



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20543

THIS IS THE END OF TCR # 627

Date Filmed 1/25/79 Camera No. --- 2

Cameraman SPC

MERILLAT INDUSTRIES, INC.

2075 WEST BEECHER ROAD
ADRIAN, MICHIGAN 49221
PHONE (517) 263-0771



December 27, 1978

'79 JAN 2 PM 3:10

CPCH
6034

65816004004

Miss Suzanne Callahan
Staff Member
Office of General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D. C. 20463

Re: MUR 627 (78) File No. 10039

003717

Dear Miss Callahan:

Enclosed is our check in the amount of \$100.00 in compliance with the Conciliation Agreement on the subject file.

Very truly yours,

MERILLAT INDUSTRIES, INC.

John D. Thurman
Vice President-Finance & Treasurer

JDT/cj
Encl.
CC: Mr. Jim White, Jr.

74-152
724



MERILLAT INDUSTRIES, INC.
2075 W. BEECHER ROAD • ADRIAN, MICHIGAN 49221

VOUCHER NO. 19032

THE COMMERCIAL SAVINGS BANK
ADRIAN, MICHIGAN

DATE CHECK NO. AMOUNT

DEC 27 73 19,375 \$0,000,100.00

PAY TO THE ORDER OF
FEDERAL ELECTION COMMISSION

MERILLAT INDUSTRIES, INC.



⑆0724⑆0152⑆00⑆375⑆6⑆

DETACH THIS STATEMENT BEFORE DEPOSITING CHECK

| DATE | INVOICE NO. | AMT. OR DED. | DISCOUNT | PRIOR BAL. | BALANCE | DESCRIPTION |
|-----------|-------------|--------------|----------|------------|---------|-------------|
| DEC 27 73 | | 100.00 | | | 100.00 | |

MERILLAT INDUSTRIES, INC.



ADRIAN, MICHIGAN 49221

7001009183

Merillat

INDUSTRIES, INC.

2076 WEST BEECHER ROAD W ADRIAN, MICHIGAN 49221

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RECEIVED
JUN 2 1963

Miss Suzanne Callahan
Staff Member
Office of General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D. C. 20463

29826001062

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 \$ _____ c

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: *White T-shirt*

Suite 570 One
811 Madison Ave 43624

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

943928

(Always obtain signature of addressee or agent)

I have received the article described above

SIGNATURE Addressee Authorized agent

[Signature]

4. DATE OF DELIVERY *12-23-78*

5. ADDRESS: Complete only if required

234 SUMMIT ST
TELEPHONE 42600

6. UNABLE TO DELIVER BECAUSE _____

CLERK'S INITIALS *DF*

5010-107 0-249595

MURKIN



FEDERAL ELECTION COMMISSION

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

December 19, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James White, Jr.
Suite 500
811 Madison Avenue
Toledo, Ohio 43624

RE: MUR 627 (78)
Your File No. 10039

Dear Mr. White:

This is to advise you that the Commission has not received the \$100 civil penalty in connection with the conciliation agreement your client has signed. Paragraph I of the General Conditions section in the conciliation agreement states that failure to comply with the requirements therein may result in the Commission filing civil action for relief in the United States District Court for the District of Columbia.

Your office has been contacted on two occasions by my staff in connection with this matter; the calls have not been returned.

Please remit the \$100 civil penalty to this office by the close of business December 29, 1978. If the penalty is not received by this office on that date, we are prepared to recommend to the Commission that civil action be taken against your client.

If you have any questions, contact Suzanne Callahan at 202/523-4058

Sincerely,

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

William C. Oldaker
General Counsel

1 9 8 1 0 1 0 0

MEM 627 - Callahan

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
 James White, Jr.
 Suite 500
 811 Madison Ave

3. ARTICLE DESCRIPTION Toledo, Ohio 43604
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 943905

(Always obtain signature of addressee or agent)

I have received the article described above
 SIGNATURE Addressee Authorized agent
 James F White by Deliveryman

4. DATE OF DELIVERY 11/8/78 POSTMARK
 (Postmark: TOLEDO OHIO NOV 8 1978)

5. ADDRESS (Complete only if requested)
 811 Madison #500 13624.

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

Mr. James White, Jr.
Suite 500
811 Madison Avenue
Toledo, OH 43624

VIA TELEGRAM 3 November 1978 1:00 pm

Re: MUR 627

On November 2, 1978, the Commission voted to accept the conciliation agreement submitted as settlement of the above-referenced matter.

Accordingly, upon my recommendation, the Commission has decided to close its file in this matter.
A letter will follow.

Sincerely,

William C. Oldaker
General Counsel
Federal Election Commission

70040092865



FEDERAL ELECTION COMMISSION

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

November 3, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James White, Jr.
Suite 500
811 Madison Avenue
Toledo, Ohio 43624

Re: MUR 627 (78)
Your File No. 10039

Dear Mr. White:

On November 2, 1978, the Commission voted to accept the conciliation agreement which your client has signed.

Accordingly, upon my recommendation, the Commission has decided to close its file in this matter.

If you have any questions in this matter, please contact Suzanne Callahan at 202/523-4058.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

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- A. During the period from June 15, 1978 through June 20, 1978, Merillat Industries, Inc. placed advertisements in the Minneapolis Star, The Dakota County Tribune, Minneapolis Tribune and Lakeville Times which included a picture of Rudy Boschwitz and a statement that he is a U.S. Senate candidate.
- B. The advertisements were paid for, in total, by Merillat Industries, Inc.
- C. That portion of the advertisements which pertain to Boschwitz constitute corporate expenditures made by Merillat Industries, Inc. on behalf of a federal candidate.
- D. The Commission does not contend that Merillat Industries, Inc. above described actions reflect a willful intent to violate the Federal Election Law.

Wherefore, the Commission and respondent, Merillat Industries, Inc., agree:

- I. The Commission construes that the placing of an advertisement which, in part at least, refers to the candidacy of a Senator in Congress is an in kind expenditure.
- II. When such an expenditure is made by a corporation, the expenditure becomes a violation of 2 U.S.C. §441b.

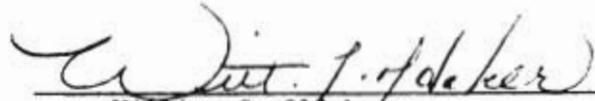
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- III. The actions of Merillat Industries, Inc. in placing advertisements which refer to the candidacy of Boschwitz is in violation of 2 U.S.C. §441b even though such actions were done without a willful intent to violate the Federal Election Law and without prior knowledge of the Commission's position with respect thereto.
 - IV. That respondent will pay a civil penalty in the amount of \$100 pursuant to 2 U.S.C. §437g(a)(6)(B).
 - V. Respondent agrees that it will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431, et. seq.

GENERAL CONDITIONS

- I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matter at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent, Merillat Industries, Inc., shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

Date 11/3/78



William C. Oldaker
General Counsel
Federal Election Commission

Date _____



John D. Thurman
Vice President/Finance and
Treasurer
Merillat Industries, Inc.

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**CERTIFIED MAIL
RETURNED TO SENDER**

James White, Jr.
Suite 500
211 Madison Avenue
Toledo, Ohio

Re: 202 523 (78)
Your File No. 10039

Dear Mr. White:

On October 1, 1978, the Commission voted to accept the conciliation agreement which your client has signed.

Accordingly, upon my recommendation, the Commission the Commission has decided to close its files in this matter.

If you have any questions in this matter, please contact Suzanne Callahan at 202/523-4058.

W.C. Oldaker
11/2/78

Sincerely,

William C. Oldaker
General Counsel

Enclosure

79040092871

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Merillat Industries, Inc.) MUR 627 (78)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on November 2, 1978, the Commission approved by a vote of 4-0 the conciliation agreement, signed by the respondent, and the letter of notification attached to the General Counsel's memorandum dated October 30, 1978.

Voting for this determination were Commissioners Springer, Tiernan, Thomson, and Harris.

Attest:

11/2/78

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 10-30-78, 1:22
Circulated on 48 hour vote basis: 10-31-78, 4:00

79040992872

October 30, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: NUR 627

Please have the attached Memo and conciliation agreement distributed to the Commission on a 48 hour tally basis.

Thank you.

79040092873

RECEIVED
OFFICE OF THE
COMMISSIONER



FEDERAL ELECTION COMMISSION 78 OCT 30 P 1: 22

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

October 30, 1978

MEMORANDUM

TO: Commissioners
FROM: William C. Oldaker *[Signature]*
SUBJECT: MUR 627 (78) Conciliation Agreement

Attached, for Commission approval, is a proposed conciliation agreement which has been signed by John D. Thurman, Vice President of Merillat Industries, in settlement of MUR 627 (78).

The Commission approved the original draft conciliation agreement in which the civil penalty was the same as is contained in the present agreement. This agreement has some modifications to the wording, which have been underlined.

The Office of General Counsel recommends acceptance of the attached agreement and authorization to so notify respondent.

79040092874



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James White, Jr.
Suite 500
811 Madison Avenue
Toledo, Ohio 43624

Re: MUR 627 (78)
Your File No. 10039

Dear Mr. White:

On October , 1978, the Commission voted to accept the conciliation agreement which your client has signed.

Accordingly, upon my recommendation, the Commission has decided to close its file in this matter.

If you have any questions in this matter, please contact Suzanne Callahan at 202/523-4058.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Merillat Industries, Inc.) MUR 627(78)

CONCILIATION AGREEMENT

7 9 0 4 0 0 9 2 8 7 6
This matter having been initiated on the basis of information ascertained by the Federal Election Commission in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Merillat Industries, Inc., violated 2 U.S.C. §441b;

Now therefore, the respective parties herein, the Federal Election Commission and respondent, Merillat Industries, Inc., having entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

- I. That the Federal Election Commission has jurisdiction over respondent and the subject of this proceeding.
- II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. That the pertinent facts in this matter are as follows:

70040792877

- A. During the period from June 15, 1978 through June 20, 1978, Merillat Industries, Inc. placed advertisements in the Minneapolis Star, The Dakota County Tribune, Minneapolis Tribune and Lakeville Times which included a picture of Rudy Boschwitz and a statement that he is a U.S. Senate candidate.
- B. The advertisements were paid for, in total, by Merillat Industries, Inc.
- C. That portion of the advertisements which pertain to Boschwitz constitute corporate expenditures made by Merillat Industries, Inc. on behalf of a federal candidate.
- D. The Commission does not contend that Merillat Industries, Inc. above described actions reflect a willful intent to violate the Federal Election Law.

