 1976 for Bates for Congress ("Bates Committee") was the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives from the Seventh District of Tennessee in the primary election held on August 5, 1976.

78040070055

ATTACHMENT III

4. On April 12, 1976, the Martin Bank, Martin, Tennessee, made a loan of thirty thousand dollars (\$30,000) to the Bates Committee.
5. To secure this loan a note was signed by Respondent and others, including candidate Larry Bates.
6. 2 U.S.C. §431(e)(5)(G)(ii) provides that a loan by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution by each endorser or guarantor under 2 U.S.C. §431(e)(1)(A).
7. In addition to his guaranteeing the loan, Respondent made contributions to the Bates Committee totalling one hundred forty dollars (\$140).
8. By guaranteeing the loan Respondent contributed \$7,500 to the Bates Committee, bringing Respondent's total individual contribution to seven thousand six hundred forty dollars (\$7,640), in violation of 2 U.S.C. §441a(a)(1)(A).
9. Respondent will pay to the Treasury of the United States a civil penalty of one hundred dollars (\$100).
10. Respondent will have his name removed from the note securing the loan from the Martin Bank to the Bates Committee.
11. Respondent will not endorse or guarantee loans in connection with a Federal election in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.

78040070056

12. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against respondent with regard to the matters set forth in this agreement.
13. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
14. This Agreement shall become effective as of the date that both parties hereto have executed the same and the Commission has approved the entire Agreement.
15. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

78040070057

Date _____

May 25, 1973
Date

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
(202) 523-4143

Tommy W. Bryant
Tommy Bryant
Glenwood Estates
Martin, Tennessee 38237

MR. OR MRS. TOMMY W. BRYANT
Rt. 4, Glenwood, Ph. 587-4593
Martin, TN 38237

4085

Pay to the
order of

United States Treasury

5/25 19 *78* $\frac{87-162}{843}$

\$ *100*^{*00*}

one hundred & no Dollars

THE MARTIN BANK
MARTIN, TENNESSEE

Memo *MUR 515(78)*

Tommy W. Bryant

⑆0843⑆0162⑆ 34 290 4⑆

Christman
7003928
FEDERAL ELECTION COMMISSION

'78 JUN 26 PM 12:32

June 22, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

803945

78040070059

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K. Street N.W.
Washington, D.C. 20463

Re: Mur 515(78)

Dear Mr. Oldaker:

In compliance with your letter dated May 17, 1978, and the Conciliation Agreement, we the members of Bates for Congress Committee submit the following proof that we have complied with the content of this letter fully.

Sincerely,

William O. Snyder, Jr.
William O. Snyder, Jr.
Raven Street
Martin, TN 38237

R. D. Cheeseman
R. D. Cheeseman
Scenic Hills
Martin, TN 38237

Tommy Bryant
Tommy Bryant
Glenwood
Martin, TN 38237

Enclosures (2)

ATTACHMENT IV

7 3 0 4 0 0 7 0 0 6 0

NAME Bates For Congress Committee

\$ 30,000.00

Martin, Tenn. 4-12-76 19

FOR VALUE RECEIVED THE UNDERSIGNED PROMISES TO PAY TO THE ORDER OF THE MARTIN BANK

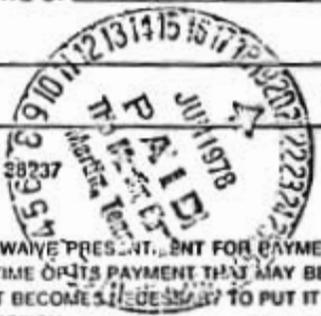
235
C O P F

THE PRINCIPAL SUM OF Thirty Thousand Dollars and no/100 DOLLAR

TOGETHER WITH INTEREST FROM DATE AT THE RATE OF 8.5 % PER ANNUM. PRINCIPAL AND INTEREST PAYABLE AS FOLLOWS:

Six Months

IS PAYABLE AT THE MARTIN BANK, MARTIN, TENN. 38237



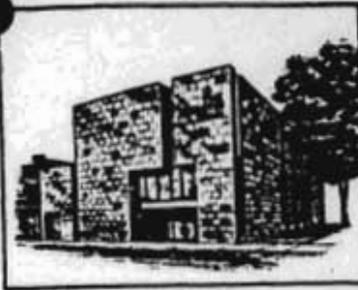
THE MAKERS, INDORSERS, AND SURETIES SEVERALLY WAIVE PRESENTMENT FOR PAYMENT, PROTEST AND NOTICE OF PROTEST FOR NON-PAYMENT OF THIS NOTE, AND ALL DEFENSES ON THE GROUND OF ANY EXTENSION OF TIME OF ITS PAYMENT THAT MAY BE GIVEN BY THE HOLDER TO THEM, OR EITHER OF THEM, OR TO THE MAKER OF MAKERS THEREOF, AND IF NOT PAID AT MATURITY AND IT BECOMES NECESSARY TO PUT IT IN THE HANDS OF AN ATTORNEY FOR COLLECTION, I OR WE, AGREE TO PAY A REASONABLE ATTORNEY'S FEE AND ALL COSTS OF COLLECTION.

NO. 6124 DUE

ADDRESS

Bates for Congress Committee
William J. ...
...

HORACE STANFORD
SENIOR VICE PRESIDENT



RECEIVED
FEDERAL ELECTION
COMMISSION

'78 JUN 26 PM 12:32

THE MARTIN BANK

POST OFFICE BOX 320 • MARTIN, TENNESSEE 38237 • TELEPHONE 587-3131

JUNE 21, 1978

78040970061

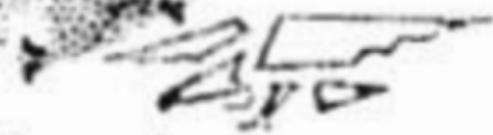
TO WHOM IT MAY CONCERN:
This is to verify that note number 6124 in the name of

This is to verify that note number 6124 in the name of
Bates for Congress Committee, endorsed by William O. Snyder, Jr.,
Tommy Bryant, Larry Bates and R. D. Cheeseman, with an unpaid
balance of \$22,811.66 has been paid in full as of the above date
by Larry Bates.

THE MARTIN BANK
MARTIN, TENNESSEE

Horace Stanford
HORACE STANFORD
SENIOR VICE PRESIDENT

HS:rlw



87-401
843

KEELFOOT BANK
BRIDGE AND COLUMBIAN
TENNESSEE

5-23 1978 No. _____

PAY TO THE ORDER OF Federal Election Commission \$100⁰⁰

One Hundred & ¹¹⁰/₁₀₀ _____ DOLLARS

FILL IN ACCOUNT NUMBER HERE
30202910

FOR _____ William O. Snyder, Jr

⑆0843⑆040⑆⑆⑆

MR. OR MRS. TOMMY W. BRYANT

Rt. 4, Glenwood, Ph. 587-4593

Martin, TN 38237

4085

Pay to the
order of

5/25 19 78 $\frac{87-162}{843}$
United States Treasury \$ 100 00
one hundred & 00/100 Dollars

THE MARTIN BANK

MARTIN, TENNESSEE

Memo

MUR 515(78)

Tommy W. Bryant

⑆0843⑉0162⑆

34 290 4⑈

Tommy W. Bryant, Adm.
Volunteer General Hospital

MARTIN, TENNESSEE 38237

RETURN RECEIPT REQUESTED

CERTIFIED

No. 209587

MAIL

RECEIVED
FEDERAL ELECTION
COMMISSION



78 MAY 31 AM 1:23

Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

ATTN: William C. Oldaker

73040670066

1207

MR. OR MRS. R. D. CHEESEMAN
SCENIC DR., RT. 4 - PH. 587-2101
MARTIN, TN 38237

87-162
843

PAY TO THE
ORDER OF

Proceeding of White Mt. Club
One Hundred and 00/100

Feb 19 78
\$ 100.00

DOLLARS

THE MARTIN BANK
MARTIN, TENNESSEE

FOR

Bate Committee

R. D. Cheeseman

⑆0843⑉062⑆

30 20 71⑈

7 8 0 4 0 9 7 0 0 6

R. D. Cheeseman
P. O. Box 436
Martin, TN 38237

RECEIVED
FEDERAL ELECTION
COMMISSION
MARTIN, TN
AM
MAY 7
1978
3:00 PM

T.S.
'78 MAY 30 AM 1:21



FEDERAL ELECTION COMMISSION
1325 K Street N. W.
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 21, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Miss Nancy J. Bacon
Treasurer
Committee of 1976 for Bates
for Congress
503 West Church Street
Union City, Tennessee 38261

Re: MUR 515 (78)

Dear Miss Bacon:

On July 19, 1978, the Commission determined that there was reasonable cause to believe that the Committee of 1976 for Bates for Congress ("Bates Committee") violated §441a(f) and §434(b) of the Federal Election Campaign Act of 1971, as amended.

Specifically, the Commission found reasonable cause to believe the Bates Committee accepted and failed to report contributions from the following individuals in the following amounts, in violation of the individual contribution limitations of 2 U.S.C. §441a(a)(1)(A):
William O. Snyder, Jr.: \$8,000, R.D. Cheeseman: \$8,300,
Tommy Bryant: \$7,640.

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement (2 U.S.C. §437g(a)(5)(B)). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute a civil suit in United States District Court and seek payment of a civil penalty not in excess of \$20,940 (the amount of the violation in question).

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it (along with the civil penalty) to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed agreement, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4161.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

7834007805

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

Christian ✓ MUR-515

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
 Show to whom and date delivered. _____
 Show to whom, date, and address of delivery. _____
 RESTRICTED DELIVERY
 Show to whom and date delivered. _____
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$ _____
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Nancy J. Bacon, Treasurer
 503 West Church Street
 Union City, Tennessee 38261

3. ARTICLE DESCRIPTION:
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 | 943765 | |

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
 [Signature]

4. DATE OF DELIVERY
 7-24-78

5. ADDRESS (Complete only if requested)
 503 W. Church St USPO

6. UNABLE TO DELIVER BECAUSE: _____ CLERK'S INITIALS _____

UNION CITY, TN
 POSTMARK
 24
 1978

☆ GPO : 1977-O-234-337

BEFORE THE FEDERAL ELECTION COMMISSION
July 13, 1978

In the Matter of)
)
Committee of 1976 for) MUR 515 (78)
Bates for Congress)

CONCILIATION AGREEMENT

7 8 0 4 0 0 7 0 0 7 0
This matter having been initiated by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities and reasonable cause to believe having been found that the Committee of 1976 for Bates for Congress ("Respondent") violated the provisions of 2 U.S.C. §441a (f) and 2 U.S.C. §434(b);

NOW, THEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. Respondent was the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives from the Seventh District of Tennessee in the primary election held on August 5, 1976.
4. On April 12, 1976, The Martin Bank, Martin, Tennessee made a loan to Respondent of \$30,000.

5. To secure this loan a note was signed by the candidate and Messrs. William O. Snyder, Jr., R.D. Cheeseman, and Tommy Bryant ("Guarantors").
6. 2 U.S.C. §431(e)(5)(G)(ii) provides that a loan made by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution under 2 U.S.C. §431(e)(1)(A).
7. In addition to guaranteeing the loan, Guarantors made other contributions to Respondent in the following amounts: Snyder: \$500, Cheeseman: \$800, Bryant: \$140.
8. By guaranteeing the loan each Guarantor contributed \$7,500 to Respondent bringing their total contributions to the following amounts, in violation of 2 U.S.C. §441a(a)(1)(A): Snyder: \$8,000, Cheeseman: \$8,300, Bryant: \$7,640.
9. Respondent knowingly accepted these contributions in violation of 2 U.S.C. §441a(f) and failed to report receipt of these contributions in violation of 2 U.S.C. §434(b).
10. Respondent will pay to the Treasury of the United States a civil penalty of one thousand dollars (\$1,000).
11. Respondent will amend its reports to include receipt of the contributions in question as of May 11, 1976.
12. Respondent will not accept contributions in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.

7 8 0 4 0 0 7 0 0 7 1

13. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against Respondent with regard to the matters set forth in this agreement.
14. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
15. This Agreement shall become effective as of the date that both parties have executed the same and the Commission has approved the entire Agreement.
16. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

78040070072

Date

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
(202) 523-4143

Date

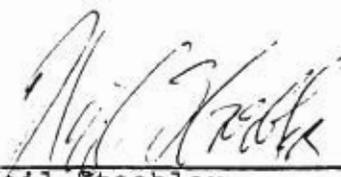
Miss Nancy J. Bacon, Treasurer
Committee of 1976 for Bates
for Congress
503 West Church Street
Union City, Tennessee 38261

DISSENTING OPINION OF COMMISSIONER STAEBLER TO
MUR 515 (78)

7 8 0 4 0 3 7 6 0 7

While I agree with the Commission's decision to approve the recommendation of the General Counsel to find reasonable cause to believe that the Committee of 1976 for Bates for Congress violated 2 U.S.C. §441a(f) by knowingly accepting contributions in excess of the limitations in 2 U.S.C. §441a(a)(1)(A) from three individuals and 2 U. S. C. §434(b) by failing to report the receipt of these contributions, I think that the draft conciliation agreement should set forth some of the mitigating facts which were taken into consideration by the Commission in arriving at what I believe to be a rather insubstantial civil penalty.

July 19, 1978



Neil Staebler

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Committee of 1976 for)
Bates for Congress)

MUR 515 (78)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on July 19, 1978, the Commission determined by a vote of 5-1 to adopt the recommendation of the General Counsel to take the following actions in the above-captioned matter:

1. Find reasonable cause to believe the Committee of 1976 for Bates for Congress violated 2 U.S.C. §441a(f) by knowingly accepting contributions in excess of the limitations of 2 U.S.C. §441a(a)(1)(A) from Messrs. William O. Snyder, Jr., R. D. Cheeseman, and Tommy Bryant and 2 U.S.C. §434(b) by failing to report the receipt of these contributions.
2. Send the letter and proposed conciliation agreement attached to the General Counsel's Report signed July 14, 1978.

Voting for this determination were Commissioners Aikens, Harris, Springer, Thomson, and Tiernan. Commissioner Staebler dissented.

Attest:

7/19/78

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

78040070074

BEFORE THE FEDERAL ELECTION COMMISSION
July 13, 1978

In the Matter of)
)
) MUR 515 (78)
Committee of 1976 for)
Bates for Congress)

GENERAL COUNSEL'S REPORT

BACKGROUND

7 8 0 4 0 7 0 0 7 5
This matter arose from information developed in the course of reviewing loans to the principal campaign committees of 1976 candidates. On April 12, 1976, the Committee of 1976 for Bates for Congress ("Bates Committee") borrowed \$30,000 from The Martin Bank of Martin, Tennessee on an unsecured note. The note was signed by Messrs. Larry Bates (the candidate), William O. Snyder, Jr., R.D. Cheeseman, and Tommy Bryant.

On May 10, 1978, the Commission found reasonable cause to believe the three guarantors of the note other than Mr. Bates violated 2 U.S.C. §441a(a)(1)(A). Respondent guarantors have each paid a civil penalty of \$100 and have entered into conciliation agreements which were circulated to the Commission separately for approval. We have also been notified by respondents that the note in question has been paid in full by Mr. Bates pursuant to the agreements.

The Commission also voted on May 10, 1978, to find reason to believe the Bates Committee violated 2 U.S.C. §441a(f) and 2 U.S.C. §434(b) by knowingly accepting contributions from Messrs. Snyder, Cheeseman, and Bryant in excess of the limitations of 2 U.S.C.