Wherefore, the Commission and respondent, Merillat Industries, Inc., agree:

- I. The Commission construes that the placing of an advertisement which, in part at least, refers to the candidacy of a Senator in Congress is an in kind expenditure.
- II. When such an expenditure is made by a corporation, the expenditure becomes a violation of 2 U.S.C. §441b.

7 9 0 4 0 0 9 2 8 7 3

- III. The actions of Merillat Industries, Inc. in placing advertisements which refer to the candidacy of Boschwitz is in violation of 2 U.S.C. §441b even though such actions were done without a willful intent to violate the Federal Election Law and without prior knowledge of the Commission's position with respect thereto.
- IV. That respondent will pay a civil penalty in the amount of \$100 pursuant to 2 U.S.C. §437g(a)(6)(B).
- V. Respondent agrees that it will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431, et. seq.

GENERAL CONDITIONS

- I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matter at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent, Merillat Industries, Inc., shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

Date _____

William C. Oldaker
General Counsel
Federal Election Commission

Date _____



John D. Thurman
Vice President/Finance and
Treasurer
Merillat Industries, Inc.

79040092879

SHUMAKER, LOOP & KENDRICK
ATTORNEYS

SUITE 500
811 MADISON AVENUE
TOLEDO, OHIO 43624
PHONE 419 241 4201

October 24, 1978

ALAN B. LOOP
JOHN J. KENDRICK
FRANCIS J. GALLAGHER
ROBERT B. GOSLINE
C. CHARLES SCHARFY
CHARLES W. PECKINPAUGH, JR.
SWIFT C. CORWIN
MALCOLM B. RAMEY
JOHN W. HACKETT, JR.
THOMAS I. WEBB
CARL V. BRUGGEMAN
ROBERT G. CLAYTON, JR.
MARC GERTNER
DONALD M. MEWHORT, JR.
EDWIN G. EMERSON
JOHN C. STRAUB
JAMES M. TUSCHMAN
JAMES F. WHITE, JR.
BARTON L. WAGENMAN

ROLF H. SCHEIDEL
WILLIAM H. GOSLINE
NORMAN C. HARTSEL
WILLIAM H. HEYWOOD, III
H. FRANCIS M. DANIEL, JR.
THOMAS G. PLETZ
JERRY E. BARTON
JOHN H. BURSON
THOMAS I. WEBB, JR.
ROBERT M. ANSPACH
DAVID W. WICKLUND
GARY R. DIESING
JOHN N. MAUKAY
JOHN G. MAXA
VIVIAN C. FOLK
JOSEPH A. HIDEOUT
DOUGLAS W. DENSMORE
KEVIN H. GRAHAM
RONALD J. MCCRACKEN
GREGORY D. ALEXANDER
OF COUNSEL

Re: Merillat Industries, Inc.
MUR 627(78)
Our File No. 10039

Miss Suzanne Callahan
Staff Member
Office of General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Dear Miss Callahan:

Pursuant to our recent telephone conversations, we enclose three fully executed counterparts of the Conciliation Agreement to be entered into by and between the Federal Election Commission and Merillat Industries, Inc. pursuant to 2 U.S.C. Section 437g(a)(5).

Very truly yours,

SHUMAKER, LOOP & KENDRICK

By *J. F. White, Jr.*

JFW:jmb
Enclosures

cc: Mr. John D. Thurman

BERNARD, LOOP & KENNICK
ATTORNEYS
SUITE 500
811 MADISON AVENUE
TOLEDO, OHIO 43624

79040092881

| Purointor SKY COURIER | | |
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| DESTINATION CITY/AIRPORT CODE | | |
| WASHINGTON | | |
| DC | / | DCA |
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Miss Suzanne Callahan
Staff Member
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

220#
5208

SHUMAKER, LOOP & KENDRICK
ATTORNEYS

SUITE 500
811 MADISON AVENUE
TOLEDO, OHIO 43624

PHONE 419 241-4201

FEDERAL ELECTION COMMISSION

78 OCT 18 1978

ALAN B. LOOP
JOHN J. KENDRICK
FRANCIS J. GALLAGHER
ROBERT B. GOSLINE
G. CHARLES SCHARFY
CHARLES W. PECKINPAUGH, JR.
SWIFT C. CORWIN
MALCOLM B. RAMEY
JOHN W. HACKETT, JR.
THOMAS I. WEBB
CARL V. BRUGGEMAN
ROBERT G. CLAYTON, JR.
MARC GERTNER
DONALD M. MEWHORT, JR.
EDWIN G. EMERSON
JOHN C. STRAUB
JAMES M. TUSCHMAN
JAMES F. WHITE, JR.
BARTON L. WAGENMAN

ROLF H. SCHEIDEL
WILLIAM H. GOSLINE
NORMAN C. HARTSEL
WILLIAM H. HEYWOOD, III
H. FRANCIS McDANIEL, JR.
THOMAS G. SLETZ
JERRY E. BARTON
JOHN H. BURSON
THOMAS I. WEBB, JR.
ROBERT M. ANSPACH
DAVID W. WICKLUND
GARY R. DIESING
JOHN N. MACKAY
JOHN G. MAXA
VIVIAN C. FOLK
JOSEPH A. RIDEOUT
DOUGLAS W. DENSMORE
KEVIN H. GRAHAM
RONALD J. McCRACKEN

GREGORY G. ALEXANDER
OF COUNSEL

October 13, 1978

Re: Merillat Industries, Inc.
MUR 627(78)
Our File No. 10039

Miss Suzanne Callahan
Staff Member
Office of General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

807013

Dear Miss Callahan:

Pursuant to our recent telephone conversations, we enclose a revised draft of the Conciliation Agreement to be entered into by and between the Federal Election Commission and Merillat Industries, Inc. pursuant to 2 U.S.C. §437g(a)(5). The changes made in the enclosed draft have been indicated and are in accordance with our telephone conversations. If the enclosed draft meets with the approval of the Commission, please contact me and we will forward to you fully executed copies thereof along with the check of Merillat Industries, Inc. in the amount of \$100.00.

Very truly yours,

SHUMAKER, LOOP & KENDRICK

By *Jim White, Jr.*

JFW:jmb
Enclosure

cc: John D. Thurman
William C. Oldaker

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Merillat Industries, Inc.) MUR 627(78)

CONCILIATION AGREEMENT

79040092883
This matter having been initiated on the basis of information ascertained by the Federal Election Commission in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Merillat Industries, Inc., violated 2 U.S.C. §441b;

Now therefore, the respective parties herein, the Federal Election Commission and respondent, Merillat Industries, Inc., having entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

- I. That the Federal Election Commission has jurisdiction over respondent and the subject of this proceeding.
- II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. That the pertinent facts in this matter are as follows:

79040092881

- A. During the period from June 15, 1978 through June 20, 1978, Merillat Industries, Inc. placed advertisements in the Minneapolis Star, The Dakota County Tribune, Minneapolis Tribune and Lakeville Times which included a picture of Rudy Boschwitz and a statement that he is a U.S. Senate candidate.
- B. The advertisements were paid for, in total, by Merillat Industries, Inc.
- C. That portion of the advertisements which pertain to Boschwitz constitute corporate expenditures made by Merillat Industries, Inc. on behalf of a federal candidate.
- D. The Commission does not contend that Merillat Industries, Inc. above described actions reflect a willful intent to violate the Federal Election Law.

Wherefore, the Commission and respondent, Merillat Industries,

Inc., agree:

NEW

- I. The Commission construes that the placing of an advertisement which, in part at least, refers to the candidacy of a Senator in Congress is an in kind expenditure.
- II. When such an expenditure is made by a corporation, the expenditure becomes a violation of 2 U.S.C. §441b.

79040092885

New

- III. The actions of Merillat Industries, Inc. in placing advertisements which refer to the candidacy of Boschwitz is in violation of 2 U.S.C. §441b even though such actions were done without a willful intent to violate the Federal Election Law and without prior knowledge of the Commission's position with respect thereto.
- IV. That respondent will pay a civil penalty in the amount of \$100 pursuant to 2 U.S.C. §437g(a)(6)(B).
- V. Respondent agrees that it will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431, et. seq.

GENERAL CONDITIONS

- I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matter at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent, Merillat Industries, Inc., shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

Date _____

William C. Oldaker
General Counsel
Federal Election Commission

Date _____

Orville D. Merillat
President
Merillat Industries, Inc.