§441a(a)(1)(A) and failing to report same.

EVIDENCE

In response to our letter notifying them of the Commission's finding of reason to believe the Bates Committee had violated the Act, the Committee sent us the attached letter dated May 23, 1978 (Attachment 1). We requested additional information from the Bates Committee on June 6 (Attachment II) and received responses to this letter on June 16 and June 23 (Attachments III and IV).

ANALYSIS

Respondent Committee maintains that the candidate was personally responsible for the full amount of the loan and therefore no violation of the Act has occurred. As we have noted in our previous reports, the note carries no indication of differing liabilities and, although we invited the Committee to do so, the Bates Committee has been unable to submit any documents signed by Mr. Bates at the time of the loan which would indicate he intended to be fully liable for the note. In the Committee's letter of June 16 (Attachment III) respondent states that the candidate gave verbal assurances to the Bank that he would be personally responsible for repayment of the loan.

Given Mr. Bates' apparent wealth and standing in the community we have little reason to doubt he intended to be personally responsible for the loan. For reasons fully explained in our report of May 1, however, we do not believe this alters the legal liability of the three other guarantors of the note.

78040070076

2 U.S.C. §441a(f) states: "No candidate or political committee shall knowingly accept any contribution ... in violation of the provisions of this section ..." (emphasis added). We must therefore consider whether the term "knowingly accepted" implies knowledge that the contributions were illegal or merely knowledge of the facts of the situation which bring the contribution within the prohibitions of the statute.

78040070077
Broadly speaking we believe the latter interpretation to be that generally used in interpreting civil statutes and regulations. In support of this position we note a 1971 opinion of the U.S. District Court for Oregon interpreting an Oregon usury statute: "The word 'knowingly' ordinarily means that the act or omission was intentional. It is not necessary that the actor intended to break the law. It is enough that he intended the act. One may be ignorant of the law, and yet be found to have violated its demands." American Timber & Trad. Co. v. First Nat. Bank of Oregon 334 F. Supp. 888, at 890 (1971), citing United States v. International Minerals & Chemical Corp. 402 U.S. 558, at 563, 91 S. Ct. 1697, at 1701 (1971). 1/

Since the signers of the note were not only the candidate himself but also the members of the finance committee, there is little doubt but that the Bates Committee was fully aware of all

1/ Although it may be argued that since 2 U.S.C. §441a(f) was originally enacted as a criminal statute (18 U.S.C. §608(h)) the criminal definition of "knowingly" should be applied, we believe the removal of the criminal penalties and the statute's transfer to Title 2 indicates that such an interpretation is no longer required.

the circumstances surrounding the loan. Although the Committee may not have been aware of the guarantors' individual liability for repayment of the loan, we do not believe proving such awareness is necessary for finding the Bates Committee "knowingly accepted" the guarantors' contributions in kind for the purposes of 2 U.S.C. §441a(f).

Although in our opinion proving intent to violate the law is not required to sustain a finding that the Committee violated 2 U.S.C. §441a(f), we do believe it is an aspect which the Commission might consider in determining the size of the civil penalty to be sought in conciliation of this matter. Furthermore, we believe an additional mitigating factor to be that the loan was made on April 12, 1976, prior to the enactment on May 11, 1976, of the section which established that bank loan guarantees would be considered as contributions. ^{2/} For these reasons we are seeking a civil penalty in the attached proposed conciliation agreement of \$1,000, although the amount of the violation is \$20,940.

RECOMMENDATION

1. Find reasonable cause to believe the Committee of 1976 for Bates for Congress violated 2 U.S.C. §441a(f) by knowingly accepting

^{2/} This does not affect the culpability of either the guarantors or the Committee because 2 U.S.C. §431(e)(5)(G)(ii) applies not to the loan itself but to the "unpaid balance thereof."

7 3 0 4 0 0 7 0 0 7 3

contributions in excess of the limitations of 2 U.S.C. §441a(a)(1)(A) from Messrs. William O. Snyder, Jr., R.D. Cheeseman, and Tommy Bryant and 2 U.S.C. §434(b) by failing to report the receipt of these contributions.

2. Send attached letter and proposed conciliation agreement.

78040070079

7/14/78
Date



William C. Oldaker
General Counsel

Annette

MUR 515
Christian



BATES

RECEIVED
FEDERAL ELECTION
COMMISSION

FOR CONGRESS '78 MAY 24 PM 11:35
7th DISTRICT

P.O. Box 934 • Union City, Tennessee 38261

May 23, 1978

803659

CERTIFIED

Mr. William C. Oldaker, General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

Dear Mr. Oldaker:

RE: MUR 515(78)

I have received your letter of May 17 in reference to a \$30,000 loan made by the Committee of 1976 for Bates for Congress at the Martin Bank in Martin, Tennessee. On April 12, 1976, the Committee obtained a loan from the Martin Bank. Tommy Bryant, William Snyder, Jr., and R. D. Cheeseman signed the note as members of the Finance Committee, not as guarantors or makers of the note in order to demonstrate that the note was for political purposes and not business as Mr. Bates has extensive business holdings and does have business dealings with the bank. Since a candidate can contribute unlimited amounts to his committee, we have not violated the law and have never accepted any contributions in excess of the \$1000 limitation.

We have reported the loan at the Martin Bank on each of our reports to the Clerk of the U. S. House of Representatives. Each time Mr. Bates had made payment on the note, we have reported this as a contribution and have added the amount to his aggregate contribution. Mr. Bates has personally made all payments on the loan since April 12, 1977 on which date the Committee made its last payment.

If you need additional information, please let me know.

Sincerely,

Nancy Bacon, Treasurer

ATTACHMENT I

nb

78040070080



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 6, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Miss Nancy Bacon, Treasurer
Committee of 1976 for Bates
for Congress
P.O. Box 934
Union City, TN 38261

Re: MUR 515(78)

Dear Miss Bacon:

This is in response to your letter of May 23, 1978, concerning the \$30,000 loan made to your committee by The Martin Bank on April 12, 1976.

Before we recommend to the Commission what action should be taken in this matter, we would like your response to the following questions.

First, we note that Mr. Bates made personal loans to the Bates Committee which totalled \$90,000 and were later forgiven. In light of this expenditure, did The Martin Bank require Messrs. Snyder, Cheeseman, and Bryant to sign the note to provide the bank with additional security?

Second, the note signed for the loan carries no indication of differing liabilities on the part of the signers. Were any other documents signed by Mr. Bates in connection with the loan which indicated his intent to be personally liable for the full amount of the loan? If so, please provide copies of any such documents.

We request you submit your responses to the above questions within ten days of your receipt of this letter. Should you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4161.

Sincerely yours,

William C. Oldaker
General Counsel

78040070081
ATTACHMENT II

Christian

7003883

RECEIVED
FEDERAL ELECTION
COMMISSION

'78 JUN 21 AM 11:25

503 West Church Street
Union City, TN 38261
June 16, 1978

803074

CERTIFIED

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463



Dear Mr. Oldaker:

RE: MUR 515 (78)

In response to your letter of June 6, 1978, I am submitting the following information.

The \$30,000.00 loan with The Martin Bank was made on April 12, 1976. Loans made by Larry Bates to the Committee of 1976 for Bates for Congress were made on June 12, 1976, July 8, 1976, July 20, 1976 August 6, 1976 and August 9, 1976. Since the loans from Mr. Bates to the Committee were made months after the April 12 loan, The Martin Bank could not have been requiring additional security by signatures from Messrs. Snyder, Cheeseman and Bryant.

Secondly, Mr. Bates did not sign a document indicating his intent to be personally liable for the full amount of the loan with The Martin Bank, however he did verbally assure the bank that he personally would be responsible for repayment of the note. I will send under separate cover a letter from Mr. Kenneth Stanley, President of The Martin Bank, regarding the loan. Mr. Stanley is presently out of the city, but I will mail a statement from him as soon as possible.

If you need additional information, please let me know.

Sincerely,

COMMITTEE OF 1976 FOR BATES FOR CONGRESS

Nancy J. Bacon, Treasurer

nb

ATTACHMENT III

7 9 0 4 0 0 7 0 0 8 2

MUR 515

Christian

803988
FEDERAL ELECTION
COMMISSION

'78 JUN 27 PM 12:40

503 West Church Street
Union City, TN 38261
June 23, 1978

CERTIFIED

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

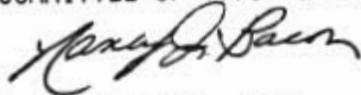
Dear Mr. Oldaker:

RE: MUR 515 (78)

In reference in to my letter of June 16, I am enclosing a statement from Mr. Kenneth Stanley, President of The Martin Bank. This statement is in regard to the \$30,000.00 made to the Committee of 1976 for Bates for Congress.

Sincerely,

COMMITTEE OF 1976 FOR BATES FOR CONGRESS



Nancy J. Bacon, Treasurer

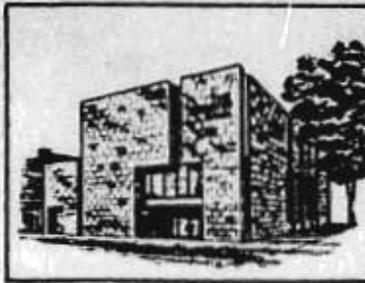
nb

Enclosure

78040070083

ATTACHMENT IV (1 of 2)

KENNETH STANLEY
President



RECEIVED
FEDERAL ELECTION
COMMISSION

'78 JUN 27 PM 12:40

THE MARTIN BANK

POST OFFICE BOX 320 • MARTIN, TENNESSEE 38237 • TELEPHONE 587-3131

JUNE 21, 1978

TO WHOM IT MAY CONCERN:

It was my understanding that the repayment of a \$30,000.00 note from Bates for Congress Committee, dated April 12, 1976, would be the responsibility of Larry Bates as an individual.

THE MARTIN BANK
MARTIN, TENNESSEE



KENNETH STANLEY
PRESIDENT

KS:rlw

ATTACHMENT IV (2 of 2)

78040070084



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Miss Nancy J. Bacon
Treasurer
Committee of 1976 for Bates
for Congress
503 West Church Street
Union City, Tennessee 38261

Re: MUR 515 (78)

Dear Miss Bacon:

On July , 1978, the Commission determined that there was reasonable cause to believe that the Committee of 1976 for Bates for Congress ("Bates Committee") violated §441a(f) and §434(b) of the Federal Election Campaign Act of 1971, as amended.

Specifically, the Commission found reasonable cause to believe the Bates Committee accepted and failed to report contributions from the following individuals in the following amounts, in violation of the individual contribution limitations of 2 U.S.C. §441a(a)(1)(A): William O. Snyder, Jr.: \$8,000, R.D. Cheeseman: \$8,300, Tommy Bryant: \$7,640.

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement (2 U.S.C. §437g(a)(5)(B)). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute a civil suit in United States District Court and seek payment of a civil penalty not in excess of \$20,940 (the amount of the violation in question).

78040070085

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it (along with the civil penalty) to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed agreement, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4161.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

7 8 9 4 0 0 7 5 6 6 3

CC 3942
803988

FEDERAL ELECTION
COMMISSION

'78 JUN 27 PM 12:40

503 West Church Street
Union City, TN 38261
June 23, 1978

CERTIFIED

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

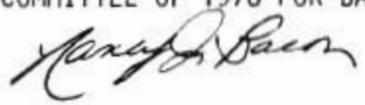
Dear Mr. Oldaker:

RE: MUR 515 (78)

In reference in to my letter of June 16, I am enclosing a statement from Mr. Kenneth Stanley, President of The Martin Bank. This statement is in regard to the \$30,000.00 made to the Committee of 1976 for Bates for Congress.

Sincerely,

COMMITTEE OF 1976 FOR BATES FOR CONGRESS



Nancy J. Bacon, Treasurer

nb

Enclosure

78040070087

KENNETH STANLEY
President



RECEIVED
FEDERAL ELECTION
COMMISSION

'78 JUN 27 PM 12:40

THE MARTIN BANK

POST OFFICE BOX 320 • MARTIN, TENNESSEE 38237 • TELEPHONE 587-3131

JUNE 21, 1978

TO WHOM IT MAY CONCERN:

It was my understanding that the repayment of a \$30,000.00 note from Bates for Congress Committee, dated April 12, 1976, would be the responsibility of Larry Bates as an individual.

THE MARTIN BANK
MARTIN, TENNESSEE


KENNETH STANLEY
PRESIDENT

KS:rlw

78040070088

Nancy J. Bacon, Treasurer
Committee of 1976 for Bates for Congress
503 West Church Street
Union City, TN 38261

FEDERAL ELECTION
COMMISSION



JUN 27 PM 12:37

7700
CERTIFIED

No. 286634

MAIL

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

RETURN RECEIPT REQUESTED

8003928

RECEIVED
FEDERAL ELECTION
COMMISSION

'78 JUN 26 PM 12:32

June 22, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

803945

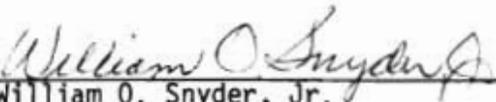
Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K. Street N.W.
Washington, D.C. 20463

Re: Mur 515(78)

Dear Mr. Oldaker:

In compliance with your letter dated May 17, 1978, and the Conciliation Agreement, we the members of Bates for Congress Committee submit the following proof that we have complied with the content of this letter fully.

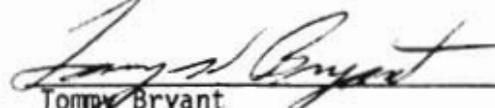
Sincerely,



William O. Snyder, Jr.
Raven Street
Martin, TN 38237



R. D. Cheeseman
Scenic Hills
Martin, TN 38237



Tommy Bryant
Glenwood
Martin, TN 38237

Enclosures (2)

78040070090

HORACE STANFORD
SENIOR VICE PRESIDENT



RECEIVED
FEDERAL ELECTION
COMMISSION

'78 JUN 26 PM 12:32

THE MARTIN BANK

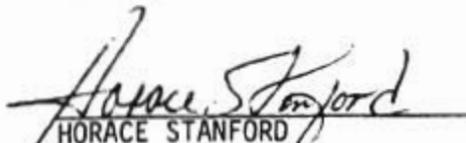
POST OFFICE BOX 320 • MARTIN, TENNESSEE 38237 • TELEPHONE 687-3131

JUNE 21, 1978

TO WHOM IT MAY CONCERN:

This is to verify that note number 6124 in the name of Bates for Congress Committee, endorsed by William O. Snyder, Jr., Tommy Bryant, Larry Bates and R. D. Cheeseman, with an unpaid balance of \$22,811.66 has been paid in full as of the above date by Larry Bates.

THE MARTIN BANK
MARTIN, TENNESSEE


HORACE STANFORD
SENIOR VICE PRESIDENT

HS:rlw

78040070091

7 8 0 4 0 0 7 0 0 9 2

NAME Bates For Congress Committee

\$ 30,000.00

Martin, Tenn. 1-12-76 1976

FOR VALUE RECEIVED THE UNDERSIGNED PROMISES TO PAY TO THE ORDER OF THE MARTIN BANK

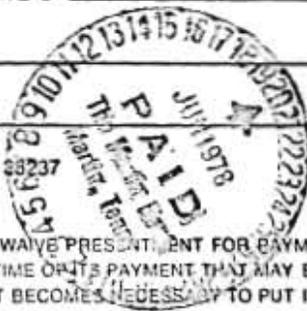
235
C O P F

THE PRINCIPAL SUM OF Thirty Thousand Dollars and no/100 DOLLAR

TOGETHER WITH INTEREST FROM DATE AT THE RATE OF 8.5 % PER ANNUM. PRINCIPAL AND INTEREST PAYABLE AS FOLLOWS

Six Months

IS PAYABLE AT THE MARTIN BANK, MARTIN, TENN. 38237



THE MAKERS, INDORSERS, AND SURETIES SEVERALLY WAIVE PRESENTMENT FOR PAYMENT, PROTEST AND NOTICE OF PROTEST FOR NON-PAYMENT OF THIS NOTE, AND ALL DEFENSES ON THE GROUND OF ANY EXTENSION OF TIME OR ITS PAYMENT THAT MAY BE GIVEN BY THE HOLDER TO THEM, OR EITHER OF THEM, OR TO THE MAKER OR MAKERS THEREOF, AND IF NOT PAID AT MATURITY AND IT BECOMES NECESSARY TO PUT IT IN THE HANDS OF AN ATTORNEY FOR COLLECTION, I OR WE, AGREE TO PAY A REASONABLE ATTORNEY'S FEE AND ALL COSTS OF COLLECTION.

NO. 6124 DUE

ADDRESS

Bates for Congress Committee
[Handwritten signature]
[Handwritten signature]

William O. Snyder, Jr.
Raven Street
Martin, TN 38237

FEDERAL ELECTION
COMMISSION

'78 JUN 26 PM 12:32



Mr. William C. Oldaker
General Counsel
1325 K. Street N.W.
Washington, D.C. 20463

78040070095

RETURN RECEIPT REQUESTED
CERTIFIED
No. 209913
M
C

2003883

RECEIVED
FEDERAL ELECTION
COMMISSION

'78 JUN 21 AM 11:25

503 West Church Street
Union City, TN 38261
June 16, 1978

803674

CERTIFIED

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463



Dear Mr. Oldaker:

RE: MUR 515 (78)

In response to your letter of June 6, 1978, I am submitting the following information.

The \$30,000.00 loan with The Martin Bank was made on April 12, 1976. Loans made by Larry Bates to the Committee of 1976 for Bates for Congress were made on June 12, 1976, July 8, 1976, July 20, 1976 August 6, 1976 and August 9, 1976. Since the loans from Mr. Bates to the Committee were made months after the April 12 loan, The Martin Bank could not have been requiring additional security by signatures from Messrs. Snyder, Cheeseman and Bryant.

Secondly, Mr. Bates did not sign a document indicating his intent to be personally liable for the full amount of the loan with The Martin Bank, however he did verbally assure the bank that he personally would be responsible for repayment of the note. I will send under separate cover a letter from Mr. Kenneth Stanley, President of The Martin Bank, regarding the loan. Mr. Stanley is presently out of the city, but I will mail a statement from him as soon as possible.

If you need additional information, please let me know.

Sincerely,

COMMITTEE OF 1976 FOR BATES FOR CONGRESS

Nancy J. Bacon, Treasurer

7 8 0 4 0 0 7 0 0 9 4

nb

Nancy Bacon, Treasurer
Committee of 1976 for Bates for Congress
503 W. Church Street
Union City, TN 38261

FEDERAL ELECTION
COMMISSION



'78 JUN 21 AM 11:25

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

07093
CERTIFIED

No 276418

MAIL

RETURN RECEIPT REQUESTED



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 16, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS *MWE*

SUBJECT: MUR 515 (78) - Interim Report dated 5-31-78, Signed: 6-14-78
Received in OCS: 6-15-78, 11:04

The above-mentioned document was circulated on a 24 hour
no-objection basis at 4:30 p.m., June 15, 1978.

As of 5:00 p.m., this date, no objections have been
received in the Office of Commission Secretary to the Interim Report.

78040070090



June 15, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 515

Please have the attached Interim Report on MUR 515 distributed to the Commission.

Thank you.

78040070097

BEFORE THE FEDERAL ELECTION COMMISSION
May 31, 1978

In the Matter of)
)
William O. Snyder, Jr.)
R.D. Cheeseman) MUR 515 (78)
Tommy Bryant)
Committee of 1976 for)
Bates for Congress)

INTERIM REPORT

On April 12, 1976, The Martin Bank of Martin, Tennessee made a loan of \$30,000 to the Committee of 1976 for Bates for Congress. The note securing the loan was signed by Larry Bates (the candidate), William O. Snyder, Jr., R.D. Cheeseman, and Tommy Bryant.

On May 10, 1978, the Commission found reasonable cause to believe Messrs. Snyder, Cheeseman, and Bryant violated 2 U.S.C. §441a(a)(1)(A) in connection with their guaranteeing the loan. The Commission also found reason to believe the Committee of 1976 for Bates for Congress ("Bates Committee") violated 2 U.S.C. §441a(f) by knowingly accepting contributions from Messrs. Snyder, Cheeseman, and Bryant in excess of the individual contribution limitations of 2 U.S.C. §441a(a)(1)(A).

Conciliation With Guarantors

The notification of the Commission's reasonable cause to believe finding and a proposed conciliation agreement were received by each respondent guarantor on May 20, 1978. We received signed conciliation agreements and personal checks for the civil penalty

78040070098

from Mr. Snyder on May 24, and from Mr. Bryant and Mr. Cheeseman of May 30. (Attachments I, II, III, respectively). We recommend that the Commission accept these agreements.

Response of the Bates Committee

The Bates Committee submitted a letter dated May 23, 1978, in response to the Commission's reason to believe notification (Attachment IV). Since 2 U.S.C. §441a(f) requires that the violation be a knowing violation, we do not believe the information in the letter is sufficient for us to make a recommendation to the Commission as to the Committee's having violated the Act. We are therefore seeking additional information from the Committee regarding the circumstances surrounding the loan from The Martin Bank.

Once this information has been received we will be able to recommend what further action should be taken in this matter.

6/14/78
Date

William C. Oldaker
William C. Oldaker
General Counsel

78040070099

BEFORE THE FEDERAL ELECTION COMMISSION
May 1, 1978

In the Matter of)
William O. Snyder, Jr.) MUR 515 (78)

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities, and an investigation having been conducted and reasonable cause to believe having been found that William O. Snyder, Jr. ("Respondent") violated the provisions of 2 U.S.C. §441a(a)(1)(A).

NOW, THEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. The Committee of 1976 for Bates for Congress ("Bates Committee") was the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives from the Seventh District of Tennessee in the primary election held on August 5, 1976.

803058

RECEIVED
FEDERAL ELECTION
COMMISSION
MAY 24 PM 11:35

78040070100

4. On April 12, 1976, the Martin Bank, Martin, Tennessee, made a loan of thirty thousand dollars (\$30,000) to the Bates Committee.
5. To secure this loan a note was signed by Respondent and others, including candidate Larry Bates.
6. 2 U.S.C. §431(e)(5)(G)(ii) provides that a loan by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution by each endorser or guarantor under 2 U.S.C. §431(e)(1)(A).
7. In addition to his guaranteeing the loan, Respondent made contributions to the Bates Committee totalling five hundred dollars (\$500).
8. By guaranteeing the loan Respondent contributed \$7,500 to the Bates Committee, bringing Respondent's total individual contribution to eight thousand dollars (\$8,000), in violation of 2 U.S.C. §441a(a)(1)(A).
9. Respondent will pay to the treasury of the United States a civil penalty of one hundred dollars (\$100).
10. Respondent will have his name removed from the note securing the loan from the Martin Bank to the Bates Committee.
11. Respondent will not endorse or guarantee loans in connection with a Federal election in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.

78040070101

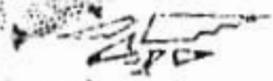
- 7 3 0 4 0 0 7 0 1 0 2
12. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against Respondent with regard to the matters set forth in this agreement.
 13. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437(g)(a)(1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
 14. This Agreement shall become effective as of the date that both parties hereto have executed the same and the Commission has approved the entire Agreement.
 15. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

Date

5/23/78
Date

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
(202) 523-4143

William O. Snyder, Jr.
William O. Snyder, Jr.
Raven Street
Martin, Tennessee 38237



REELFOOT BANK
BROOKHAVEN, TENNESSEE 37615
TENNESSEE

87-401
643

5-23 1978 No.

PAY TO THE ORDER OF Federal Election Commission \$ 100⁰⁰
One Hundred & ⁰⁰/₁₀₀ DOLLARS

FILL IN ACCOUNT NUMBER HERE
30202910

FOR William O. Snyder, Jr.

⑆0843⑉040⑆

Christian

H² 3682

RECEIVED
FEDERAL ELECTION
COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION
May 1, 1978

'78 MAY 30 AM 1:21

In the Matter of
R. D. Cheeseman

)
)
)

MUR 515 (78)

803200

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities, and an investigation having been conducted and reasonable cause to believe having been found that R. D. Cheeseman ("Respondent") violated the provisions of 2 U.S.C. §441a(a)(1)(A):

NOW, THEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. The Committee of 1976 for Bates for Congress ("Bates Committee") was the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives from the Seventh District of Tennessee in the primary election held on August 5, 1976.

78040070104

4. On April 12, 1976, the Martin Bank, Martin, Tennessee, made a loan of thirty thousand dollars (\$30,000) to the Bates Committee.
5. To secure this loan a note was signed by Respondent and others, including candidate Larry Bates.
6. 2 U.S.C. §431(e)(5)(G)(ii) provides that loan by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution by each endorser or guarantor under 2 U.S.C. §431(e)(1)(A).
7. In addition to his guaranteeing the loan, Respondent made contributions to the Bates Committee totalling eight hundred dollars (\$800).
8. By guaranteeing the loan Respondent contributed \$7,500 to the Bates Committee, bringing Respondent's total individual contribution to eight thousand three hundred dollars (\$8,300), in violation of 2 U.S.C. §441a(a)(1)(A).
9. Respondent will pay to the Treasury of the United States a civil penalty of one hundred dollars (\$100).
10. Respondent will have his name removed from the note securing the loan from the Martin Bank to the Bates Committee.
11. Respondent will not endorse or guarantee loans in connection with a Federal election in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.

7 8 0 4 0 0 7 0 1 0 5

7 8 0 7 0 0 7 0 1 0 6

- 12. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against respondent with regard to the matters set forth in this agreement.
- 13. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
- 14. This Agreement shall become effective as of the date that both parties hereto have executed the same and the Commission has approved the entire Agreement.
- 15. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

Date

Date 5/26/78

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
(202) 523-4143

R. D. Cheeseman
R. D. Cheeseman
Route 4, Scenic Hills
Martin, Tennessee 38237

78040070107

MR. OR MRS. R. D. CHEESEMAN
SCENIC DR., RT. 4 - PH. 587-2101
MARTIN, TN 38237

1207

PAY TO THE
ORDER OF

James G. White Feb 19 78 87-162
843

\$ 100⁰⁰

One Hundred and 00/100 DOLLARS

THE MARTIN BANK
MARTIN, TENNESSEE

FOR

Bate Committee

[Signature]

⑆0843⑉0162⑆

30 20 71⑈

ACC3680

Christian

RECEIVED
FEDERAL ELECTION
COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION
May 1, 1978

'78 MAY 31 AM 1:23

In the Matter of)
Tommy Bryant)

MUR 515(78)

803197

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities, and an investigation having been conducted and reasonable cause to believe having been found that Tommy Bryant ("Respondent") violated the provisions of 2 U.S.C. §441a(a)(1)(A):

NOW, THEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. The Committee of 1976 for Bates for Congress ("Bates Committee") was the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives from the Seventh District of Tennessee in the primary election held on August 5, 1976.

78040070108

4. On April 12, 1976, the Martin Bank, Martin, Tennessee, made a loan of thirty thousand dollars (\$30,000) to the Bates Committee.
5. To secure this loan a note was signed by Respondent and others, including candidate Larry Bates.
6. 2 U.S.C. §431(e)(5)(G)(ii) provides that a loan by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution by each endorser or guarantor under 2 U.S.C. §431(e)(1)(A).
7. In addition to his guaranteeing the loan, Respondent made contributions to the Bates Committee totalling one hundred forty dollars (\$140).
8. By guaranteeing the loan Respondent contributed \$7,500 to the Bates Committee, bringing Respondent's total individual contribution to seven thousand six hundred forty dollars (\$7,640), in violation of 2 U.S.C. §441a(a)(1)(A).
9. Respondent will pay to the Treasury of the United States a civil penalty of one hundred dollars (\$100).
10. Respondent will have his name removed from the note securing the loan from the Martin Bank to the Bates Committee.
11. Respondent will not endorse or guarantee loans in connection with a Federal election in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.

78040070109

12. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against respondent with regard to the matters set forth in this agreement.
13. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
14. This Agreement shall become effective as of the date that both parties hereto have executed the same and the Commission has approved the entire Agreement.
15. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

78040070110

Date

May 25, 1978
Date

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
(202) 523-4143

Tommy W. Bryant
Tommy Bryant
Glenwood Estates
Martin, Tennessee 38237

MR. OR MRS. TOMMY W. BRYANT

Rt. 4, Glenwood, Ph. 587-4593

Martin, TN 38237

4085

Pay to the
order of

5/25 19 78 $\frac{87-162}{843}$
United States Treasury \$ 100⁰⁰
one hundred & 00/100 Dollars

THE MARTIN BANK

MARTIN, TENNESSEE

Memo

m4R 515(78)

Tommy W. Bryant

⑆0843⑉0162⑆

34 290 4⑈

Annette

MUR 515
Christian



BATES
★ ★ ★ ★ ★ ★ ★ ★ ★ ★

RECEIVED
FEDERAL ELECTION
COMMISSION

FOR CONGRESS '78 MAY 24 PM 11:35
7th DISTRICT

P.O. Box 934 • Union City, Tennessee 38261

May 23, 1978

CERTIFIED

803059

Mr. William C. Oldaker, General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

Dear Mr. Oldaker:

RE: MUR 515(78)

I have received your letter of May 17 in reference to a \$30,000 loan made by the Committee of 1976 for Bates for Congress at the Martin Bank in Martin, Tennessee. On April 12, 1976, the Committee obtained a loan from the Martin Bank. Tommy Bryant, William Snyder, Jr., and R. D. Cheeseman signed the note as members of the Finance Committee, not as guarantors or makers of the note in order to demonstrate that the note was for political purposes and not business as Mr. Bates has extensive business holdings and does have business dealings with the bank. Since a candidate can contribute unlimited amounts to his committee, we have not violated the law and have never accepted any contributions in excess of the \$1000 limitation.

We have reported the loan at the Martin Bank on each of our reports to the Clerk of the U. S. House of Representatives. Each time Mr. Bates had made payment on the note, we have reported this as a contribution and have added the amount to his aggregate contribution. Mr. Bates has personally made all payments on the loan since April 12, 1977 on which date the Committee made its last payment.

If you need additional information, please let me know.

Sincerely,

Nancy Bacon, Treasurer

nb

ATTACHMENT IV



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 6, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Miss Nancy Bacon, Treasurer
Committee of 1976 for Bates
for Congress
P.O. Box 934
Union City, TN 38261

Re: MUR 515(78)

Dear Miss Bacon:

This is in response to your letter of May 23, 1978, concerning the \$30,000 loan made to your committee by The Martin Bank on April 12, 1976.

Before we recommend to the Commission what action should be taken in this matter, we would like your response to the following questions.