79040092886

SHUMAKER, LOOP & KENDRICK

SUITE 500

500 MADISON AVENUE

TOLEDO, OHIO 43624

500 MADISON AVENUE

Miss Suzanne Callahan
Staff Member
Office of General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

GCC# 5180

SHUMAKER, LOOP & KENDRICK
ATTORNEYS

SUITE 800
811 MADISON AVENUE
TOLEDO, OHIO 43624
PHONE 419 241-4201

78 OCT 16 P 3

ROLF H SCHEIDEL
WILLIAM H GOBLINE
NORMAN C HARTSEL
WILLIAM H KEYWOOD III
H FRANCIS MEDANIEL JR
THOMAS G PLETZ
JERRY BARTON
JOHN H BURSON
THOMAS I WEBB JR
ROBERT M ANSPACH
DAVID W WICKLUND
GARY R DIESING
JOHN H MACKAY
JOHN G MARR
VIVIAN C FOLK
JOSEPH A RIDEOUT
DOUGLAS W DENSMORE
KEVIN H GRAHAM
RONALD J MICRACKEN
GREGORY G ALEXANDER
OF COUNSEL

ALAN B LOOP
JOHN J KENDRICK
FRANCIS J GALLAGHER
ROBERT B GOBLINE
G CHARLES SCHARFY
CHARLES W PECKINPAUGH, JR
SWIFT C CORWIN
MALCOLM S RAMEY
JOHN W HACKETT, JR
THOMAS I WEBB
CARL V BRUGGEMAN
ROBERT G CLAYTON, JR
MARC GERTNER
DONALD M MEWHORT, JR
EDWIN G EMERSON
JOHN C STRAUB
JAMES M TUSCHMAN
JAMES F WHITE JR
BARTON L WAGENMAN

October 13, 1978

Re: Merillat Industries, Inc.
MUR 627(78)
Our File No. 10039

79040092883

Miss Suzanne Callahan
Staff Member
Office of General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

806955

Dear Miss Callahan:

Pursuant to our recent telephone conversations, we enclose a revised draft of the Conciliation Agreement to be entered into by and between the Federal Election Commission and Merillat Industries, Inc. pursuant to 2 U.S.C. §437g(a)(5). The changes made in the enclosed draft have been indicated and are in accordance with our telephone conversations. If the enclosed draft meets with the approval of the Commission, please contact me and we will forward to you fully executed copies thereof along with the check of Merillat Industries, Inc. in the amount of \$100.00.

Very truly yours,

SHUMAKER, LOOP & KENDRICK

By *Jim White, Jr*

JFW:jmb
Enclosure

cc: John D. Thurman
William C. Oldaker ✓

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 627(78)
Merillat Industries, Inc.)

CONCILIATION AGREEMENT

7 9 0 4 0 0 9 2 8 3 7
This matter having been initiated on the basis of information ascertained by the Federal Election Commission in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Merillat Industries, Inc., violated 2 U.S.C. §441b;

Now therefore, the respective parties herein, the Federal Election Commission and respondent, Merillat Industries, Inc., having entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

- I. That the Federal Election Commission has jurisdiction over respondent and the subject of this proceeding.
- II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. That the pertinent facts in this matter are as follows:

79040092897

- A. During the period from June 15, 1978 through June 20, 1978, Merillat Industries, Inc. placed advertisements in the Minneapolis Star, The Dakota County Tribune, Minneapolis Tribune and Lakeville Times which included a picture of Rudy Boschwitz and a statement that he is a U.S. Senate candidate.
- B. The advertisements were paid for, in total, by Merillat Industries, Inc.
- C. That portion of the advertisements which pertain to Boschwitz constitute corporate expenditures made by Merillat Industries, Inc. on behalf of a federal candidate.
- D. The Commission does not contend that Merillat Industries, Inc. above described actions reflect a willful intent to violate the Federal Election Law.

Wherefore, the Commission and respondent, Merillat Industries,

Inc., agree:

NEW

- I. The Commission construes that the placing of an advertisement which, in part at least, refers to the candidacy of a Senator in Congress is an in kind expenditure.
- II. When such an expenditure is made by a corporation, the expenditure becomes a violation of 2 U.S.C. §441b.

79040092891

New

- III. The actions of Merillat Industries, Inc. in placing advertisements which refer to the candidacy of Boschwitz is in violation of 2 U.S.C. §441b even though such actions were done without a willful intent to violate the Federal Election Law and without prior knowledge of the Commission's position with respect thereto.
- IV. That respondent will pay a civil penalty in the amount of \$100 pursuant to 2 U.S.C. §437g(a)(6)(B).
- V. Respondent agrees that it will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431, et. seq.

GENERAL CONDITIONS

- I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matter at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent, Merillat Industries, Inc., shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

Date _____

William C. Oldaker
General Counsel
Federal Election Commission

Date _____

Orville D. Merillat
President
Merillat Industries, Inc.

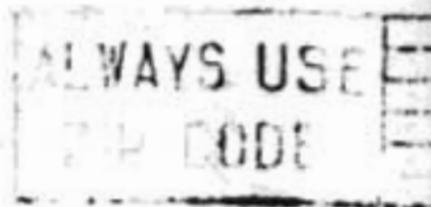
79040092892

SHUMAKER, LOOP & KENDRICK

SUITE 500

811 MADISON AVENUE

TOLEDO, OHIO 43624



OCT 16 P 3: 10

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

79040792893



FEDERAL ELECTION COMMISSION

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

September 25, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jann L. Olsten, Esq.,
1250 Northern Federal Building
Capital Centre Plaza
St. Paul, Mn. 55102

RE: MUR 627(78)

Dear Mr. Olsten:

On the basis of the information contained in your letter of August 18, 1978, as well as the affidavits which you submitted on behalf of your client, the Commission has determined that there is no reasonable cause to believe that Rudy Boschwitz has violated 2 U.S.C. §441b.

Accordingly, upon my recommendation, the Commission has decided to close its file in this matter as it pertains to Mr. Boschwitz.

If you have any questions, contact Suzanne Callahan at 202/523-4058.

Sincerely,

William C. Oldaker
General Counsel

79040092894

Mick 627-Callahan

| | | | |
|---|--|--|--|
| 1. The following service is requested (check one): <input type="checkbox"/> Show to whom and date delivered. <input checked="" type="checkbox"/> Show to whom, date, and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom, date, and address of delivery. (CONSULT POSTMASTER FOR FEES) | | 2. ARTICLE ADDRESSED TO: <i>Jann L. Olsten, Esq., 1250 Northern Federal Bldg. Capital Centre Plaza St. Paul, Mn 55102</i> | |
| 3. ARTICLE DESCRIPTION: REGISTERED NO. <i>943777</i> CERTIFIED NO. _____ INSURED NO. _____ | (Always obtain signature of addressee or agent) I have received the article described above: SIGNATURE <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent <i>William C. Oldaker</i> | | |
| 4. DATE OF DELIVERY <i>9-28-78</i> | | POSTMARK | |
| 5. ADDRESS (Complete only if requested) | | 6. UNABLE TO DELIVER BECAUSE: _____ CLERK'S INITIALS _____ | |

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

2025 1977-0-249 955



FEDERAL ELECTION COMMISSION

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

September 25, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James F. White, Jr.,
Suite 500
811 Madison Avenue
Toledo, Ohio 43624

RE: MUR 627(78)

Dear Mr. White:

On September 22, 1978, the Commission determined there was reasonable cause to believe that Merillat Industries Inc. has committed a violation of 2 U.S.C. §441b of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found reasonable cause to believe that the advertisements placed by Merillat which included a picture of Rudy Boschwitz and a statement that he is a U.S. Senate candidate constitute a corporate expenditure prohibited by the Act.

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)(A). 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 civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5000.

We enclose a conciliation agreement that the Commission offers as 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.

79040092805

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Suzanne Callahan, the staff member assigned to this matter, at 202-523-4058 within ten days.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

79040092896

627 Callahan

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:
James R. White, Jr.

3. ARTICLE DESCRIPTION

| | | |
|----------------|---------------|-------------|
| REGISTERED NO. | CERTIFIED NO. | INSURED NO. |
| | 943385 | |

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY 9-2 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE

☆GPO: 1977 O-249-595

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Merillat Industries Inc.) MUR 627(78)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained by the Federal Election Commission in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Merillat Industries Inc. violated 2 U.S.C. §441b;

Now therefore, the respective parties herein, the Federal Election Commission and respondent Merillat Industries Inc., having entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

- I. That the Federal Election Commission has jurisdiction over respondent and the subject of this proceeding.
- II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. That the pertinent facts in this matter are as follows:
 - A. On June 20, 1978, Merillat Industries Inc. placed an advertisement in the Minneapolis Star which included a picture of Rudy Boschwitz and a statement that he is a U.S. Senate candidate.

7 9 0 4 0 0 9 2 8 9 7

- B. The advertisement was paid for, in total, by Merillat Industries Inc.
- C. That portion of the advertisement which pertains to Boschwitz constitutes a corporate expenditure made by Merillat Industries Inc. on behalf of a federal candidate.
- C. The Commission does not contend that Merillat Industries Inc. above described actions reflect a willful intent to violate the Federal Election Law.

Wherefore, respondent Merillat Industries Inc. agrees:

- I. Respondent's action in making an expenditure on behalf of a candidate for federal office is in violation of 2 U.S.C. §441b.
- II. That respondent will pay a civil penalty in the amount of \$100 pursuant to 2 U.S.C. §437g(a)(6)(B).
- III. Respondent agrees that it will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431, et. seq.

GENERAL CONDITIONS

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

79040092898

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Merillat Industries Inc. shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

79040092899

Date _____

William C. Oldaker
General Counsel
Federal Election Commission

Date _____

Orville D. Merillat
President
Merillat Industries Inc.

September 13, 1978

MEMORANDUM TO: Marge Hanson

FROM: Elisee Y. Galt

SUBJECT: MUR 627

Please have the attached General Counsel's Report on MUR 627 distributed to the Commission on a 48 hour tally basis.

Thank you.

79040092900

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 627 (78)
Rudy Boschwitz)
Merillat Industries Inc,)

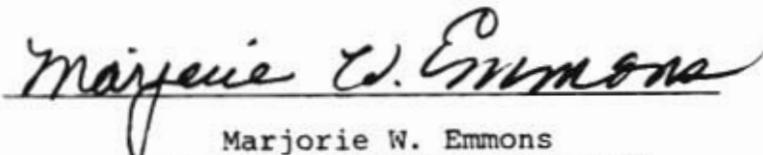
CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on September 22, 1978, the Commission determined by a vote of 6-0 to adopt the following recommendations of the General Counsel regarding the above-captioned matter, as set forth in the General Counsel's Report dated September 15, 1978:

1. Find no reasonable cause to believe that Rudy Boschwitz violated 2 U.S.C. §441b.
2. Find reasonable cause to believe that Merillat Industries Inc, has violated 2 U.S.C. §441b and enter into conciliation.
3. Send the notification letters and conciliation agreement attached to the above-named report.

Attest:

9/26/78
Date


Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 9-15-78, 5:08
Circulated on 48 hour vote basis: 9-20-78, 10:00

79040092901

the same political benefit because he made only a brief appearance, gave no speech and met with only his former business associates.)

Previous Commission matters which are analogous to the instant matter are Okonite (MUR 213), Ross Freeman (MUR 221) and Federline (MUR 274). The Ross Freeman and Federline matters are distinguishable from this case because, although they involved corporate contributions through publicity, the publicity was contained in company publications rather than in a newspaper having a general distribution.

The Okonite case is most on point with this case. That matter involved a newspaper advertisement which ostensibly did not endorse or support Congressman Roe, just as in this matter Merillat's ad ostensibly promotes its business rather than supports Boschwitz. In both matters, however, the candidates derived an incalculable benefit from the newspaper publicity.

The Okonite matter serves as a useful precedent by which to determine the seriousness of Merillat's actions in this matter. The Okonite ad (Attachment II) was a full page ad devoted entirely to promoting Congressman Roe, albeit that the wording supposedly constituted a tribute rather than an endorsement. The Merillat ad, by contrast, was a quarter page ad; in the approximately 300 words of copy which the ad contains less than 30 applied to Boschwitz and only 10 of those words are devoted to his candidacy. Clearly, there is a difference in degree regarding the political benefit given by the Okonite ad over the Merillat. Since the civil penalty in the Okonite matter was \$500, we are recommending in the attached conciliation agreement that a civil penalty of \$100 be imposed against Merillat. It is arguable that because of Boschwitz's longstanding

business relationship with Merillat, that Merillat intended to merely include Boschwitz as the president of Plywood Minnesota, one of Merillat's chief distributors. The benefit to Boschwitz's campaign was probably unintentional as well as incidental, since Merillat would have placed the ad regardless of Boschwitz's candidate status.

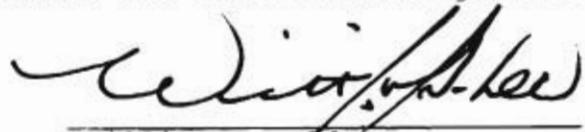
In light of the fact that neither Boschwitz nor any of his authorized agents knew of the advertisement in question and the fact that the open house was not used for political purposes, we recommend that the Commission find no reasonable cause to believe against the candidate.

RECOMMENDATION

1. Find no reasonable cause to believe that Rudy Boschwitz violated 2 U.S.C. §441b.
2. Find reasonable cause to believe that Merillat Industries Inc. has violated 2 U.S.C. §441b and enter into conciliation.
3. Send attached notification letters and conciliation agreement.

9/15/78

date



William C. Oidaker
General Counsel

Attachments

- Attachment I - Merillat Advertisement
- Attachment II - Okonite Advertisement
- Attachment III - Conciliation Agreement
- Attachment IV - Letter to James F. White, Jr.
- Attachment V - Letter to Jann L. Olsten

ATTACHMENT I

"M"-DAY!

ON WEDNESDAY, JUNE 21st WE'RE OPENING OUR DOORS TO EVERYONE!

Join us during our Open House!

Come on over and meet us. Merillat Industries, one of the nation's top 5 kitchen cabinet and bathroom vanity manufacturers invites you to tour our new facilities and meet the people who are Merillat. The Open House is from 3:00 P.M. to 8:00 P.M. We're located at 21755 Cedar Ave., South in the Airlake Industrial Park in Lakeville. From the Twin Cities take I-35 south. Exit at Minnesota Route 50 and follow 50 east thru downtown Lakeville to Cedar Ave., turn right (south) 3/4 of a mile to the plant.

bathroom vanities are made and take a complete tour of our modern production and warehousing facilities. We won't guarantee you'll become a cabinet manufacturing expert, but we know you will leave impressed with the features and quality that are built into every Merillat cabinet.

Meet...

the management team from Merillat and shake hands with our special guest, Rudy Boschwitz.



Rudy, formerly head of Plywood Minnesota, one of Merillat's leading distributors is now a candidate for the U.S. Senate. Rudy will be at the Open House from 3:00 P.M. to 5:30 P.M.

Win...

one of the many door prizes that will be given away at our Open House. Everyone who attends is eligible to win! Make it a point to come join us during our Open House and you may go home a winner! Refreshments will also be served.

Opportunity...

for employment at the Merillat Lakeville plant is still available to qualified personnel. This is a unique opportunity for interested citizens to meet the Merillat management team, inspect the modern production and warehousing facilities firsthand, and meet some of your friends and neighbors who already are a part of Merillat.

You'll find that people really are important at Merillat and that Merillat is a pleasant and rewarding place to work.

See...

firsthand how Merillat quality kitchen cabinets and



MERILLAT INDUSTRIES, INC. • MAKERS OF QUALITY KITCHEN CABINETS AND BATH VANITIES

ATTACHMENT II
Pg 1 (upper 1/3)



...of the Lie...

...Congressman
Roe played the major role in securing a \$3 million grant from the federal Economic
Development Administration to the State of New Jersey Economic Development
Authority to establish the nation's first economic revolving fund that will serve as a
leader to nearby New Jersey firms. The...

7004093903



ATTACHMENT II
Pg. 2 (middle 1/3)

ROBERT A. ROE Member of the Congress of the United States
Eighth Congressional District of New Jersey

As Chairman of the House Subcommittee on Economic Development, Congressman Roe played the major role in securing a \$13 million grant from the federal Economic Development Administration to the State of New Jersey Economic Development Authority to establish the nation's first economic revolving fund that will serve as a lender to needy New Jersey firms. The state in turn loaned this money to Okonite's ESOT to be repaid over 25 years at low interest rates. As Okonite's ESOT repays this loan the funds can then be used to assist other companies in Passaic and Middlesex counties, thereby providing economic stability to needy communities.

Thank you
Congressman
Robert A. Roe!

FEDERAL ELECTION COMMISSION
OFFICIAL FILE
OFFICE OF GENERAL COUNSEL

79010092907



Looking over the \$13 million check payable to Okonite ESOT are from left, Martin Greene, chief fiscal officer, New Jersey Economic Development Authority; John Eden, assistant secretary of Economic Development, U.S. Department of Commerce; Congressman Roe, Victor A. Viggiano, chairman of the board and president of The Okonite Company; and Joseph Hoffman, New Jersey Commissioner of Labor and Industry.

ATTACHMENT II
Pg 3 (lower 1/3)

700 employees of The Okonite Company, and families, wish to acknowledge with grateful appreciation your untiring efforts in our behalf in the purchase of The Okonite Company Employee Stock Ownership Trust.

On June 30, 1976 when the funds provided to the ESOT, largely through your efforts, permitted us to purchase all the shares of Okonite Company, we became the largest employee owned company in the United States.

The employees of our Passaic and

Paterson plants, within the 8th Congressional District of New Jersey, which you represent, along with those in our Ramsey and North Brunswick, New Jersey facilities, are joined by fellow employees in other manufacturing plants and sales offices throughout the United States in extending personal thanks for your deep interest in and sensitivity to their continued welfare.

The significance of the fact that the employee purchase of Okonite was completed during the year of our nation's 200th birthday celebration

is not lost to any of us. In fact the timeliness serves to reconfirm, to all of us, added respect for those privileges and advantages inherent within our democratic form of government.

Congressman Roe, we deeply appreciate all that you did to make our American dream a reality.

Victor A. Viggiano, Chairman of the Board
The Okonite Company, Ramsey, N.J. 07446

ATTACHMENT IV



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James F. White, Jr.
Suite 500
811 Madison Avenue
Toledo, Ohio 43624

RE: MUR 627(78)

Dear Mr. White:

On September , 1978, the Commission determined there was reasonable cause to believe that Merillat Industries Inc. has committed a violation of 2 U.S.C. §441b of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found reasonable cause to believe that the advertisements placed by Merillat which included a picture of Rudy Boschwitz and a statement that he is a U.S. Senate candidate constitute a corporate expenditure prohibited by the Act.

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)(A). 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 civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5000.

We enclose a conciliation agreement that the Commission offers as 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.

-2-

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Suzanne Callahan, the staff member assigned to this matter, at 202-523-4058 within ten days.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

ATTACHMENT ✓



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jann L. Olsten, Esq.
1250 Northern Federal Building
Capital Centre Plaza
St. Paul, Mn. 55102

RE: MUR 627(78)

Dear Mr. Olsten:

On the basis of the information contained in your letter of August 18, 1978, as well as the affidavits which you submitted on behalf of your client, the Commission has determined that there is no reasonable cause to believe that Rudy Boschwitz has violated 2 U.S.C. §441b.

Accordingly, upon my recommendation, the Commission has decided to close its file in this matter as it pertains to Mr. Boschwitz.

If you have any questions, contact Suzanne Callahan at 202/523-4058.

Sincerely,

William C. Oldaker
General Counsel

People for Boschwitz

GCC# 4631

RECEIVED
FEDERAL ELECTION
COMMISSION

'78 AUG 24 AM 8:58



August 21, 1978

005011

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

Dear Mr. Oldaker:

In accordance with my letter to you of August 18, I enclose the original affidavit of Rudy Boschwitz.

If I can be of any further help, please let me know.

Yours truly,

A handwritten signature in dark ink, appearing to read "Jann L. Olsten".

Jann L. Olsten
Campaign Administrator
People for Boschwitz

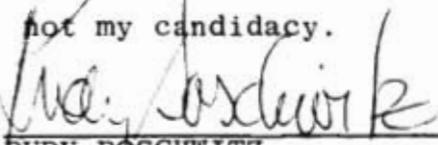
JLO/mm
Enclosure

10040092914

4. The statement in the Minneapolis Tribune on June 21, 1978, regarding review of Merillat's promotional ceremonies is inaccurate. Review of the press release by me and my staff for possible F.E.C. complications did not occur, to the best of my knowledge, until after the release and advertising were published and the possibility of F.E.C. problems was brought to our attention.