First, we note that Mr. Bates made personal loans to the Bates Committee which totalled \$90,000 and were later forgiven. In light of this expenditure, did The Martin Bank require Messrs. Snyder, Cheeseman, and Bryant to sign the note to provide the bank with additional security?

Second, the note signed for the loan carries no indication of differing liabilities on the part of the signers. Were any other documents signed by Mr. Bates in connection with the loan which indicated his intent to be personally liable for the full amount of the loan? If so, please provide copies of any such documents.

We request you submit your responses to the above questions within ten days of your receipt of this letter. Should you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4161.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "William C. Oldaker".

William C. Oldaker
General Counsel

78040070114

Christian MUR-515

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

- 1. The following service is requested (check one).
 - Show to whom and date delivered
 - Show to whom, date, and address of delivery
 - RESTRICTED DELIVERY Show to whom and date delivered
 - RESTRICTED DELIVERY Show to whom, date, and address of delivery
- (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Nancy Bacon
P.O. Box 934
Union City, TN 38261

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
4385-430

I have received the article described above.
SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY JUN 10 1978



5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE



BATES

RECEIVED
FEDERAL ELECTION
COMMISSION

FOR CONGRESS '78 MAY 24 PM 11:35
7th DISTRICT

P.O. Box 934 • Union City, Tennessee 38261

May 23, 1978

CERTIFIED

803059

Mr. William C. Oldaker, General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

Dear Mr. Oldaker:

RE: MUR 515(78)

I have received your letter of May 17 in reference to a \$30,000 loan made by the Committee of 1976 for Bates for Congress at the Martin Bank in Martin, Tennessee. On April 12, 1976, the Committee obtained a loan from the Martin Bank. Tommy Bryant, William Snyder, Jr., and R. D. Cheeseman signed the note as members of the Finance Committee, not as guarantors or makers of the note in order to demonstrate that the note was for political purposes and not business as Mr. Bates has extensive business holdings and does have business dealings with the bank. Since a candidate can contribute unlimited amounts to his committee, we have not violated the law and have never accepted any contributions in excess of the \$1000 limitation.

We have reported the loan at the Martin Bank on each of our reports to the Clerk of the U. S. House of Representatives. Each time Mr. Bates had made payment on the note, we have reported this as a contribution and have added the amount to his aggregate contribution. Mr. Bates has personally made all payments on the loan since April 12, 1977 on which date the Committee made its last payment.

If you need additional information, please let me know.

Sincerely,

Nancy Bacon, Treasurer

nb

Mrs. Nancy Bacon
Committee of 1976 for
Bates for Congress
503 West Church Street
Union City, TN 38261

0070

FEDERAL ELECTION
COMMISSION



'78 MAY 24 PM 11:35

CERTIFIED
No. 286633
MAIL

Mr. William C. Oldaker, General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

... RETURN RECEIPT REQUESTED



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 17, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. R. D. Cheeseman
Route 4, Scenic Hills
Martin, Tennessee 38237

Re: MUR 515(78)

Dear Mr. Cheeseman:

On May 10, 1978, the Commission determined there was reasonable cause to believe that you committed a violation of §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found reasonable cause to believe that you guaranteed a loan of \$30,000 by the Martin Bank of Martin, Tennessee, to the Committee of 1976 for Bates for Congress. Under the provisions of 2 U.S.C. §431(e)(5)(G)(ii) you thereby made a contribution of \$7,500 to the Bates Committee, raising your total individual contribution to the Bates Committee to \$8,300, in violation of the individual contribution limitations of 2 U.S.C. §441a(a)(1)(A).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement (2 U.S.C. §437g(a)(5)(B)). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute a civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5,000.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it (along with the civil penalty) to the Commission within ten days. I will then recommend that the Commission approve the agreement.



If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Gary Christian, the staff member assigned to this matter, at 202-523-4001.

Sincerely yours,

William G. Oldaker
General Counsel

Enclosure

7 8 0 4 0 0 7 0 1 1 3

MUR-5152 782-Christian

PS Form 3811, Nov. 1977

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):

Show to whom and date delivered.....

Show to whom, date, and address of delivery.....

RESTRICTED DELIVERY

Show to whom and date delivered.....

RESTRICTED DELIVERY

Show to whom, date, and address of delivery: \$.....

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

R.D. Cheeseman
Rt. 4, Scenic Hills
Martin, Tenn. 38237

3. ARTICLE DESCRIPTION:

| | | |
|----------------|---------------|-------------|
| REGISTERED NO. | CERTIFIED NO. | INSURED NO. |
| | 438167 | |

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY

R.D. Cheeseman

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK INPUTS

POSTMARK
MAY
20
1978

☆ GPO : 1977-O-234-337

4. On April 12, 1976, the Martin Bank, Martin, Tennessee, made a loan of thirty thousand dollars (\$30,000) to the Bates Committee.
5. To secure this loan a note was signed by Respondent and others, including candidate Larry Bates.
6. 2 U.S.C. §431(e)(5)(G)(ii) provides that loan by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution by each endorser or guarantor under 2 U.S.C. §431(e)(1)(A).
7. In addition to his guaranteeing the loan, Respondent made contributions to the Bates Committee totalling eight hundred dollars (\$800).
8. By guaranteeing the loan Respondent contributed \$7,500 to the Bates Committee, bringing Respondent's total individual contribution to eight thousand three hundred dollars (\$8,300), in violation of 2 U.S.C. §441a(a)(1)(A).
9. Respondent will pay to the Treasury of the United States a civil penalty of one hundred dollars (\$100).
10. Respondent will have his name removed from the note securing the loan from the Martin Bank to the Bates Committee.
11. Respondent will not endorse or guarantee loans in connection with a Federal election in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.

78040070120

78040070121

- 12. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against respondent with regard to the matters set forth in this agreement.
- 13. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
- 14. This Agreement shall become effective as of the date that both parties hereto have executed the same and the Commission has approved the entire Agreement.
- 15. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

Date

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
(202) 523-4143

Date

R. D. Cheeseman
Route 4, Scenic Hills
Martin, Tennessee 38237



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 17, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. William O. Snyder, Jr.
Raven Street
Martin, Tennessee 38237

Re: MUR 515(78)

Dear Mr. Snyder:

On May 10, 1978, the Commission determined there was reasonable cause to believe that you committed a violation of §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found reasonable cause to believe that you guaranteed a loan of \$30,000 by the Martin Bank of Martin, Tennessee, to the Committee of 1976 for Bates for Congress. Under the provisions of 2 U.S.C. §431(e)(5)(G)(ii) you thereby made a contribution of \$7,500 to the Bates Committee, raising your total individual contribution to the Bates Committee to \$8,000, in violation of the individual contribution limitations of 2 U.S.C. §441a(a)(1)(A).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement (2 U.S.C. §437g(a)(5)(B)). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute a civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5,000.



78040070122

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it (along with the civil penalty) to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Gary Christian, the staff member assigned to this matter, at 202-523-4001.

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure

ENC-515(78)-Christian

PS Form 3811, Apr. 1977

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
 Show to whom and date delivered. _____
 Show to whom, date, and address of delivery. _____
 RESTRICTED DELIVERY
 Show to whom and date delivered. _____
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$ _____
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
*Wm. Snyder, Jr.
 Raven Street
 Martin, Tenn. 38237*

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 _____ *438168* _____
 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
Wm O Snyder Jr

4. DATE OF DELIVERY _____

5. ADDRESS (Complete only if requested) _____

6. UNABLE TO DELIVER BECAUSE: _____

POSTMARK
 MARTIN
 MAY
 20
 1978

CLERK'S INITIALS
WCB

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

78040070107023

BEFORE THE FEDERAL ELECTION COMMISSION
May 1, 1978

In the Matter of)
) MUR 515 (78)
William O. Snyder, Jr.)

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities, and an investigation having been conducted and reasonable cause to believe having been found that William O. Snyder, Jr. ("Respondent") violated the provisions of 2 U.S.C. §441a(a)(1)(A).

NOW, THEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. The Committee of 1976 for Bates for Congress ("Bates Committee") was the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives from the Seventh District of Tennessee in the primary election held on August 5, 1976.

78040070124

4. On April 12, 1976, the Martin Bank, Martin, Tennessee, made a loan of thirty thousand dollars (\$30,000) to the Bates Committee.
5. To secure this loan a note was signed by Respondent and others, including candidate Larry Bates.
6. 2 U.S.C. §431(e)(5)(G)(ii) provides that a loan by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution by each endorser or guarantor under 2 U.S.C. §431(e)(1)(A).
7. In addition to his guaranteeing the loan, Respondent made contributions to the Bates Committee totalling five hundred dollars (\$500).
8. By guaranteeing the loan Respondent contributed \$7,500 to the Bates Committee, bringing Respondent's total individual contribution to eight thousand dollars (\$8,000), in violation of 2 U.S.C. §441a(a)(1)(A).
9. Respondent will pay to the treasury of the United States a civil penalty of one hundred dollars (\$100).
10. Respondent will have his name removed from the note securing the loan from the Martin Bank to the Bates Committee.
11. Respondent will not endorse or guarantee loans in connection with a Federal election in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.

78040070125

12. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against respondent with regard to the matters set forth in this agreement.
13. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437(g)(a)(1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
14. This Agreement shall become effective as of the date that both parties hereto have executed the same and the Commission has approved the entire Agreement.
15. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

78040070126

Date

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
(202) 523-4143

Date

William O. Snyder, Jr.
Raven Street
Martin, Tennessee 38237



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 17, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Tommy Bryant
Glenwood Estates
Martin, Tennessee 38237

Re: MUR 515(78)

Dear Mr. Bryant:

On May 10, 1978, the Commission determined there was reasonable cause to believe that you committed a violation of §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found reasonable cause to believe that you guaranteed a loan of \$30,000 by the Martin Bank of Martin, Tennessee, to the Committee of 1976 for Bates for Congress. Under the provisions of 2 U.S.C. §431(e)(5)(G)(ii) you thereby made a contribution of \$7,500 to the Bates Committee, raising your total individual contribution to the Bates Committee to \$7,640, in violation of the individual contribution limitations of 2 U.S.C. §441a(a)(1)(A).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement (2 U.S.C. §437g(a)(5)(B)). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute a civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5,000.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it (along with the civil penalty) to the Commission within ten days. I will then recommend that the Commission approve the agreement.



78040070127

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Gary Christian, the staff member assigned to this matter, at 202-523-4001.

Sincerely yours,

William C. Oldaker
William C. Oldaker
General Counsel

Enclosure

78040070128

MUR-515 Christian

PS Form 3811, Apr. 1977

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):

- Show to whom and date delivered.c
- Show to whom, date, and address of delivery.c
- RESTRICTED DELIVERY
Show to whom and date delivered.c
- RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$ ____
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
**Tommy Bryant
Glenwood Estates
Martin, Tenn. 38237**

3. ARTICLE DESCRIPTION:

| | | |
|----------------|---------------|-------------|
| REGISTERED NO. | CERTIFIED NO. | INSURED NO. |
| | 489169 | |

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

4. *Tommy Bryant*

DATE OF DELIVERY
5-20-78

5. ADDRESS (Complete on - if requested)
**ROUTE 4
MARTIN, TN 38237**

6. UNABLE TO DELIVER BECAUSE:

POSTMARK
MAY 20 1978

POSTER'S INITIALS
WCB

☆ GPO : 1977-O-234-337

BEFORE THE FEDERAL ELECTION COMMISSION
May 1, 1978 -

In the Matter of)
) MUR 515(78)
Tommy Bryant)

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities, and an investigation having been conducted and reasonable cause to believe having been found that Tommy Bryant ("Respondent") violated the provisions of 2 U.S.C. §441a(a)(1)(A):

NOW, THEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. The Committee of 1976 for Bates for Congress ("Bates Committee") was the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives from the Seventh District of Tennessee in the primary election held on August 5, 1976.

78040070129

4. On April 12, 1976, the Martin Bank, Martin, Tennessee, made a loan of thirty thousand dollars (\$30,000) to the Bates Committee.
5. To secure this loan a note was signed by Respondent and others, including candidate Larry Bates.
6. 2 U.S.C. §431(e)(5)(G)(ii) provides that a loan by a national or State bank in connection with a Federal election shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors. Such a loan is considered to be a contribution by each endorser or guarantor under 2 U.S.C. §431(e)(1)(A).
7. In addition to his guaranteeing the loan, Respondent made contributions to the Bates Committee totalling one hundred forty dollars (\$140).
8. By guaranteeing the loan Respondent contributed \$7,500 to the Bates Committee, bringing Respondent's total individual contribution to seven thousand six hundred forty dollars (\$7,640), in violation of 2 U.S.C. §441a(a)(1)(A).
9. Respondent will pay to the Treasury of the United States a civil penalty of one hundred dollars (\$100).
10. Respondent will have his name removed from the note securing the loan from the Martin Bank to the Bates Committee.
11. Respondent will not endorse or guarantee loans in connection with a Federal election in amounts in excess of those permitted by the Federal Election Campaign Act of 1971, as amended.

7 8 0 4 0 0 7 0 1 3 0

12. This conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission against respondent with regard to the matters set forth in this agreement.
13. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters at issue in this Agreement, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States Court for the District of Columbia.
14. This Agreement shall become effective as of the date that both parties hereto have executed the same and the Commission has approved the entire Agreement.
15. Respondent shall have up to and including thirty (30) days from the date this Agreement becomes effective to comply and implement the requirements contained in this Agreement and to so notify the Commission.

78040070131

Date

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
(202) 523-4143

Date

Tommy Bryant
Glenwood Estates
Martin, Tennessee 38237



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 17, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Miss Nancy J. Bacon
Treasurer
Committee of 1976 for Bates
for Congress
503 West Church Street
Union City, Tennessee 38261

Re: MUR 515(78)

Dear Miss Bacon:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that the Committee of 1976 for Bates for Congress ("Committee") may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act").

Specifically it appears that your committee violated 2 U.S.C. §441a(f) by knowingly accepting contributions from the following individuals in excess of the \$1,000 individual contribution limitation of 2 U.S.C. §441a(a)(1)(A): William Snyder, Jr. (\$8,000), R.D. Cheeseman (\$8,300), and Tommy Bryant (\$7,640). In addition your committee failed to report \$7,500 of these contributions as required by 2 U.S.C. §434.

The above amounts represent total contributions including \$7,500 which each individual contributed to the Committee by guaranteeing a loan of \$30,000 to the Committee by The Martin Bank, Martin, Tennessee. 2 U.S.C. §431(e)(5)(G) provides that a loan from a national or State bank "shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors." 2 U.S.C. §431(e)(1)(A) provides that a loan by an individual made to influence the election of any person to Federal office shall be considered a campaign contribution.

78040070132

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4001.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely yours

William C. Oldaker
General Counsel

78040070133

Christian - MUR-515

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):

- Show to whom and date delivered. _____ \$
- Show to whom, date, and address of delivery. _____ \$
- RESTRICTED DELIVERY
Show to whom and date delivered. _____ \$
- RESTRICTED DELIVERY
Show to whom, date, and address of delivery. _____ \$

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE, ADDRESSED TO: *Nancy Bacon*
Comm. of 1976 for State of Congress
503 West Church Street
Union City, Tenn. 38261

3. ARTICLE DESCRIPTION:

| | | |
|----------------|---------------|-------------|
| REGISTERED NO. | CERTIFIED NO. | INSURED NO. |
| | <i>488165</i> | |

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

Nancy Bacon

4. DATE OF DELIVERY *5-20-78* POSTMARK *MAY 20 1978*

5. ADDRESS (Complete only if requested)
503 w. Church

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS
Cloly



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 16, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS *MWE*

SUBJECT: MUR 515 (78) - Memorandum dated 5-15-78 & Letter
Received in OCS: 5-15-78, 12:00

The above-mentioned document was circulated on a 24 hour no-objection basis at 3:30 p.m., May 15, 1978.