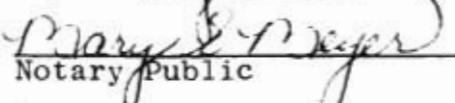
5. It did not occur to me that my attendance would be for the purpose of promoting my candidacy for U.S. Senate. In fact, I did not know that my attendance would even be publicized. The legal consequences, if any, of my attending did not occur to me.

6. I attended the open house for approximately one-half hour, during which I met and welcomed some of the employees of the plant. I did not make a speech nor did I view my visit as campaign related. The purpose of my attending was to aid Merillat Industries, not my candidacy.

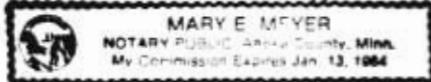


RUDY BOSCHWITZ

Subscribed and sworn
to before me this 21st
day of August, 1978.



Notary Public



People For Baschwitz

P.O. Box 10
Minneapolis, MN 55440

FEDERAL ELECTION COMMISSION



AUG 24 AM 6 53

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

70040799

People for Boschwitz

ACC 4572

RECEIVED
FEDERAL ELECTION
COMMISSION



'78 AUG 21 PM 12:18

August 18, 1978

805545

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

Re: MUR 627 (78)

Dear Mr. Oldaker:

Enclosed are affidavits of Rudy Boschwitz, Jeffrey Stempel and Vin Weber in support of our response previously mailed to you.

As you can see, the affidavit of Rudy Boschwitz is not notarized. I have read it to him and he approves of its content, but he is out of town and was unable to sign it. I will send you the signed original next week.

If you have any further questions about this matter, please let me know.

Yours truly,

A handwritten signature in cursive script, appearing to read "Jann L. Olsten".

Jann L. Olsten
Campaign Administrator
People for Boschwitz

JLO/mm
Enclosures

79040792915

4. The statement in the Minneapolis Tribune on June 21, 1978, regarding review of Merillat's promotional ceremonies is inaccurate. Review of the press release by me and my staff for possible F.E.C. complications did not occur, to the best of my knowledge, until after the release and advertising were published and the possibility of F.E.C. problems was brought to our attention.

5. It did not occur to me that my attendance would be for the purpose of promoting my candidacy for U.S. Senate. In fact, I did not know that my attendance would even be publicized. The legal consequences, if any, of my attending did not occur to me.

6. I attended the open house for approximately one-half hour, during which I met and welcomed some of the employees of the plant. I did not make a speech nor did I view my visit as campaign related. The purpose of my attending was to aid Merillat Industries, not my candidacy.

19010092918

RUDY BOSCHWITZ

Subscribed and sworn
to before me this _____
day of _____, 1978.

Notary Public

79040092920

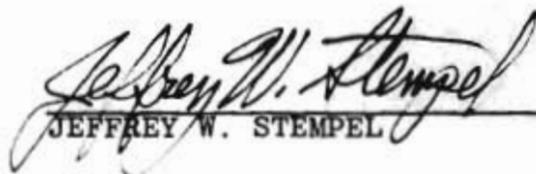
5. Because of my conversation with Mr. Weber, I told Ron Merta that we wanted to downplay Rudy's participation at the event. Mr. Merta read a press release to me which mentioned that Rudy was associated with Plywood Minnesota, was a U. S. Senate candidate, and that Rudy would be attending the open house. Again, I would have preferred no mention of Rudy in the press release but I felt, because of Rudy's business relationships, I could not forbid them from using the release. I did not consider the release to be a political advertisement. Rather, because of Rudy's business relationship with Merillat (which had been explained to me by Timmie Rosen) I assumed Rudy was being asked to appear because he was well known and associated with Plywood Minnesota. I viewed the additional language regarding the fact Rudy was a U.S. Senate candidate as merely a statement of fact, not promotion of the candidate.

6. Mr. Merta also asked me for a copy of Rudy's picture, which I assumed was going to be displayed at Merillat Industries. I did not know that Merillat Industries intended to advertise (other than by way of a press release) the event or use Rudy's picture or name in any paid advertising.

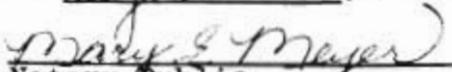
7. When considering the appropriateness of the press release prepared by Ron Merta, I did not consider this an event to advance the candidacy of Rudy Boschwitz. In fact, legalities of a possible corporation contribution never crossed my mind. Instead, I viewed this as Rudy Boschwitz. the

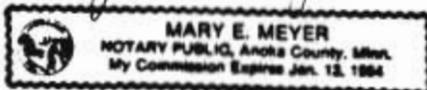
businessman, attending an open house for one of his major suppliers which was moving into the state.

8. I did not discuss this with Rudy or anyone else associated with the campaign other than those mentioned above, before the event was advertised.


JEFFREY W. STEMPEL

Subscribed and sworn to
before me this 18th day
of August, 1978.


Notary Public



79040092921

FEDERAL ELECTION
COMMISSION

'78 AUG 21 PM 12:18

St. Paul, MN 55470

3

790400

PM
AUG 9 1978



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

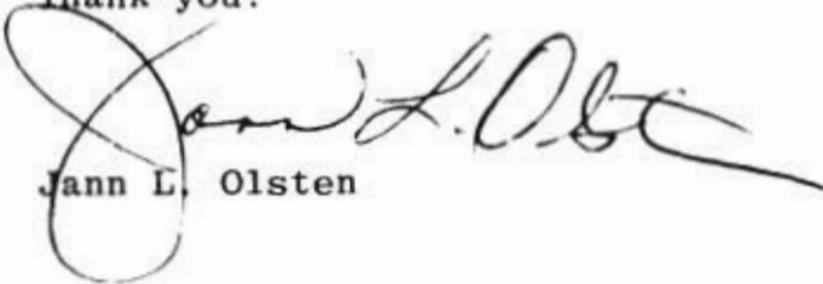
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August 15, 1978

Dear Mr. Oldaker:

Per my telephone conversation with your office today, my supporting affidavits will be mailed this Friday.

Thank you.



Jann L. Olsten

ACC# 4593

JAMES D. KEMPF
THOMAS A. MILLER

KEMPF & MILLER
ATTORNEYS AT LAW
COMMUNITY STATE BANK BUILDING
9633 LYNDALE AVENUE SOUTH
BLOOMINGTON, MINNESOTA 55420

RECEIVED
FEDERAL ELECTION
COMMISSION (612) 888-8828

'78 AUG 21 AM 9:29

August 10, 1978

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

005504

Dear Mr. Oldaker:

Re: MUR 627 (78)

I am legal counsel for the "People for Boschwitz" campaign committee and, as such, the complaint outlined in your July 20, 1978, letter to Mr. Boschwitz has been referred to me for formal response.

I have thoroughly reviewed the pertinent Federal Statutes and have also had an opportunity to discuss the factual background which gives use to the complaint, with members of the campaign committee and representatives of Merillat Industries, Inc. My investigation of this matter compels me to construct our response as follows:

1. The incident complained of, and Mr. Boschwitz participation therein, does not constitute a violation of the Federal Election Campaign Act of 1971, as amended ("The Act") and;
2. Even if the Federal Election Commission finds that a violation has occurred, such violation was technical, in nature, and it's commission was absolutely unintentional by all concerned parties.

Some brief background information seems appropriate at this time, in order to better understand the relationship between Mr. Boschwitz and Merillat Industries, Inc., and to place the facts leading up to the appearance of Mr. Boschwitz at Merillat's Open House in their proper perspective.

1. Long before Mr. Boschwitz became a candidate for the United States Senate, he was a successful businessman and an active booster of economic development in the State of Minnesota.

2. Plywood Minnesota, the company which Mr. Boschwitz headed as chief executive officer prior to announcing his candidacy for the Senate, maintained a long standing business relationship with Merillat and, in fact, was one of the leading national distributors of Merillat's products.

7001000999

KEMPF & MILLER
ATTORNEYS AT LAW
888-8828

Mr. Oldaker
Page 2
August 10, 1978

3. Because of this relationship, Mr. Boschwitz was pleased when Merillat decided to expand it's production by constructing a new plant in Lakeville, Minnesota.

4. Merillat's new Lakeville facility was completed and began operation in April of 1978. Subsequent thereto, Merillat, in conjunction with Creative House Advertising of Southland, Michigan, Merillat's public relations representative, began planning an "Open House" at this new facility to be held on June 21, 1978.

5. The invitation to Mr. Boschwitz to appear as the guest of honor at the Open House was received and accepted and on approximately June 9, 1978, Mr. Ron Merta of Creative House Advertising contacted the People for Boschwitz committee and stated that the press release for the Open House would name Mr. Boschwitz as a special guest and would identify him simply as one of Merillat's leading distributors and currently a candidate for the United States Senate. A copy of the newspaper advertisement which subsequently appeared, notifying the public of the Open House has previously been provided to the Federal Election Commission.

6. Mr. Boschwitz did appear at the Merillat Open House on June 21, 1978, and allegations of a violation of the Act were forthcoming by the Chairman of the Minnesota DFL party.

Bearing these facts in mind, the threshold question which this Commission must decide is whether or not a violation of 2 U.S.C. S. 441b has occurred. Since the members of this Commission are well versed in the language of "The Act", it is not necessary to set forth at this time a verbatim recital of the provisions of 2 U.S.C. S. 441b. However, we respectfully urge the Commission to closely examine the definition of the term "contribution or expenditure" as contained in Section 441b (b)(2). Certainly, the Open House conducted by Merillat in order to announce the opening of it's new facility cannot be categorized as a "direct or indirect payment", or a "distribution, loan, deposit or gift of money, or any services", to Mr. Boschwitz or to his campaign committee.

In fact, the only portion of this definition which might be applied under these circumstances is to argue that possibly Mr. Boschwitz received "something of value" from Merillat. Such an argument, in our opinion, is tenuous at best, and with all due

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ATTORNEYS AT LAW
888-8628

Mr. Oldaker
Page 3
August 10, 1978

respect to the complainant in this case, it completely ignores the stated purpose of the Merillat Open House, as expressed in the newspaper announcement and in the subsequent newspaper story.

The advertisement announcing the Open House and inviting the general public to attend contains some 300 words in five separate paragraphs. Fewer than 30 of those words can be said to apply to Mr. Boschwitz, personally, and only ten of those 300 words relate in any way to his candidacy for the United States Senate.

The newspaper article as reported by Mr. David Phelps in the Minneapolis Tribune on June 21, 1978, is even more persuasive of our position that no contribution or expenditure on behalf of Mr. Boschwitz occurred. In that article, the President of Merillat specifically denied that his firm was involved in the campaign and Mr. Boschwitz, himself, unequivocally stated that he was "participating in the Open House only to aid Merillat's business venture which could, in turn, benefit Plywood Minnesota.

While it is true that Mr. Orville Merillat, the President of Merillat, was quoted in this same article as stating that he hoped the event would aid Mr. Boschwitz's candidacy in that it would allow him to meet people, he qualified that statement somewhat by reasoning that the Boschwitz presence would help Merillat get better acquainted with the community. It is hardly surprising, given the long standing successful relationship between Merillat and Plywood Minnesota, that Mr. Merillat would be supportive of Mr. Boschwitz's candidacy, but it is equally logical to assume that Mr. Boschwitz, whose name was well known in this state and particularly in the Minneapolis--St. Paul area, would have been invited to attend the Open House as an honored guest, even if he was not a congressional candidate.

In short, Mr. Merillat's statements can be interpreted only as well intentioned, gratuitous comments, expressing his honest personal opinions. Serious First Amendment questions could not be ignored, if any portion of the Act is interpreted to impede or restrict such freedom of personal expression.

Mr. Boschwitz and the members of the People for Boschwitz Committee view the allegations of this complaint with the utmost seriousness. With that in mind, it is necessary to respond briefly to the possibility that this Commission will find, based upon all

KEMPF & MILLER
ATTORNEYS AT LAW
888-8828

Mr. Oldaker
Page 4
August 10, 1978

of the facts, that a violation of the Act has been committed.

It is not an oversimplification to state that any such violation may have offended the letter of the law. However, it is equally certain that the intent of Merillat in scheduling the Open House, and the motive of Mr. Boschwitz in attending, have left the spirit of the law intact and unscathed.

It cannot be seriously contended that the impetus for the Merillat Open House was to promote the candidacy of Rudy Boschwitz for the United States Senate. Merillat had expended some \$3,000,000.00 in constructing it's new Minnesota facility and from the standpoint of sound business practices and the need to establish community recognition, an Open House ceremony was the ideal vehicle. Logically, even if Mr. Boschwitz had been unable to attend, the event would still have taken place.

Likewise, the willingness of Mr. Boschwitz to appear at the Open House was prompted not by the possible political gain, but instead, was a direct and singular result of his long business association with Merillat and of his desire to promote the economic development of the State of Minnesota.

In short, the intent of the parties and the purpose for the event, are the key considerations for this Commission, and we respectfully urge it's members to find, in light of all the known facts, that no violation of the Act has occurred. If a violation is found, we ask that no penalties be assessed, either against the candidate or against Merillat Industries, Inc. since the violation was committed unintentionally and without political motive.

Respectfully submitted,



Thomas A. Miller,
Counsel for People for Boschwitz
Committee

TAM:pk

79040092928

PEOPLE FOR BOSCHWITZ
P. O. Box 10
Minneapolis, MN 55440



'78 AUG 21 AM 9 29

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

790407919

000# 4549

SHUMAKER, LOOP & KENDRICK

ATTORNEYS

SUITE 500
811 MADISON AVENUE
TOLEDO, OHIO 43624

PHONE 419 241-4201

FEDERAL ELECTION
FEDERAL ELECTION
HAND DELIVERED

9 AUG 17 11:45
78 AUG 17 11:23

WOLF H. SCHEIDEL
WILLIAM H. GOSLINE
NORMAN C. HARTSEL
WILLIAM H. HEYWOOD, III
FRANCIS H. DANIEL, JR.
THOMAS G. HILTZ
JERRY E. BARTON
JOHN H. BURSON
THOMAS I. WEBB, JR.
ROBERT W. ANSPACH
DAVID W. WICKLUND
GARY R. GIESING
JOHN N. MACKAY
JOHN G. MAXA
VIVIAN C. FOLK
JOSEPH A. RIDEOUT
DOUGLAS W. DENSMORE
KEVIN H. GRAHAM
RONALD J. MCCRACKEN
GREGORY G. ALEXANDER
OF COUNSEL

ALAN B. LOOP
JOHN J. KENDRICK
FRANCIS J. GALLAGHER
ROBERT B. GOSLINE
G. CHARLES SCHARFF
CHARLES W. PECKINPAUGH, JR.
SWIFT C. CORWIN
MALCOLM B. RAMEY
JOHN W. HACKETT, JR.
THOMAS I. WEBB
CARL V. BRUGGEMAN
ROBERT G. CLAYTON, III
MARC GERTNER
DONALD M. MEWHOHT, JR.
EDWIN G. EMERSON
JOHN C. STRAUB
JAMES M. TUSCHMAN
JAMES F. WHITE, JR.
BARTON L. WAGENMAN

August 16, 1978

Re: Merillat Industries, Inc.
Your File MUR627(78)
Our File No. 10039

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

Commissioners:

Our client, Merillat Industries, Inc. ("Merillat"), a Michigan corporation, is in receipt of a letter from you dated July 20, 1978 (a copy of which is attached hereto as Exhibit A and made a part hereof) concerning a complaint received by it which alleges that Merillat may have committed a violation of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is attached hereto as Exhibit B and made a part hereof. It is Merillat's position that it has not violated the provisions of the Act for the following reasons, among others: (i) the placing of the ad in the Minneapolis Star on June 20, 1978 and the payment therefor by Merillat (the "Alleged Violation") is not a "contribution or expenditure" as those terms are defined in §431(e) and §431(f) of the Act and §100.4 of the Regulations adopted by the Federal Election Commission. Assuming, arguendo, that the Alleged Violation is found to be an "expenditure or contribution" within the meaning of the Act, such a contribution or expenditure was made by Merillat without intent to violate any provision of the Act. A discussion of all pertinent facts and its position with respect to the Alleged Violation is set forth below.

FACTS

Merillat is engaged in the design, manufacture and sale of kitchen cabinets and bathroom vanities. The principal office of Merillat is located at 2075 West Beecher Road, Adrian, Michigan, 49221 and its

telephone number is (517) 263-0771. As of the date hereof, Merillat's products were being sold through approximately 100 distributors in 29 states, the District of Columbia and Ontario, Canada. Sales of Merillat's products are made directly to distributors who primarily resell to their own independent dealers and to builders, remodelers and other retail consumers. Because of the increased demand for its products and because its production facility in Adrian, Michigan was operating at full capacity, Merillat acquired approximately 20 acres of land located at 21755 Cedar Avenue South in the City of Lakeville, Minnesota and a 209,440 square foot building and improvements located thereon consisting of approximately 100,310 square feet of office space, approximately 88,450 square feet of assembly and manufacturing space and approximately 119,680 square feet of warehouse space. The acquisition of the land in Lakeville, Minnesota and the existing building thereon and the construction of improvements to and the acquisition and installation of personal property and equipment in said building were financed by Merillat through the issuance by the City of Lakeville, Minnesota on February 15, 1978 of its Industrial Development Revenue Bonds in the aggregate principal amount of \$3,000,000.

After the completion of the necessary improvements and the installation of all machinery and equipment, Merillat began taking employment applications. After the expiration of approximately thirty (30) days, it noticed that it was receiving an insufficient number of applications, probably due to Merillat's initial low-key entrance into the Lakeville, Minnesota area and to the extremely low unemployment level of that area. In order to increase the flow of job applications from members of the working community, Merillat felt it necessary to institute an aggressive plan to expose and enhance its image which included (i) an open house and buffet dinner for employees, their families and friends, (ii) a press breakfast for local news media to include local dignitaries on a city, county and state level as well as the distributors in the area to be served by the production facilities and (iii) a general public open house which included a plant tour, refreshments and door prizes (this was the open house briefly attended by Mr. Boschwitz).

The employee open house and buffet supper was held on Tuesday, June 20, 1978 between the hours of 6:00 and 8:00 p.m. The press breakfast was held on Wednesday, June 21, 1978 between 8:30 a.m. and 10:00 a.m. The general public open house was held on Wednesday, June 21, 1978 between 3:00 p.m. and 5:30 p.m. Mr. Boschwitz was present at the public open house for approximately 25 minutes. During this time, there were approximately 35 people taking a tour of the plant, a majority of whom were members of the family of people who had worked at the plant under the former owners. There was no formal introduction of Mr. Boschwitz to those present nor did he speak to them as a group. No campaign material

or literature was distributed or available to the public. Mr. Boschwitz's presence at the public open house was intended by Merillat solely as an inducement for the general public to meet the Merillat management since Mr. Boschwitz had been president of a company which was one of the leading distributors of Merillat's products. At no time did any Merillat representatives attempt to influence any members of the public present at the open house to vote for the election of Mr. Boschwitz to the United States Senate. Mr. Boschwitz's candidacy was never mentioned or discussed at the open house.

DISCUSSION

The complaint alleges a violation of §441(b) of the Act by Merillat on account of a newspaper advertisement which appeared in the Minneapolis Star on Tuesday, June 20, 1978 and similar advertisements published in other area newspapers, which advertisements featured a picture of Rudy Boschwitz, described him as a "candidate for the U. S. Senate" and invited the public to meet Mr. Boschwitz at an open house from 3:00 p.m. to 5:30 p.m.