As of 4:30 p.m., this date, no objections have been received in the Office of Commission Secretary to the proposed letter notifying the Bates Committee of the Commission's action.

78040070134



May 15, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 515

Please have the attached Memo and letter distributed
to the Commission on a 24 hour no-objection basis.

Thank you.

78040070135



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 15, 1978

MEMORANDUM

TO: The Commission

FROM: William C. Oldaker *W.C. Oldaker*
General Counsel

SUBJECT: MUR 515

On May 10 the Commission voted to find reason to believe the Committee of 1976 for Bates for Congress violated the Act.

Attached for your approval is a proposed letter notifying the Bates Committee of the Commission's action.

78040070136



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Miss Nancy J. Bacon
Treasurer
Committee of 1976 for Bates
for Congress
503 West Church Street
Union City, Tennessee 38261

Re: MUR 515(78)

Dear Miss Bacon:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that the Committee of 1976 for Bates for Congress ("Committee") may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act").

Specifically it appears that your committee violated 2 U.S.C. §441a(f) by knowingly accepting contributions from the following individuals in excess of the \$1,000 individual contribution limitation of 2 U.S.C. §441a(a)(1)(A): William Snyder, Jr. (\$8,000), R.D. Cheeseman (\$8,300), and Tommy Bryant (\$7,640). In addition your committee failed to report \$7,500 of these contributions as required by 2 U.S.C. §434.

The above amounts represent total contributions including \$7,500 which each individual contributed to the Committee by guaranteeing a loan of \$30,000 to the Committee by The Martin Bank, Martin, Tennessee. 2 U.S.C. §431(e)(5)(G) provides that a loan from a national or State bank "shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors." 2 U.S.C. §431(e)(1)(A) provides that a loan by an individual made to influence the election of any person to Federal office shall be considered a campaign contribution.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at (202) 523-4001.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely yours,

William C. Oldaker
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
William O. Snyder, Jr.)
R. D. Cheeseman)
Tommy Bryant)

MUR 515 (78)

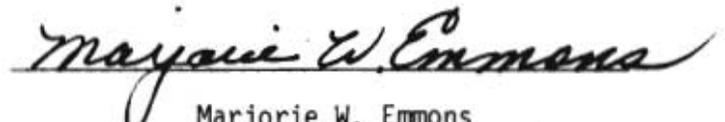
CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on May 10, 1978, the Commission determined by a vote of 5-1 to take the following actions in the above-captioned matter:

1. Find reasonable cause to believe that William O. Snyder, Jr., R. D. Cheeseman, and Tommy Bryant violated 2 U.S.C. Section 441a(a)(1)(A) in connection with their guaranteeing a loan and making contributions to the Committee of 1976 for Bates for Congress, and send the letters and proposed conciliation agreement attached to the report of the General Counsel signed May 5, 1978.
2. Find reason to believe that the Bates for Congress Committee was in violation of 2 U.S.C. Sections 441a(f) and 434(b).

Voting for this determination were Commissioners Aikens, Harris, Springer, Staebler, and Thomson. Commissioner Tiernan dissented.

Date: 5/12/78


Marjorie W. Emmons
Secretary to the Commission

78040070139

BEFORE THE FEDERAL ELECTION COMMISSION
May 1, 1978

In the Matter of)
) MUR 515 (78)
William O. Snyder, Jr.)
R.D. Cheeseman)
Tommy Bryant)

GENERAL COUNSEL'S REPORT

BACKGROUND

On April 12, 1976, the Martin Bank, Martin Tennessee, loaned \$30,000 to the Committee of 1976 for Bates for Congress, the principal campaign committee of Larry Bates, a candidate for the United States House of Representatives in the 1976 primary election. The loan was unsecured and was guaranteed by Messrs. Bates, William O. Snyder, Jr., R.D. Cheeseman, and Tommy Bryant. The Bates Committee reports stated that Mr. Bates was personally liable for the full \$30,000.

On March 7, 1978, the Commission found reason to believe Messrs. Snyder, Cheeseman, and Bryant violated 2 U.S.C. §441a(a) (1)(A) in connection with their guaranteeing the loan and thereby making contributions to the Bates Committee in excess of the individual contribution limitations of the Act.

In response to our letter notifying them of the Commission's action, respondents sent the attached material consisting of a cover letter (Attachment I), a statement signed by the Executive Vice President of the Martin Bank (Attachment II), and copies of the note signed for the loan (Attachment III), the loan payment record card (Attachment IV), and the cashier's check issued by the Martin Bank (Attachment V).

78040070140

ANALYSIS

Respondents contend that they signed the note solely in their capacities as officers of the finance committee of the Bates Committee. They maintain that neither they nor the bank considered respondents personally liable for any portion of the loan. As evidence to support this position they have submitted a statement signed by the Executive Vice President of the Martin Bank which states that the bank has always considered Bates to be personally liable for the full amount of the loan and that all payments to date have been from Bates' personal funds.

We believe that the explanation offered by respondents is insufficient to show that they did not violate 2 U.S.C. §441a(a) (1)(A). The note shows no distinction between the liabilities of Mr. Bates and the other three signers. Section 3-415(1) of the Uniform Commercial Code (as adopted in Tennessee) defines an accommodation party as "one who signs the instrument in any capacity for the purpose of lending his name to another party to it." Accepting respondents' contention that they signed the note "to demonstrate that the loan was for political purposes," it appears that under this section respondents signed the note as accommodation parties. U.S.C. §3-415(2) states "when an instrument has been taken for value before it is due the accommodation party is liable in the capacity in which he has signed even though the taker knows of the accommodation." In the case of In the Matter of Horace Carpenter, Debtor 363 F. Supp. 218 (1973), the U.S. District Court for the Western District of Tennessee held that under the above section of Tennessee law "an accommodation maker is primarily liable on a note."

73040070141

It is our opinion that the bank would be able to enforce the terms of the note against respondents were Mr. Bates to default on the loan. Although he may not have intended to do so, each respondent in fact guaranteed payment of the entire amount of the loan.

Under 2 U.S.C. §431(e)(5)(G)(ii) each guarantor is considered to have made a loan to the committee in that proportion of the total amount of the loan which the guarantor bears to the total number of guarantors. In this case each respondent is deemed to have made a loan of \$7,500 to the Bates Committee. 2 U.S.C. §431(e)(1)(A) defines such a loan as a contribution, placing respondents in violation of the contribution limitations of 2 U.S.C. §441a(a)(1)(A).

With the addition of the individual contributions respondents made to the Bates Committee, respondents appear to have contributed the following amounts in violation of 2 U.S.C. §441a(a)(1)(A): William O. Snyder, Jr.: \$8,000; R.D. Cheeseman: \$8,300; Tommy Bryant: \$7,640.

RECOMMENDATION

Find reasonable cause to believe William O. Snyder, Jr., R.D. Cheeseman, and Tommy Bryant violated 2 U.S.C. §441a(a)(1)(A) in connection with their guaranteeing a loan and making contributions to the Committee of 1976 for Bates for Congress. Send attached letters and proposed conciliation agreement.

5/5/78

Date



William C. Oldaker
General Counsel

78040070142

801067

YCC
3000

FEDERAL ELECTION COMMISSION

MAR 17 AM 11:58

March 14, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Christian

78040070143

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: Mur 515(78)

Dear Mr. Oldaker:

We have all received correspondence from you in reference to the above matter of essentially the same substance and content. The three of us comprised the Finance Committee of the Committee of 1976 for Bates for Congress, and on April 12, 1976, the Committee obtained a loan in the amount of \$30,000.00 from the Martin Bank of Martin, Tennessee, and each of us signed only in our capacities as members of the Finance Committee to demonstrate that the loan was for political purposes. The maker and guarantor of the note was the candidate himself, Larry Bates, who was the surety for the payment of the entire note, and we enclose herewith an affidavit by an officer of the bank attesting to that fact. We are also enclosing a copy of the note that was originally made, and a copy of the record showing how the funds were disbursed. We had to obtain these from Mr. Bates as he has responsibility of the note.

If to technically comply with minute details of the law we need a different note instrument, the bank has assured Mr. Bates that they will take care of any technicalities in re-writing the instrument if you see any problem with the way Mr. Bates has the matter structured at the present time.

It was not, and has never been, the intention of any of us to violate the spirit nor the letter of any provisions of the United States Code as it pertained to this campaign with which we were involved. Our signatures on the note were only in our capacities as members of the Finance Committee and complimentary in nature with the surety for the full payment of interest and principal on the note being the candidate, Larry Bates.

ATTACHMENT I

Mr. William C. Oldaker
March 14, 1978
Page 2

If you require any additional information, we will be most happy to respond immediately.

Sincerely,

William O. Snyder, Jr.
William O. Snyder, Jr.
Raven Street
Martin, Tennessee 38237

R. D. Cheeseman
R. D. Cheeseman
Scenic Hills
Martin, Tennessee 38237

Tommy Bryant
Tommy Bryant
Glenwood
Martin, Tennessee 38237

78040070144

STATE OF TENNESSEE
COUNTY OF WEAKLEY

On this, the 14th day of March, 1978, personally appeared before me, the undersigned Notary Public, William O. Snyder, Jr., R. D. Cheeseman, and Tommy Bryant, to me known to be the persons described in and who signed the foregoing letter, and acknowledged that they executed the same as their free act and deed.

WITNESS MY HAND and notarial seal of office this the day and year above written.

Sherry Christner
Notary Public

My Commission Expires: 4/19/81

KENNETH STANLEY
Executive Vice President



THE MARTIN BANK

POST OFFICE BOX 320 • MARTIN, TENNESSEE 38237 • TELEPHONE 587-3131

March 13, 1978

78040070145

To Whom It May Concern:

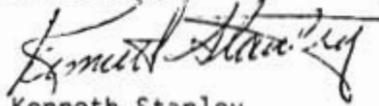
This statement verifies that on April 12, 1976, a note in the amount of \$30,000 was made to Bates For Congress Committee.

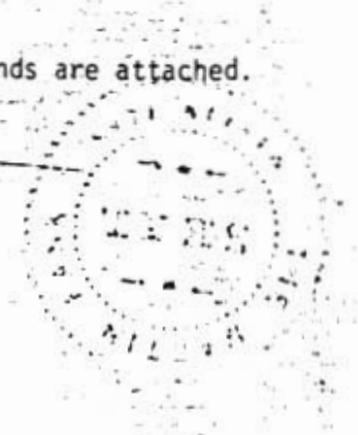
Mr. Bates assured The Martin Bank that he personally would be responsible for repayment of this note.

As evidence by the repayment schedule, \$4,561 plus interest has been paid on this note and these funds have come from Larry Bates as an individual.

Photo copies of note and disbursement of funds are attached.

Sincerely,


Kenneth Stanley
Executive Vice President



KS:img

Attachments

ATTACHMENT II

NAME Bates For Congress Committee

\$ 30,000.00

7 8 0 4 Martin Tenn. 7 0 1 4-18-76 1976

235
C O P F

FOR VALUE RECEIVED THE UNDERSIGNED PROMISES TO PAY TO THE ORDER OF THE MARTIN BANK

THE PRINCIPAL SUM OF Thirty Thousand Dollars and no/100 DOLLARS

TOGETHER WITH INTEREST FROM DATE AT THE RATE OF 8.5 % PER ANNUM. PRINCIPAL AND INTEREST PAYABLE AS FOLLOWS:

Six Months

IS PAYABLE AT THE MARTIN BANK, MARTIN, TENN. 38237

THE MAKERS, INDORSERS, AND SURETIES SEVERALLY WAIVE PRESENTMENT FOR PAYMENT, PROTEST AND NOTICE OF PROTEST FOR NON-PAYMENT OF THIS NOTE, AND ALL DEFENSES ON THE GROUND OF ANY EXTENSION OF TIME OF ITS PAYMENT THAT MAY BE GIVEN BY THE HOLDER TO THEM, OR EITHER OF THEM, OR TO THE MAKER OR MAKERS THEREOF, AND IF NOT PAID AT MATURITY AND IT BECOMES NECESSARY TO PUT IT IN THE HANDS OF AN ATTORNEY FOR COLLECTION, I, OR WE, AGREE TO PAY A REASONABLE ATTORNEY'S FEE AND ALL COSTS OF COLLECTION.

Bates for Congress Committee

NO 6124 DUE _____

ADDRESS _____

Walter J. Bryant
[Signature]
Ed. H. Chuseman

ATTACHMENT III

PURCHASER'S RECEIPT
RETAIN FOR YOUR RECORDS

MB The Martin Bank
Martin, Tenn.

87-162/843

0 7 0 1 4 8

5217

PURCHASED BY

April 12, 1976 19

PAYABLE TO Larry Bates for Congress Committee

FEE PAID \$ 30,000.00

30000 DOLLARS

DOLLARS

MEMORANDUM

CASHIER'S CHECK

FOR _____

NON NEGOTIABLE

ATTACHMENT V



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. William O. Snyder, Jr.
Raven Street
Martin, Tennessee 38237

Re: MUR 515(78)

Dear Mr. Snyder:

On May , 1978, the Commission determined there was reasonable cause to believe that you committed a violation of §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found reasonable cause to believe that you guaranteed a loan of \$30,000 by the Martin Bank of Martin, Tennessee, to the Committee of 1976 for Bates for Congress. Under the provisions of 2 U.S.C. §431(e)(5)(G)(ii) you thereby made a contribution of \$7,500 to the Bates Committee, raising your total individual contribution to the Bates Committee to \$8,000, in violation of the individual contribution limitations of 2 U.S.C. §441a(a)(1)(A).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement (2 U.S.C. §437g(a)(5)(B)). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute a civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5,000.

78040070149



We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it (along with the civil penalty) to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Gary Christian, the staff member assigned to this matter, at 202-523-4001.

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure

78040070150



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. R. D. Cheeseaman
Route 4, Scenic Hills
Martin, Tennessee 38237

Re: MUR 515(78)

Dear Mr. Cheeseaman:

On May , 1978, the Commission determined there was reasonable cause to believe that you committed a violation of §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found reasonable cause to believe that you guaranteed a loan of \$30,000 by the Martin Bank of Martin, Tennessee, to the Committee of 1976 for Bates for Congress. Under the provisions of 2 U.S.C. §431(e)(5)(G)(ii) you thereby made a contribution of \$7,500 to the Bates Committee, raising your total individual contribution to the Bates Committee to \$8,300, in violation of the individual contribution limitations of 2 U.S.C. §441a(a)(1)(A).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement (2 U.S.C. §437g(a)(5)(B)). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute a civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5,000.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it (along with the civil penalty) to the Commission within ten days. I will then recommend that the Commission approve the agreement.

78040070151



We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it (along with the civil penalty) to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Gary Christian, the staff member assigned to this matter, at 202-523-4001.