Under §441(b) of the Act, it is unlawful for any corporation whatever to make a "contribution or expenditure" in connection with any election at which a Senator in Congress is to be voted for. §431(f) defines the term "expenditure" to mean "a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value made for the purpose of (A) influencing the nomination for election, or the election, of any person to Federal office, . . ." (emphasis added). As previously discussed, the payment for the advertising by Merillat was not for the purpose of influencing the nomination for election, or the election, of Mr. Boschwitz. It was made solely for the purpose of creating more job applications by enhancing the image of Merillat in the community. Mr. Boschwitz's presence at the open house was for the purpose of attracting members of the community to meet the Merillat management team, not for the purpose of influencing the election of Mr. Boschwitz to the United States Senate. Accordingly, the expenditures made by Merillat for the advertising should not be considered as expenditures within the meaning of the Act. Since such payments are not expenditures within the meaning of the Act, §441(b) of the Act has not been violated. For your information, we have attached as Exhibit C and made a part hereof a copy of an internal memorandum of Merillat discussing the purpose and objectives of the activities planned during the two-day period in question.

Assuming, arguendo, that the Alleged Violation is found to be an "expenditure or contribution" within the meaning of the Act, such violation of the Act was not knowingly and willfully committed by Merillat. Merillat is more than willing to enter into a conciliation agreement with

Federal Election Commission
August 16, 1978
Page 4

the Commission with respect to the Alleged Violation and any future conduct of Merillat relating to this election.

If you have any further questions concerning this matter, please do not hesitate to contact me.

Very truly yours,

SHUMAKER, LOOP & KENDRICK

By *James F. White, Jr.*

JFW:jmb
Enclosures
cc: Mr. Orville Merillat
Mr. John D. Thurman

1 5 6 : 6 6 0 1 6 6 2



FEDERAL ELECTION COMMISSION

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

*47th Floor
Office of
General
Council*

July 20, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Orville D. Merillat
21755 Cedar Avenue
Lakeville, Minnesota

Re: MUR 627 (78)

Dear Mr. Merillat:

The Federal Election Commission has received a complaint which alleges that Merillat Industries may have committed a violation of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 627 (78).

The Commission has reason to believe that the matters alleged in the complaint state a violation of 2 U.S.C. §441b. Specifically, it appears that the enclosed newspaper advertisement as well as the June 21st open house attended by Rudy Boschwitz, which were paid for by Merillat Industries, may constitute a corporate 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.

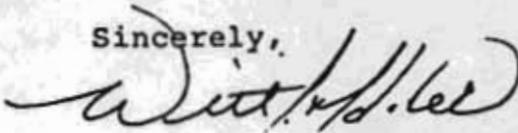
If you have any questions, please contact Suzanne Callahan, the staff member assigned to this matter, at 202/523-4058.

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

79040092934

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

Sincerely,



William C. Oldaker
General Counsel

Enclosure

70010092935

7003930



MINNESOTA DFL PARTY STATE CONVENTION

CONVENTION '78

RECEIVED
FEDERAL ELECTION
COMMISSION

JUN 26 12:36 PM '78

SAINT PAUL CIVIC CENTER

JUNE 2, 3, AND 4

June 21, 1978

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

70040092936

Commissioners:

I wish to complain about corporate expenditures by Merillat Industries Incorporated in connection with the 1978 U. S. Senate election in Minnesota.

Attached is a copy of a newspaper advertisement which appeared in the Minneapolis STAR Tuesday, June 20, 1978. It is my understanding that similar advertisements have appeared in other area newspapers. In featuring a picture of Rudy Boschwitz, described as "a candidate for the U. S. Senate," and inviting the public to "meet Rudy" in given Open House hours, the corporation clearly is violating U.S. Code Title 2 441b. prohibitions against such expenditures.

The corporate intent is established in the Minneapolis TRIBUNE article of June 21 enclosed. In it, the company president says he hoped the event "would help Boschwitz's candidacy," that it "would allow him (Boschwitz) to meet people that he might not be able to meet otherwise," and that "we need more Rudy's down there (in Washington)."

I also wish to complain that candidate Boschwitz personally violated the same provision in that he knowingly accepted this expenditure on his behalf. His willing attendance attests to it, as well as his admission cited in the same TRIBUNE article.

I request prompt action on this matter. I have not consulted with any campaign or candidate before filing this complaint.

Subscribed and sworn before me on June 21, 1978. My commission expires on March 18, 1982.

Terrill G. Anderson

Rick Scott

Rick Scott
DFL State Chair

803941

DFL STATE CENTER
TERRILL G. ANDERSON
NOTARY PUBLIC - MINNESOTA
ST. CECILIA'S CATHEDRAL
MINNEAPOLIS, MINN. 55402

EXHIBIT B

CHAIR, 730 E. 33th STREET/MINNEAPOLIS, MN 55407, (612) 827-5421

Bob Smith

LAKEVILLE, MINNESOTA PR OUTLINE

PURPOSE

The purpose of the total activity is to expose and enhance the image of Merillat Industries in the immediate Lakeville community and surrounding area. From this activity, our immediate primary objective is to generate an increased flow of job applications from more mature members of the working community.

These activities can be segregated into four distinct functions:

1. Employees open house and buffet dinner at the plant each employee is asked to bring family and friends. This is to promote the idea of a total Merillat family relationship and provide families the opportunity to see what this "new" Merillat company is all about.
2. A VIP breakfast and plant tour to identify the company, it's management group and the Merillat product to local, city, township, county and state government officials, only local press will be invited because later in the afternoon a full-blown press conference will be held at the plant. This also will be the first official occasion for our Minnesota area distributors to see the facility.
3. A press conference and tour introducing Merillat (as a major manufacturer), the Merillat management team and Rudy Boschwitz an important Merillat customer and candidate for the United States Senate.
4. An open house for the community and surrounding area families with Rudy Boschwitz on the premises. (Rudy's appearance should help draw local people).

SCHEDULED ACTIVITIES, RESPONSIBILITIES AND RECOMENTATIONS

1. 6-20-78 - Tuesday - Employee Open House and Buffet Supper at plant.
 - a) Time: 6-8 p.m.
 - b) Welcoming committee to consist of Orville Merillat, Ruth Merillat, Jay Foster, Nancy Foster, Richard Merillat, Lynnette Merillat, Duane Bingel, John Thurman, Rob Meyers, Pete Palpant, Don Judd, Bill Smyth, Bob Anderson and Buck Haldeman.
 - c) Name tags to be written out by Lakeville office staff. (These will help promote friendliness and togetherness of employees).
 - d) Guided plant tours - to be conducted by Lakeville supervision and/or hostesses prior to the buffet dinner. Purpose is to insure each employee understands

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how his position relates to total Merillat picture as well as the finished product.

- e) Employee buffet dinner will be a catered affair at plant cafeteria. 6-7 after dinner a speech by Jay Foster, Plant Manager, who in turn introduces Orville Merillat. Short speech by Orv. Door prizes at 7:30 p.m. by Don Judd.
- f) Drawing will be done by placing all employees names in box so only one prize per family.
- g) Momento - Suggest every employee and guests in attendance receives Merillat pen. Adrian to furnish.
- h) Kitchen displays - Appropriate kitchen displays to be set up in the office or factory. - Lakeville to assemble displays, Adrian to design display and ship cabinets and tops. (Bill Smyth)
- i) Banners, signs, name tags. Adrian will furnish banners for the outside of building, inside of office and sign cards (together we make the future etc.) also name tags will be furnished. (Bill Smyth) Lakeville to arrange for hanging signs, banners and making our name tags.

2. 6-21-78 - Wednesday - VIP Breakfast (Buffet at Chart House (printed by Lakeville).)

a) invitation

1. Suggested mailing list

- a) Local city officials
- b) Local Chamber of Commerce
- c) Other local civic and business leaders
- d) Service clubs, education
- e) Local media, print and broadcast
- f) Local heads of personnel agencies, if such are in the area.
- g) Area Merillat distributors
- h) Township, county and state officials
- i) Local grange
- j) Caldwell-Banker personnel
- k) Attorneys, etc. who helped close the sale.
- l) Fredrich-Willis reps?
- m) Other Industrial Park business and personnel.

2. Time of breakfast - 8:30 a.m. - 10:00 a.m.

3. Place of breakfast Chart House

4. Breakfast agenda

- a) Welcoming Committee (same as employee open house).
- b) Serve breakfast
- c) Welcome by Jay Foster. Introduction of Merillat team. Introduction of attendees, (suggest have them introduce themselves by standing giving their names and their functions). Jay introduces Orville Merillat - Orv reviews Merillat plans as a company and Lakeville plant in particular. Desire to be part of community, etc. Orv turns back over to Jay. Jay thanks individuals who helped - then announces open house in the p.m.

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- d) Handing out of Merillat literature packet to include:
 - * 30th Anniversary brochure
 - * Product literature. (Adrian to furnish literature Lakeville to stuff folders etc.)
- e) Photographer - to record event on film. Lakeville to secure photographer for all day.

3. 6-21-78 - Wednesday - Press Conference and tour.
 Time: 3:00 p.m. - 3:45 p.m.

media people showed up. Did not take place since no

- a) Introduction by Jay Foster. Jay introduces Orville Merillat. Speech by Orville who introduces Rudy Boschwitz, speech by Rudy.
- b) Invitation to media: (Print and broadcast), prepared and mailed by agency.
- c) Photographer for photos for possible release afterwards. Jay Foster
- d) Press package to be handed out, agency prepares releases coordinates with Rudy's press secretary. Bill Smyth will hand out to press package contents.
 - * General press release
 - * Summary Orville Merillat remarks
 - * Biography Jay Foster
 - * Glossy photos - plant, Orville Merillat, Jay Foster.
 - * Feature release on growth of Merillat and position industry.
 - * 30th Anniversary brochure
 - * Product literature. (Adrian to furnish literature, Lakeville to stuff folders etc.)

4. 6-21-78 - Wednesday - General Public Open House at Plant.
 Time: 3:45 p.m. - 8:00 p.m.

- a) Creation and placement of ad announcing event in local paper. Ad to feature Rudy Boschwitz as well as Merillat. Ad prepared and placed by Creative House. Ad to run minimum two times prior to and the day of the Open House.
- b) Welcoming hostesses and/or committee as before.
- c) Guided tours of plant: Foreman and/or hostesses.
- d) Hand out literature packet. (Same as at VIP breakfast.)
- e) Photographer - to record event on film and obtain photos for follow-up release.
- f) Door prizes, consider raffling off 2 vanities with marble tops. Have everyone who attends make out card with name and address. - Lakeville to get cards printed.