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure

7 8 0 4 0 0 7 0 1 5 2



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Tommy Bryant
Glenwood Estates
Martin, Tennessee 38237

Re: MUR 515(78)

Dear Mr. Bryant:

On May , 1978, the Commission determined there was reasonable cause to believe that you committed a violation of §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found reasonable cause to believe that you guaranteed a loan of \$30,000 by the Martin Bank of Martin, Tennessee, to the Committee of 1976 for Bates for Congress. Under the provisions of 2 U.S.C. §431(e)(5)(G)(ii) you thereby made a contribution of \$7,500 to the Bates Committee, raising your total individual contribution to the Bates Committee to \$7,640, in violation of the individual contribution limitations of 2 U.S.C. §441a(a)(1)(A).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement (2 U.S.C. §437g(a)(5)(B)). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute a civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5,000.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it (along with the civil penalty) to the Commission within ten days. I will then recommend that the Commission approve the agreement.

7 8 0 4 0 0 7 0 1 5 3



If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Gary Christian, the staff member assigned to this matter, at 202-523-4001.

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure

7 8 0 4 0 0 7 0 1 5 4

801067

RECEIVED
FEDERAL ELECTION
COMMISSION

YCC
3000

'78 MAR 17 AM 11:58

March 14, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: Mur 515(78)

Dear Mr. Oldaker:

We have all received correspondence from you in reference to the above matter of essentially the same substance and content. The three of us comprised the Finance Committee of the Committee of 1976 for Bates for Congress, and on April 12, 1976, the Committee obtained a loan in the amount of \$30,000.00 from the Martin Bank of Martin, Tennessee, and each of us signed only in our capacities as members of the Finance Committee to demonstrate that the loan was for political purposes. The maker and guarantor of the note was the candidate himself, Larry Bates, who was the surety for the payment of the entire note, and we enclose herewith an affidavit by an officer of the bank attesting to that fact. We are also enclosing a copy of the note that was originally made, and a copy of the record showing how the funds were disbursed. We had to obtain these from Mr. Bates as he has responsibility of the note.

If to technically comply with minute details of the law we need a different note instrument, the bank has assured Mr. Bates that they will take care of any technicalities in re-writing the instrument if you see any problem with the way Mr. Bates has the matter structured at the present time.

It was not, and has never been, the intention of any of us to violate the spirit nor the letter of any provisions of the United States Code as it pertained to this campaign with which we were involved. Our signatures on the note were only in our capacities as members of the Finance Committee and complimentary in nature with the surety for the full payment of interest and principal on the note being the candidate, Larry Bates.

78040070155

Mr. William C. Oldaker
March 14, 1978
Page 2

If you require any additional information, we will be most happy to respond immediately.

Sincerely,

William O. Snyder, Jr.
William O. Snyder, Jr.
Raven Street
Martin, Tennessee 38237

R. D. Cheeseman
R. D. Cheeseman
Scenic Hills
Martin, Tennessee 38237

Tommy Bryant
Tommy Bryant
Glenwood
Martin, Tennessee 38237

78040070156

STATE OF TENNESSEE
COUNTY OF WEAKLEY

On this, the 14th day of March, 1978, personally appeared before me, the undersigned Notary Public, William O. Snyder, Jr., R. D. Cheeseman, and Tommy Bryant, to me known to be the persons described in and who signed the foregoing letter, and acknowledged that they executed the same as their free act and deed.

WITNESS MY HAND and notarial seal of office this the day and year above written.

Sherry Chronister
Notary Public

My Commission Expires: 4/19/81

KENNETH STANLEY
Executive Vice President



THE MARTIN BANK

POST OFFICE BOX 320 • MARTIN, TENNESSEE 38237 • TELEPHONE 587-3131

March 13, 1978

To Whom It May Concern:

This statement verifies that on April 12, 1976, a note in the amount of \$30,000 was made to Bates For Congress Committee.

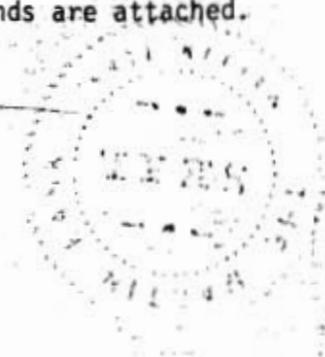
Mr. Bates assured The Martin Bank that he personally would be responsible for repayment of this note.

As evidence by the repayment schedule, \$4,561 plus interest has been paid on this note and these funds have come from Larry Bates as an individual.

Photo copies of note and disbursement of funds are attached.

Sincerely,

Kenneth Stanley
Executive Vice President



KS:img

Attachments

78040070157

NAME Bates For Congress Committee

\$ 30,000.00

78040701 5-18-76 1976
Martin, Tenn.

235
C O P F

FOR VALUE RECEIVED THE UNDERSIGNED PROMISES TO PAY TO THE ORDER OF THE MARTIN BANK

THE PRINCIPAL SUM OF Thirty Thousand Dollars and no/100 DOLLARS

TOGETHER WITH INTEREST FROM DATE AT THE RATE OF 8.5 % PER ANNUM. PRINCIPAL AND INTEREST PAYABLE AS FOLLOWS:

Six Months

IS PAYABLE AT THE MARTIN BANK, MARTIN, TENN. 38237

THE MAKERS, INDORSERS, AND SURETIES SEVERALLY WAIVE PRESENTMENT FOR PAYMENT, PROTEST AND NOTICE OF PROTEST FOR NON-PAYMENT OF THIS NOTE, AND ALL DEFENSES ON THE GROUND OF ANY EXTENSION OF TIME OF ITS PAYMENT THAT MAY BE GIVEN BY THE HOLDER TO THEM, OR EITHER OF THEM, OR TO THE MAKER OR MAKERS THEREOF, AND IF NOT PAID AT MATURITY AND IT BECOMES NECESSARY TO PUT IT IN THE HANDS OF AN ATTORNEY FOR COLLECTION, I, OR WE, AGREE TO PAY A REASONABLE ATTORNEY'S FEE AND ALL COSTS OF COLLECTION.

Bates for Congress Committee

NO 6-124 DUE

[Handwritten signature]
[Handwritten signature]
[Handwritten signature]

ADDRESS

PURCHASER'S RECEIPT
RETAIN FOR YOUR RECORDS



The Martin Bank
Martin, Tenn.

070160

87-162/843

5217

PURCHASED BY

April 12, 1976 19

PAYABLE TO Larry Bates for Congress Committee

FEE PAID \$ 30,000.00

30000.00 DOLLARS

MEMORANDUM

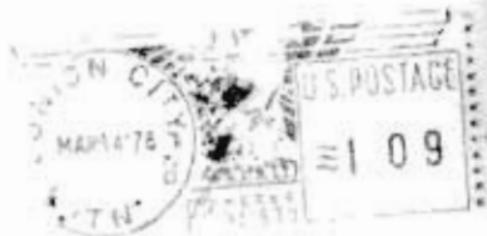
CASHIER'S CHECK

FOR _____

NON NEGOTIABLE

W. O. Snyder, Jr.
403 Lindell
Martin, TN 38237

FEDERAL ELECTION COMMISSION



7 RETURN RECEIPT REQUESTED

CERTIFIED

No. 788520

MAIL

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

7 8 CERTIFIED MAIL
RETURN RECEIPT REQUESTED

RETURN RECEIPT REQUESTED



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 8, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. R. D. Cheeseman
Route 4, Scenic Hills
Martin, TN 38237

Re: MUR 515(78)

Dear Mr. Cheeseman:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended.

Specifically, it appears that you violated the individual contribution limitations of 2 U.S.C. §441a(a)(1)(A) by guaranteeing, with three other persons, a loan of \$30,000 to the Committee of 1976 for Bates for Congress made on April 12, 1976, by The Martin Bank of Martin, Tennessee. 2 U.S.C. §431(e)(5)(G) states that such a loan "shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors." 2 U.S.C. §431(e)(1)(A) provides that a loan by an individual made to influence the election of any person to Federal office shall be considered as a campaign contribution. Your share of the loan is \$7,500 which, when added to the \$800 you also contributed to the Bates Committee, raises your total contribution to \$8,300, in violation of 2 U.S.C. §441a(a)(1)(A).

78040070162



We request that you submit a copy of the promissory note signed in connection with the loan in question as well as copies of any other documents relating to the loan.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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. The Commission is under a duty to conduct its investigation expeditiously; therefore the requested documents and response should be submitted within five days of your receipt of this letter.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at 202-523-1475. We have numbered this matter MUR 515(78).

This matter will remain confidential in accordance with 2 U.S.C. §437g(a) (3) (B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely yours,

William C. Oldaker
General Counsel

7 8 0 4 0 0 7 0 1 6 3

PS Form 3811, Apr. 1977

78040070163

MUR 515 **SULTON**

1. The following service is requested (check one):
 Show to whom and date delivered
 Show to whom, date, and address of delivery
 RESTRICTED DELIVERY
 Show to whom and date delivered
 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery: \$
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Mr. R. D. Chumman
 Quality 4, Lane Hills
 Nashville, TN 38257

3. ARTICLE DESCRIPTION:
 REGISTERED NO. 438439 INSURED NO.

(Always obtain signature of addressee or agent)
 I have received the article described above.
 SIGNATURE *R. D. Chumman* Addressee Authorized agent

DATE OF DELIVERY
 MAR 17 1978

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS
CPG

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 8, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. William O. Snyder, Jr.
Raven Street
Martin, TN 38237

Re: MUR 515(78)

Dear Mr. Snyder:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended.

Specifically, it appears that you violated the individual contribution limitations of 2 U.S.C. §441a(a)(1)(A) by guaranteeing, with three other persons, a loan of \$30,000 to the Committee of 1976 for Bates for Congress made on April 12, 1976, by The Martin Bank of Martin, Tennessee. 2 U.S.C. §431(e)(5)(G) states that such a loan "shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors." 2 U.S.C. §431(e) provides that a loan by an individual made to influence the election of any person to Federal office shall be considered as a campaign contribution. Your share of the loan is \$7,500 which, when added to the \$500 you also contributed to the Bates Committee, raises your total contribution to \$8,000 in violation of 2 U.S.C. §441a(a)(1)(A).

7 8 0 4 0 0 7 0 1 6 4



We request that you submit a copy of the promissory note signed in connection with the loan in question as well as copies of any other documents relating to the loan.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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. The Commission is under a duty to conduct its investigation expeditiously; therefore, the requested documents and your response should be submitted within five days of your receipt of this letter.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at 202-523-1475). We have numbered this matter MUR 515(78).

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely yours,

William C. Oldaker
General Counsel

78040070165

Due Jan 31 1978

SENDER: Complete items 1, 2, and 3, and Add your address in the "RETURN TO" box on reverse.

1. The following service is requested (check one):
 Show to whom and date delivered.
 Show to whom, date, and address of delivery.
 RESTRICTED DELIVERY
 Show to whom and date delivered.
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery.
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Mr. William O. Snyder, Jr.
 Raven Street
 Martin TN 38237

3. ARTICLE DESCRIPTION:
 REGISTERED NO. 438440 INSURED NO.
 (Always obtain signature of addressee if signed)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
 Eric Dupli

4. DATE OF DELIVERY 3-11-78 POSTMARK
 405 Colby St
 Martin Tenn 38237

5. ADDRESS (Complete only if requested)
 UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO : 1977-O-234-337

U.S. FORM 3811, Jan. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 8, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Tommy Bryant
Glenwood Estates
Martin, TN 38237

Re: MUR 515(78)

Dear Mr. Bryant:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended.

Specifically, it appears that you violated the individual contribution limitations of 2 U.S.C. §441a(a) (1) (A) by guaranteeing, with three-other persons, a loan of \$30,000 to the Committee of 1976 for Bates for Congress made on April 12, 1976, by The Martin Bank of Martin, Tennessee. 2 U.S.C. §431(e) (5) (G) states that such a loan "shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers of guarantors." 2 U.S.C. §431(e) (1) (A) provides that a loan by an individual made to influence the election of any person to Federal office shall be considered as a campaign contribution. Your share of the loan is \$7,500 which, when added to the \$140 you also contributed to the Bates Committee, raises your total contribution to \$7,640, in violation of 2 U.S.C. §441a(a) (1) (A).

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We request you submit a copy of the promissory note signed in connection with the loan in question as well as copies of any other documents relating to the loan.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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. The Commission is under a duty to conduct its investigation expeditiously; therefore the requested documents and your response should be submitted within five days of your receipt of this letter.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at 202-523-1475. We have numbered this matter MUR 515(78).

This matter will remain confidential in accordance with 2 U.S.C. §437g(a) (3) (B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely yours,

William C. Oldaker
General Counsel

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Over 515

● SENDER: Complete items 1., 2., and 3. Add your address in the RETURN TO space on reverse.

1. The following service is requested (check one):
 Show to whom and date delivered.
 Show to whom, date, and address of delivery.
 RESTRICTED DELIVERY Show to whom and date delivered.
 RESTRICTED DELIVERY Show to whom, date, and address of delivery.
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
*Mr. Jimmy Bryant
 Glenwood Estates
 Houston, TX 77027*

3. ARTICLE DESCRIPTION: CERTIFIED NO. INSURED NO.
 REGISTERED NO. *438437*

(Always obtain signature of addressee or agent)
 I have received the article described above.
 SIGNATURE: *[Signature]* Address: Authorized agent:

DATE OF DELIVERY: *[Signature]*

5. ADDRESS (Complete only if requested):
 MAR 13 1978
 CLERK'S OFFICE
 TRIALS
[Signature]

6. UNABLE TO DELIVER BECAUSE:

U.S. Form 3811, Apr. 1977 RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

U.S. GPO : 1977-O-234-337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
William O. Snyder, Jr.)
R. D. Cheeseman)
Tommy Bryant)

MUR 515 (78)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 7, 1978, the Commission accepted the recommendations of the General Counsel to find reason to believe William O. Snyder, R. D. Cheeseman, and Tommy Bryant violated 2 U.S.C. §441a(a)(1)(A) in connection with their guaranteeing a loan and making contributions to the Committee of 1976 for Bates for Congress and the sending of the letter attached to the General Counsel's Report notifying respondents of the violation.

Date: 3-7-78

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Report Dated:
Received in Commission Secretary's Office:
Circulated to the Commissioners:
Method of Circulation:

Undated
March 3, 1978, 1:03
March 6, 1978, 11:00
24 Hour No-Objection Basis

78040070168

March 3, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 515

Please have the attached 7 day report on MUR 515 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

78040070169

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION _____

MUR NO. 515 (78)
DATE COMPLAINT RECEIVED
BY OGC _____
STAFF _____
MEMBER Christian

COMPLAINANT'S NAME: Internally generated pursuant to General Counsel
review of House candidates / Committees from the 1976 loan
survey project which indicated that possible violations had
occurred. See attachment.

RESPONDENT'S NAME: William O. Snyder, Jr.
R. D. Cheeseman
Tommy Bryant

RELEVANT STATUTE: 2 U.S.C. §441a(a)(1)(A)
2 U.S.C. §431(e)
2 U.S.C. §441b

INTERNAL REPORTS CHECKED: Committee Reports

FEDERAL AGENCIES CHECKED: Comptroller of the Currency

SUMMARY OF ALLEGATIONS

This matter arose from information developed in the
course of reviewing loans to 1976 principal campaign
committees. William O. Snyder, Jr., R. D. Cheeseman, and
Tommy Bryant (along with candidate Larry Bates) appear to
have guaranteed a \$30,000 loan to the Committee of 1976
for Bates for Congress ("Bates Committee"), thereby viola-
ting the contribution limitations of 2 U.S.C. §441a(a)(1)(A)
as defined in 2 U.S.C. §431(e).

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On April 12, 1976, The Martin Bank of Martin, Tennessee (a State bank) "made a loan of \$30,000 to the Bates Committee, the principal campaign committee of Larry Bates, a candidate in the 1976 primary election in the 7th Congressional District of Tennessee. The loan was guaranteed by Mr. Bates, William G. Snyder, Jr. (campaign committee chairman), R. D. Cheeseman (campaign committee co-chairman), and Tommy Bryant (Assistant Administrator, Volunteer General Hospital, Martin, Tennessee). The Commission sent a Request for Additional Information (Attachment I) asking the amount endorsed by each guarantor; the Bates Committee responded by filing an amended Schedule C which stated as to Mr. Bates: "Amount guaranteed \$30,000."

The Bates Committee's reports show the following repayments on the loan: \$1,775 on October 10, 1976 (\$500 principal, \$1,275 interest); \$200 on November 29, 1976 (prepayment of principal); and \$3,747.56 on April 12, 1977 (\$2,500 principal, \$1,247.56 interest). This repayment schedule indicates an unamortized 10 year loan, payable semiannually, at an annual interest rate of 8.5% (4.25% on the remaining balance every six months).

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The fact that the bank required four guarantors suggests that the loan was probably unsecured.

LEGAL ANALYSIS

A. Possible Violation by Guarantors

Although the amended Schedule C suggests that Mr. Bates is liable for the full amount of the loan, 2 U.S.C. §431(e)(5)(G) states that a loan made by a bank "shall be considered to be a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors." For the purposes of the Act then, each guarantor is deemed to have made a loan of \$7,500 to the Bates Committee. 2 U.S.C. §431(e)(1)(A) defines such a loan as a contribution, placing the guarantors (other than Mr. Bates) in violation of the contribution limitations of 2 U.S.C. §441a(a)(1)(A).

The three guarantors made direct contributions to the Bates Committee in addition to guaranteeing the loan. By adding these contributions to each guarantor's share of the loan, the respondents appear to have contributed the following amounts to the Bates Committee: William O. Snyder, Jr.: \$8,000; R.D. Cheeseman: \$8,300; Tommy Bryant: \$7,640.

B. Possible Violation by the Bank -- Loans in the "Ordinary Course of Business"

We do not have enough information at the present time to

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make any recommendation as to whether the loan was made outside the ordinary course of business and therefore violated 2 U.S.C. §441b. A bank examiner at the Office of the Comptroller of the Currency informed an OGC staff member that such a loan, while not necessarily an unsound banking practice, depending on the financial standing of the guarantors, would be unusual in that banks normally do not loan such a large amount of money for a ten year period on an unsecured note. We note that Mr. Bates is Chairman of the Board of a neighboring bank, but the information we have at the present time does not suggest that this loan was outside the ordinary course of business.

RECOMMENDATION

Find reason to believe William O. Snyder, R. D. Cheeseman, and Tommy Bryant violated 2 U.S.C. §441a(a)(1)(A) in connection with their guaranteeing a loan and making contributions to the Committee of 1976 for Bates for Congress. Send attached letters.

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Attachment I

FEDERAL ELECTION COMMISSION
Washington, D.C. 20463

TO: CONGRESS OF 1975 FOR SALES FOR CONGRESS DATE: 10 APRIL 1977
TH/07 I.D. NO.: 000081709

REQUEST FOR ADDITIONAL INFORMATION FOR THE April 10 REPORT OF RECEIPTS
AND EXPENDITURES COVERING THE PERIOD 1/1/77 THROUGH 3/31/77
PURSUANT TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971, AS AMENDED.

A review of the report indicates that additional information is needed in order to be considered complete. Please return a copy of this form with your amended submission(s).

Please provide the required data, as indicated (x):

- Coverage Dates omitted or incorrect
- Signature omitted or incorrect
- Summary Page Line(s) Column(s) Totals omitted or incorrect
- Detailed Summary (Page 2) Line(s) Column(s) Totals omitted or incorrect
- Schedule Totals disagree with Detailed Summary (Page 2) or omitted
- Date(s) omitted or inadequate for Schedule(s) Line(s)
- Full Name(s) Omitted for Schedule(s) Line(s)
- Mailing Address(es) omitted or inadequate for Schedule(s) Line(s)
- Occupational Descriptions omitted or inadequate for Schedule(s) Line(s)
- Principal Place(s) of Business omitted or inadequate for Schedule(s) Line(s)
- Aggregate Year-to-Date Totals omitted or inadequate for Schedule(s) Line(s)
- Nature or Purpose of Expenditure omitted or inadequate for Schedule(s) Line(s)
- Nature or Purpose of Receipt omitted or inadequate for Schedule(s) Line(s)
- Inadequate Description of proceeds dates events location of Schedule
- Other: Please submit an amended Schedule C disclosing the amount endorsed by each
guarantor for the loan of \$20,000 from Martin Bank. (Form attached)

Your initial submission(s), together with this request for additional information, has been made available for public inspection. The Commission urges you to file the additional submission(s) promptly to the above address. If you have any questions regarding this request, please call the Disclosure Division toll free at (800) 424-9530. Its local Washington, D.C. telephone number is (202) 523-4900.

Senate filers should file their submission(s) with the Secretary of the Senate, Office of Public Records, 119 D St., E., Washington, D.C. 20510. House filers should file their submission(s) with the Clerk of the House, Office of records and Registration, 1036 Longworth House Office Building, Washington, D.C. 20515.



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. R. D. Cheeseman
Route 4, Scenic Hills
Martin, TN 38237

Re: MUR 515(78)

Dear Mr. Cheeseman:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended.

Specifically, it appears that you violated the individual contribution limitations of 2 U.S.C. §441a(a)(1)(A) by guaranteeing, with three other persons, a loan of \$30,000 to the Committee of 1976 for Bates for Congress made on April 12, 1976, by The Martin Bank of Martin, Tennessee. 2 U.S.C. §431(e)(5)(G) states that such a loan "shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors." 2 U.S.C. §431(e)(1)(A) provides that a loan by an individual made to influence the election of any person to Federal office shall be considered as a campaign contribution. Your share of the loan is \$7,500 which, when added to the \$800 you also contributed to the Bates Committee, raises your total contribution to \$8,300, in violation of 2 U.S.C. §441a(a)(1)(A).

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We request that you submit a copy of the promissory note signed in connection with the loan in question as well as copies of any other documents relating to the loan.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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. The Commission is under a duty to conduct its investigation expeditiously; therefore, the requested documents and your response should be submitted within five days of your receipt of this letter.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at 202-523-1475). We have numbered this matter MUR 515(78).

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely yours,

William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Tommy Bryant
Glenwood Estates
Martin, TN 38237

Re: MUR 515(78)

Dear Mr. Bryant:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended.

Specifically, it appears that you violated the individual contribution limitations of 2 U.S.C. §441a(a)(1)(A) by guaranteeing, with three other persons, a loan of \$30,000 to the Committee of 1976 for Bates for Congress made on April 12, 1976, by The Martin Bank of Martin, Tennessee. 2 U.S.C. §431(e)(5)(G) states that such a loan "shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers of guarantors." 2 U.S.C. §431(e)(1)(A) provides that a loan by an individual made to influence the election of any person to Federal office shall be considered as a campaign contribution. Your share of the loan is \$7,500 which, when added to the \$140 you also contributed to the Bates Committee, raises your total contribution to \$7,640, in violation of 2 U.S.C. §441a(a)(1)(A).

78040070178



We request that you submit a copy of the promissory note signed in connection with the loan in question as well as copies of any other documents relating to the loan.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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. The Commission is under a duty to conduct its investigation expeditiously; therefore, the requested documents and your response should be submitted within five days of your receipt of this letter.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at 202-523-1475). We have numbered this matter MUR 515(78).

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely yours,

William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED FILE
RETURN RECEIPT REQUESTED

Mr. William O. Snyder, Jr.
Raven Street
Martin, TN 38237

Re: MUR 515(78)

Dear Mr. Snyder:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended.

Specifically, it appears that you violated the individual contribution limitations of 2 U.S.C. §441a(a)(1)(A) by guaranteeing, with three other persons, a loan of \$30,000 to the Committee of 1976 for Bates for Congress made on April 12, 1976, by The Martin Bank of Martin, Tennessee. 2 U.S.C. §431(e)(5)(G) states that such a loan "shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors." 2 U.S.C. §431(e) provides that a loan by an individual made to influence the election of any person to Federal office shall be considered as a campaign contribution. Your share of the loan is \$7,500 which, when added to the \$500 you also contributed to the Bates Committee, raises your total contribution to \$8,000 in violation of 2 U.S.C. §441a(a)(1)(A).

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We request that you submit a copy of the promissory note signed in connection with the loan in question as well as copies of any other documents relating to the loan.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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. The Commission is under a duty to conduct its investigation expeditiously; therefore the requested documents and response should be submitted within five days of your receipt of this letter.

If you have any questions, please contact Gary Christian, the staff member assigned to this matter, at 202-523-1475. We have numbered this matter MUR 515(78).

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely yours,

William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

November 11, 1977

MEMORANDUM TO: The Commission

THROUGH : William C. Oldaker *Bill*

FROM : Lester Scall
William Yowell

SUBJECT : Analysis of 1976 Congressional Campaign
Loan Activity and Recommendations

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I. INTRODUCTION

The General Counsel's staff has completed an analysis of the loan activity of all House and Senate candidates and committees for the 1976 election to determine the extent of compliance with the loan provisions of the Act.^{1/} Our findings and recommendations for further action by the Commission, are as follows:

II. FINDINGS:

For the purposes of this study, we have divided the apparent violators into two groups. The first group consists of candidates and committees who reported loans totalling less than \$30,000 and who have either not reported one or more of the following items or have reported loans which on the surface indicate a violation (e.g. greater than limit):

1/ Due to the large number of reports with loan activity (over 750 in the House and Senate), the candidates/committees that have very small loans (generally less than \$5,000) and whose reports have few errors and omissions were eliminated, leaving approximately 275 reports.



- a. Interest rates of loans
- b. Dates of maturity
- c. Terms of security, guarantee, and endorsement.
- d. Loans or contributions on candidates reports.
- e. Carrying forward debts and loans as continuing obligations.
- f. Reporting of previously undisclosed loans receipts.
- g. Indication of loan repayments or interest rates and no report of original loan.

The majority of reports fall within this group; there are approximately 150 reports that do not include one or more of the above items; and the loans involved in these reports amount to approximately \$4,000,000, an average of \$26,666 per report. For each of these candidates/committees, we have prepared spread sheets that include all reported details of the loans.

In the second group we have placed candidates and committees who have reported loans of more than \$30,000 with apparent surface reporting violations as well as those which show certain questionable patterns and relationships of individuals and institutions, receipt of loans apparently exceeding the limits where full details of the transactions are not given and those in which the following circumstances occur:

- a. Loans not carried as debts
- b. Loans quaranteed by individuals in excess of the Act's limitation regulations.
- c. Excessive loans (generally greater than \$2500) made by individuals
- d. Report does not adequately show source and basis on which loan was forgiven.
- e. Report intermingles candidate's loans and contributions.

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We identified 81 candidates and committees who fell in this group. The total amount of money involved in this group is approximately \$10,858,948 with an average of \$134,061.00 per report. Attached is a listing of all House and Senate candidates and committees together with the pertinent information concerning the reports (Enclosure 1).

III. RECOMMENDATION:

Assign MUR numbers to the second category violations; treat the first category violations as failure to report and handle on an initial basis through the Disclosure Division.

A. First Category:

Because of the large number of cases in this category, Disclosure should screen the reports and decide which of these 150 reports to follow up using the spread sheets we have prepared grouping together those with the largest loans. A decision to take no further action at this stage should be accompanied by a short written closing on each case which would be forwarded through OGC. For the cases where further action is warranted, a form letter similar to the RFAI letter should be sent.

Depending on the information obtained from the committees or their lack of response, some of those cases would then either be referred to OGC and be handled in the same fashion as second category cases, or be closed by Disclosure after conferring with OGC. Again, reports closed should be transmitted through OGC.^{2/}

B. Second Category:

Enforcement staff would recommend on a case-by-case basis whether: anRTB finding is warranted; whether other information is needed (sending a letter similar to an RFAI letter); whether the matter should be referred to Disclosure; or whether the matter should be closed.

^{2/} Because of the time that has elapsed since the 1976 elections, it can be expected that in some instances where committees have terminated, the present whereabouts of individuals connected with the loans may be difficult to determine.

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To assist in the dissemination of second category reports, the list of reports was divided according to amount, House and Senate, and alphabetically by state. All reports containing MURs have been noted below the name of the candidate/committee. The reports have been subdivided, and we would start with the thirty reports showing the largest loans, basically loans larger than \$100,000, (List A). Those reports that had MURs assigned to them identified with loan activity were removed from the second category list. (The reports with loans and unrelated MURs will be assigned to the team which has been working on the MUR.)

IV. SUMMARY:

Although it appears as though it will be necessary to be selective in deciding what cases to pursue, a review of the attached list gives some idea of the extent of the problem and potential for abuse. Even if the Commission concludes that no action is warranted in some cases, we believe that case by case review of 1976 activity should be valuable in assuring that this important source of campaign financing receives close scrutiny.

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CATEGORY II Listing of - House and Senate
Candidate/Committee Loan Activity

A. Greater than \$100,000

The following House and Senate Candidates and Committees have the largest reported loans in question:

House:

| State | Candidate/Committee | Type of Activity | Approximate Amount |
|-------|------------------------------|--|--------------------|
| | al/Friends of MUR | Very large loans from candidate to committee and no details of source of candidates funds, terms, etc. | \$507,000.00 |
| | | same as above and not carried as debt | \$274,429.00 |
| | | same as above | \$244,678.67 |
| | for Congress Committee | same as above | \$236,000.99 |
| | for Congress Committee | report indicates committee has no debts but no indication of liquidation of loan. Loans obtained from candidate with no further details. | \$184,500.00 |
| | y/ for Congress Committee | No details of candidates loan to committee. Also, only \$76,600 carried as debt. Balance repaid or what? | \$146,600.00 |
| | n | \$75,000 guaranteed by . . . but no terms, security, interest rates etc. No details of balance of loan. | \$138,364.08 |

enclosure 1

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House:

| State | Candidate/Committee | Type of Activity | Approximate Amount |
|-------|--|---|--------------------|
| | .1 for Congress Committee | Loan from candidate and Bank of . None of the loan was carried as a debt. \$50,145 repaid bank-nothing to candidate | \$133,145.00 |
| | Congressional Campaign Committee | \$16,378.03 unitemized loan. \$112,378.03 loans and \$12,500 in debts to individuals. | \$124,878.00 |
| | Larry Bates | Large loans and no details | \$120,000.00 |
| | ./ for Congress | same as above | \$119,486.00 |
| | Rep. Congress '76 Committee | Large loan from candidate and small one from bank. Both need more details. | \$114,971.25 |
| | for Congress | Large loan and no details | \$112,900.00 |
| | for Congress | same as above | \$108,500.00 |
| | in '76 Committee | Large loan from bank guaranteed by candidate with no terms etc. | \$105,924.74 |
| | for Congress | Candidate contributed \$100,000 and loaned \$100,000 to committee, no terms, etc. | \$100,000.00 |

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Senate:

| State | Candidate/Committee | Type of Activity | Approximate Amount |
|-------|---------------------|--|--------------------|
| | | Contributions from candidate not shown on candidates reports. No details of large bank loans to committee from ; and | \$2,474,012.00 |
| | | Very large contribution from candidate to committee and no details of source of funds. | \$676,836.70 |
| | | Same as above | \$484,700.000 |
| | (MUR | Same as above except loan involved instead of contribution. | \$240,000.00 |
| | | Candidate contributed and loaned money to his committee with no details. | \$189,000.00 |
| | | Large loan and no details. | \$158,000.00 |
| | | Questions of \$24,000 overdraft; need clarification on the source of funds used for repayment of additional loans, lack of reporting of other loans. | \$144,950.00 |
| | | Large contribution and no details. | \$137,000.00 |
| | | Large loan and no details. | \$120,500.00 |
| | | Large contribution | \$125,000.00 |
| | | See MUR | |
| | | Large loan and no details. | \$115,196.28 |
| | | Same as above | \$100,000.00 |
| | | Same as above | \$100,000.00 |

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B. Less than \$100,000

The below list consists of the rest of the House candidates and committees by state. A list of the Senate candidates follows:

House:

| State | Candidate/Committee | Type of Activity | Approximate Amount |
|-------|-----------------------------------|---|--------------------|
| | Campaign Committee | Large loans and no details. | \$87,293.00 |
| | for Congress | same as above | \$72,000.00 |
| | for Congress Committee | Large loan, all but \$9,000 forgiven and no details. | \$59,000.00 |
| | for Congress | Candidate loaned committee \$30,000 and then stopped reporting after primary. | \$30,000.00 |
| | for Congress Committee | Large loan, no details | \$97,000.00 |
| | for Congress | Loan not repaid and not carried as debt. | \$47,324.00 |
| | Campaign Committee ('74 Campaign) | Candidate "lent" committee money since '74 and also has several outstanding loans in excess of present limits. Exact amount is unknown. | \$75,000.00+ |
| | 'People for in Congress | Loan not carried as debt | \$35,164.00 |
| | for Congress | Loans not properly reported | \$30,000.00 |
| | Campaign Committee(MUR) | Personal loans need to be checked. | ? |

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House:

| State | Candidate/Committee | Type of Activity | Approximate Amount |
|-------|---------------------|---|--------------------|
| | Campaign Committee | Treasurer writes acknowledgement of loan on Bank letterhead. | \$10,000.00 |
| | | Loans to committee may have been used for candidates personal expenses. | \$50,000.00.00 |
| | for congress | Need additional information on loan to committee by candidate; questionable loan of \$1,000 each by 17 individuals. | \$86,000.00 |
| | | \$31,000 loan from Bank of with no details and \$50,000 loan from Republican Party of with no details. | \$81,000.00 |
| | | Only \$45,000 of \$50,000 loan from carried as debt. Candidate also contributed \$31,600 in CASH. | \$81,000.00 |
| | Committee to Elect | Loans not carried as debts | \$40,694.00 |
| | for Congress | Large contribution from candidate and no details of source of funds. | \$75,865.73 |
| | for Congress | Large loan no details one repayment of \$9,093. | \$61,000.00 |
| | for Congress | Loan not carried as debt | \$42,150.00 |

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House:

| State | Candidate/Committee | Type of Activity | Approximate Amount |
|-------|----------------------------------|--|--------------------|
| | for Congress | Loaned from candidate and individual - no details. | \$42,500.00 |
| | for Congress Committee/ | No details of loan to committee by candidate. | \$61,000.00 |
| | for Congress Committee | Large loan needs further details, questionable report, large number of \$1,000 contributors. | \$97,334.00 |
| | for Congress Club | No details of loans | \$77,654.00 |
| | | Excessive loans from individuals in amount of \$49,000 and need details of rest of loans. | \$72,000.00 |
| | | Loans from candidate and bank guaranteed from individuals with pos. violation. | \$34,885.00 |
| | Good People who want in Congress | Candidate contributed \$98,500 to committee Termination report states \$7,323.38 repaid as "return on loan to committee" No details of source of candidates contributions. | \$98,500.00 |
| | for Congress | Possible reporting violations and no details for loans. All were forgiven by candidate. | \$75,000.00 |
| | | Treasurer worked at bank where loan was obtained. | \$27,000.00 |
| | for Congress Committee/ | Loan by candidate to committee reported as debt on candidate report but not on committee report. No further details. | \$54,250.00 |

78040070191

House:

| State | Candidate/Committee | Type of Activity | Approximate Amount |
|-------|-------------------------------|--|--------------------|
| | Friends of c/o | \$20,000.00 loan signed by - possible limita- tion violation. No details on rest of loan/ | \$47,000.00 |
| | for Congress Committee, #2 | Guarantors exceed limitations regulations. | \$70,000.00 |
|) | for Congress Committee | Large loans and no details on rest of loan. | \$80,000.00 |
| | for Congress Committee/ | Same as above | \$96,750.00 |
| | | Individuals who made loans to committees in excess of limita- tion regulations. | \$31,250.00 |
| | for Congress Committee | No details of larger loan. | \$62,600.00 |

78040070192

Senate:

| State | Candidate/Committee | Type of Activity | Approximate Amount |
|-------|---------------------|--|--------------------|
| | | No details of candidate's loan to committee. | \$50,000.00 |
| | | No details of loan | \$40,255.00 |
| | '77)) | No details of contributions and loans candidate made to committee. | \$51,834.00 |
| | | Need further details of candidate's contribution to committee. | \$37,400.00 |
| | | No details of loan | \$79,191.05 |
| | | Same as above | \$35,800.00 |
| | | Same as above | \$35,000.00 |
| | | No details of loans | \$85,355.92 |
| | | Same as above | \$38,300.00 |
| | | No details of loans | \$50,000.00 |
| | | Same as above | \$62,000.00 |
| | | Same as above | \$53,127.00 |
| | | Same as above | \$35,000.00 |
| | | Candidate's family may have received proceeds of a bank loan and committee did not properly report loan as debt. | \$82,898.00 |
| | | No details of loans from the | \$35,000.00 |

78040070193

Senate:

| State | Candidate/Committee | Type of Activity | Approximate Amount |
|-------|---------------------|--|--------------------|
| | | No details of loans from | \$60,000.00 |
| | | Questions of \$24,000 overdraft; need clarification on the source of funds used for repayment of additional loans; lack of reporting on other loans. | \$144,950.00 |
| | | No details on loans transactions. | \$52,000.00 |

7 8 0 4 0 0 7 0 1 9 4

777

MEMORANDUM

FEB. 6, 1978

TO: Charlie Steele

FROM: Bill Yowell
Les Scall

SUBJECT: Recommendation for Further Investigation Action
on Loan Project Candidates and Committees

Attached is a list of nine House Candidates/Committees from the 1976 loan survey project. The information uncovered on these individuals indicates that possible substantive violations have been committed. We think that MURs should be opened on all of these nine and that they should be assigned to the enforcement teams for preparation of recommendations for further action. The teams would decide whether the information they uncover warrants a recommendation for reason to believe or an RFAI letter. The spread sheets attached for each candidate/committee are meant as a starting point, and the team member assigned should research the file himself/herself.

We have updated this list with the status of these candidate/committees at the disclosure level. Wherever possible, termination dates have been included, however we have been informed that dates for administrative termination (i.e., by the staff here) are not recorded. This should be checked. I think we could proceed to investigate terminated cases by acknowledging to the respondents or recipients of the RFAI letters that while we are aware of the termination, we nevertheless have discovered that certain information needs to be clarified.

While these matters are being reviewed we are also preparing and updating about eight other cases from the loan project for a similar presentation.

2ND CATEGORY

1. Larry Bates/Committee of 1976 for Bates for Congress

TN

\$30,000 loaned by Martin Bank to committee on April 12, 1976. Candidate Bates and three others guaranteed \$29,300 of loans. The committee repaid \$1,975 in two installments on October 7, 1976, and November 29, 1976. No other repayments indicated by spread sheets. Status at Disclosure level: Candidate reports terminated April 10, 1977; Committee reports terminated (date unknown).

2. _____ in '76 Committee _____

\$105,924.74 loaned by _____ to committee between September 7, 1976, and November 2, 1976. The notes are recorded as maturing in 90 days but no repayments are indicated. There is an unitemized loan of \$201.81 in the July 10, 1977 report, and as of the July 10, 1977 report, the 1976 loans are still being carried as debts. Status at Disclosure level: Candidate reports waived; Committee reports quarterly.

3. _____ Congressional Campaign Committee

\$16,378.03 in unknown number of loans to candidate between April 16, 1976 and May 25, 1976 listed as unitemized. Spread sheet indicates other loan(s) of \$28,391.68 may have been made but reports are not clear. Status at Disclosure level: Candidate reports terminated January 20, 1977; Committee reports terminated (date unknown).

4. _____ Citizens for _____ for Congress

Republican Party of _____ loaned committee \$50,000. Dates of loan(s) repayment not indicated. Partial repayment of \$7,846.50 shown. Status at Disclosure level: Candidate reports quarterly; committee reports administratively terminated.

5. _____ Campaign Committee

Cash contributions of \$30,000 and \$1,600 made by candidate to his committee. See attachment to _____ spread sheet concerning his personal loan of \$50,000. Status at Disclosure level: Candidate reports administratively terminated; Committee reports administratively terminated.

78040070196

6. _____ /Citizens for _____

Loans to committee of \$12,000 and \$47,000 made by two individuals. Repayment of only \$8,804.34 made, with remaining balance cancelled. Status at Disclosure level: Candidate reports administratively terminated; committee reports administratively terminated.

7. _____ for Congress

Two loans of \$2,700 and one of \$1,400 made or guaranteed by individuals. Status at Disclosure level: Candidate reports administratively terminated; Committee reports administratively terminated.

8. _____ for Congress Committee/Return _____ To _____
Congress Committee

\$40,000 in loans from _____ endorsed by four individuals. Same individual endorsed \$30,000 in loans from _____, and two of the same group endorsed a third loan of \$8,500 from _____. Status at Disclosure level: Candidate reports waived; quarterly reports filed by committee.

9. _____ for Congress Committee

Four loans to Committee from individuals in amounts of \$5,000 or more. All other loans to Committee from individuals. No evidence of repayment. Status at Disclosure level: Candidate and committee reports terminated (dates unknown)

78040070197

FEDERAL ELECTION COMMISSION

#515- Names of other Respondents
(open)

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- | | |
|--|---|
| <input type="checkbox"/> (1) Classified Information | <input type="checkbox"/> (6) Personal privacy |
| <input type="checkbox"/> (2) Internal rules and practices | <input type="checkbox"/> (7) Investigatory files |
| <input type="checkbox"/> (3) Exempted by other statute | <input type="checkbox"/> (8) Banking Information |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well Information (geographic or geophysical) |
| <input checked="" type="checkbox"/> (5) Internal Documents | |

Signed

Marcus Cummings

date

5/8/78

78040070198

#177

MEMORANDUM

FEB. 6, 1978

TO: Charlie Steele

FROM: Bill Yowell
Les Scall

SUBJECT: Recommendation for Further Investigation Action
on Loan Project Candidates and Committees

7804070199

Attached is a list of nine House Candidates/Committees from the 1976 loan survey project. The information uncovered on these individuals indicates that possible substantive violations have been committed. We think that MURs should be opened on all of these nine and that they should be assigned to the enforcement teams for preparation of recommendations for further action. The teams would decide whether the information they uncover warrants a recommendation for reason to believe or an RFAI letter. The spread sheets attached for each candidate/committee are meant as a starting point, and the team member assigned should research the file himself/herself.

We have updated this list with the status of these candidate/committees at the disclosure level. Wherever possible, termination dates have been included, however we have been informed that dates for administrative termination (i.e., by the staff here) are not recorded. This should be checked. I think we could proceed to investigate terminated cases by acknowledging to the respondents or recipients of the RFAI letters that while we are aware of the termination, we nevertheless have discovered that certain information needs to be clarified.

While these matters are being reviewed we are also preparing and updating about eight other cases from the loan project for a similar presentation.

2ND CATEGORY

1. Larry Bates/Committee of 1976 for Bates for Congress TN

\$30,000 loaned by Martin Bank to committee on April 12, 1976. Candidate Bates and three others guaranteed \$29,300 of loans. The committee repaid \$1,975 in two installments on October 7, 1976, and November 29, 1976. No other repayments indicated by spread sheets. Status at Disclosure level: Candidate reports terminated April 10, 1977; Committee reports terminated (date unknown).

2. _____ in '76 Committee

\$105,924.74 loaned by _____ to committee between September 7, 1976, and November 2, 1976. The notes are recorded as maturing in 90 days but no repayments are indicated. There is an unitemized loan of \$201.81 in the July 10, 1977 report, and as of the July 10, 1977 report, the 1976 loans are still being carried as debts. Status at Disclosure level: Candidate reports waived; Committee reports quarterly.

3. _____ Congressional Campaign Committee

\$16,378.03 in unknown number of loans to candidate between April 16, 1976 and May 25, 1976 listed as unitemized. Spread sheet indicates other loan(s) of \$28,391.68 may have been made but reports are not clear. Status at Disclosure level: Candidate reports terminated January 20, 1977; Committee reports terminated (date unknown).

4. _____ Citizens for _____ for Congress

Republican Party of _____ loaned committee \$50,000. Dates of loan(s) repayment not indicated. Partial repayment of \$7,846.50 shown. Status at Disclosure level: Candidate reports quarterly; committee reports administratively terminated.

5. _____ Campaign Committee

Cash contributions of \$30,000 and \$1,600 made by candidate to his committee. See attachment to _____ spread sheet concerning his personal loan of \$50,000. Status at Disclosure level: Candidate reports administratively terminated; Committee reports administratively terminated.

78040070200

Candidate / Authorized Campaign Committee

Committee of 1976 for Bates for Congress - TN

MUR 515

| Report | Name of Committee or Candidate | Amount | Date | Source | Terms |
|--------|--------------------------------|----------------|---------|-----------------|-------|
| 04-10 | Comm # 1976 for Bates for Cong | 30000- | 4-12-76 | The Hudson Bank | |
| | | 10,000 - | 6-12-76 | Larry Bates | |
| | | 20000 - | 7-8-76 | | |
| | | 20000 | 7-20-76 | | |
| | | 20,000 | 8-6-76 | | |
| | | 20,000 | 8-9-76 | | |
| | Total | 120,000 | | | |

| Guarantors | Date Repaid | Source of Repayment | Canceled as Debt? | Liquidated Before Liquidation? | Term |
|-------------------|-------------|--------------------------|-------------------|--------------------------------|------|
| 1775.00 | 10-7-76 | To Hudson Bank | | | |
| 200 | 11-29-76 | To State Mercantile Bank | | | |
| total 1975 | | | | | |

large amount in cash

Larry Bates

6/2 10000
3/8 20000
3/20 20000
8/6 20000
20000
90000

debt forgiven in 4/10/77 report

4/10/77

4/10/77 amendment

Larry Bates
Wm. Snyder
R. D. ...
Terry ...

* guarantors of \$129,200 in outstanding debt to The Hudson Bank

80400792

Com. of 1976 for Bates for Congress

Note: (a) Spread sheet agrees w/ total loans by candidate and The Martin Bank.

(b) Problems w/ reporting procedures:

1. loan from Martin Bank
 - a. no terms
 - b. no interest figures
 - c. no record of maturation date
2. amendment to 4/10/77 report cites four individuals as guarantors of \$29,300 outstanding debt to The Martin Bank. This may constitute guarantees beyond the Act's limitation regulations.

78040070202



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 515