70040092939

SKY COURIER, INC.

A PARCELATOR SERVICES COMPANY

FORWARDER AIRBILL - NON-NEGOTIABLE

ORIGIN AIRPORT CODE

TOL

AIRBILL NO.

1154314

DESTINATION AIRPORT CODE

DCA

ORIGIN AREA CODE

024

DESTINATION AREA CODE

DECLARED VALUE

NVD

CONSIGNOR (FROM)

James F. White, Jr.
Shumaker, Loop & Kendrick

AIRLINE AIRBILL NO.

STREET ADDRESS

811 Madison Ave., Suite 500

CONSIGNEE (TO)

Federal Election Commission

CITY

Toledo

STATE

Ohio

ZIP

43604

STREET ADDRESS

1325 K Street N.W.

SHIPPER SIGNATURE

X

CITY

Washington

STATE

D.C.

ZIP

20463

PREPAID

COLLECT

Weight Rate

Adv. at Orig. or Dest.

Pickup/Delivery

Excess Value

Insurance

TOTAL CHARGES

It is mutually agreed that the goods herein described are accepted in apparent good order (except as noted) for transportation as specified herein, subject to governing classifications and tariffs in effect as of the date of shipment which are filed in accordance with law. Said classifications and tariffs, copies of which are available for inspection by the carrier herein, are hereby incorporated into and made part of this contract.

NO. OF PIECES

1

DESCRIPTION OF CONTENTS

Letter to Commissioners on Hillier

SKY-PAK No. 10039

WEIGHT

TOTAL

SPECIAL INSTRUCTIONS

TOTAL WEIGHT

CARRIER SIGNATURE

CONSIGNEE SIGNATURE

DATE

TIME

A.M.

P.M.

DATE

TIME

A.M.

P.M.

BLF 102 REV 6-77

HAND DELIVERED

790410



FEDERAL ELECTION COMMISSION

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

79040092912

MEMORANDUM TO CHARLES STEELE *MWE*
FROM: MARJORIE W. EMMONS
DATE: AUGUST 14, 1978
SUBJECT: MUR 627 - Interim Investigatory
Report dated 8-8-78
Signed: 8-11-78: Received in
OCS: 8-11-78, 1:49

The above-named document was circulated on a 24 hour no-objection basis at 4:00 p.m., August 11, 1978

The Commission Secretary's Office has received no objections to Interim Investigatory Report as of 4:00 p.m. this date.

August 11, 1976

MEMORANDUM TO: Marge Haines
FROM: Elise S. Galt
SUBJECT: NY 627

Please have the attached Interim Invest. Report
on NY 627 distributed to the Commission.

Thank you.

79040092943

BEFORE THE FEDERAL ELECTION COMMISSION
August 8, 1978

In the Matter of)
)
)
)
Rudy Boschwitz)
Merillat Industries Inc.)

MUR 627 (78)

INTERIM INVESTIGATORY REPORT

On July 8, 1978, the Commission found reason to believe that Merillat Industries Inc. and Rudy Boschwitz may have violated 2 U.S.C. §441b. The respondents were notified of the Commission's determination on July 20th.

Attorneys for both parties have contacted this office and are preparing written responses. We expect to report to the Commission shortly.

8/10/78
Date


William C. Oldaker
General Counsel

79040092944

600#
4388

STACKER & RAVICH

ATTORNEYS AT LAW
1250 NORTHERN FEDERAL BUILDING
CAPITAL CENTRE PLAZA
ST. PAUL, MINNESOTA 55102
TELEPHONE (612) 222-1761

RECEIVED
FEDERAL ELECTION
COMMISSION

'78 AUG 7 AM 9:24

RALPH STACKER
PAUL H. RAVICH
STUART RADSON
HOWARD G. STACKER
JOEL C. MAURER
ROBERT J. TANSEY, JR.
STEVEN M. RUBIN
GLENN R. AYRES
JANN L. OLSTEN
JEROME GETTE
JAMES D. BATES
HART KULLER

MAX A. STACKER
(1900-1971)

OF COUNSEL
FRED SILVERSTEIN

August 2, 1978

MINNEAPOLIS
3724 IDS CENTER
80 SO. 8TH STREET
MINNEAPOLIS, MINNESOTA 55402
TELEPHONE (612) 332-1331

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

670696

Re: MUR 627 (78)

Dear Mr. Oldaker:

I am writing on behalf of Rudy Boschwitz and the People for Boschwitz campaign with regard to your letter of July 20.

As I discussed with one of your staff members today, a formal response to the Complaint is being prepared. I would like some additional time, however, to compile the facts necessary to formulate an appropriate response. Therefore, I would appreciate your giving us until August 15 to respond.

Unless I hear from your office, I will assume this timetable is agreeable. Thank you.

Yours truly,

Jann L. Olsten

JLO:mlr

cc: Rudy Boschwitz

7 9 . 0 . 4 0 0 9 2 9 4 5
LAW OFFICES OF
STACKER & RAVICH
1250 NORTHERN FEDERAL BUILDING
CAPITAL CENTRE PLAZA
ST. PAUL, MINNESOTA 55102

RECEIVED
FEDERAL ELECTION
COMMISSION



'78 AUG 7 AM 9:24

Mr. William C. Oldaker
General Counsel
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 20, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Rudy Boschwitz
17250-D 19th Ave. North
Wayzata, MN 55391

Re: MUR 627 (78)

Dear Mr. Boschwitz:

The Federal Election Commission has received a complaint which alleges you may have committed a violation of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 627 (78).

The Commission has reason to believe that the matters alleged in the complaint state a violation of 2 U.S.C. §441b. Specifically, it appears that the enclosed newspaper advertisement as well as the June 21st open house attended by you, and paid for Merillat Industries, may constitute a corporate 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 Suzanne Callahan, the staff member assigned to this matter, at 202/523-4058.

This matter will remain confidential in accordance with 2 U.S.C. Section 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,

William C. Oldaker
General Counsel

Enclosure

MUR-82708 Callahan

75 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
Boschenty
17250-D 19th Ave W
Wayzata MN
55391

3. ARTICLE DESCRIPTION:
 REGISTERED NO. *943234* CERTIFIED NO. INSURED NO.

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY *7/24*

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

POSTMARK
 WAYZATA MN
 JUL 24 1978
 U.S. MAIL

☆ GPO : 1977-O-234-331



FEDERAL ELECTION COMMISSION

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

July 20, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Rick Scott
DFL State Chair
703 E. 38th St.
Minneapolis, Minn. 55407

RE: MUR 627(78)

Dear Mr. Scott:

We have completed a preliminary review of your complaint and have numbered it as MUR 627 (78). Please refer to this number in any further correspondence.

A copy of your complaint has been forwarded to respondent. If you have any further evidence you wish to make available to us, please submit it within five days of your receipt of this letter.

Please note that 2 U.S.C. §437g(a)(3) enjoins any person from making public the fact of "any notification or investigation" by the Commission until the respondent agrees in writing to make public the investigation. The staff member assigned to this matter is Suzanne Callahan (telephone number 202-523-4058). Please do not hesitate to write or call if you have any further questions.

75 Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

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:
 Rick Scott
 DFL State Chair
 703 E. 38th St.
 Minneapolis, MN 55407

3. ARTICLE DESCRIPTION:
 9457279

REGISTERED NO. CERTIFIED NO. INSURED NO.

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

4. ADDRESS (Complete only if requested)
 JOE SCOTT
 2 E 1970

5. ADDRESS (Complete only if requested)
 703 E 38th St
 55407

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS
 JUL 24 1978
 POLICE

[Handwritten Signature]
Oldaker
Insel

MUR 627-Callahan

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Rick Scott
DFL State Chair
703 N. 38th St.
Minneapolis, Minn. 55407

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Smey
7/19/78
Sincerely,

William C. Oldaker
General Counsel

79040092950



FEDERAL ELECTION COMMISSION

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

July 20, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Orville D. Merillat
21755 Cedar Avenue
Lakeville, Minnesota

Re: MUR 627 (78)

Dear Mr. Merillat:

The Federal Election Commission has received a complaint which alleges that Merillat Industries may have committed a violation of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 627 (78).

The Commission has reason to believe that the matters alleged in the complaint state a violation of 2 U.S.C. §441b. Specifically, it appears that the enclosed newspaper advertisement as well as the June 21st open house attended by Rudy Boschwitz, which were paid for by Merillat Industries, may constitute a corporate 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.

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

Sincerely,

William C. Oldaker
General Counsel

Enclosure

MUR 627 - Callahan

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:
*Orville B. Meridat
 2755 Cedar Avenue
 Lakeville, Minnesota*

3. ARTICLE DESCRIPTION:
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 | *943 237* | |

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

LAKEVILLE
 POSTMARK
 JUL
 24
 1978

MINN. STATE
 ATTORNEYS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Merillat Industries, Inc.) MUR 627 (78)
Rudy Boschwitz)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on July 18, 1978, the Commission approved by a vote of 4-0 the recommendations in the First General Counsel's Report dated July 14, 1978 to take the following actions in the above-captioned matter:

1. Find reason to believe that Merillat Industries Inc. and Rudy Boschwitz may have violated 2 U.S.C. §441b.
2. Send the letters attached to the General Counsel's Report.

Commissioners Aikens, Harris, Springer, and Thomson returned their papers by the deadline.

7/18/78

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

Received in Office of Commission Secretary: 7-14-78, 2:27
Circulated on 48 hour vote basis: 7-14-78, 4:00

79040092953

July 14, 1973

MEMORANDUM TO: Marge [unclear]
FROM: Elissa P. [unclear]
SUBJECT: MUR 627

Please have the attached 7 day report on MUR 627 distributed to the Commission on a 48 hour tally basis.

Thank you.

79040092954

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

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL JUL 14 1978
BY OGC TO THE COMMISSION

MUR NO. 627 (78)
DATE COMPLAINT RECEIVED
BY OGC 6/28/78
STAFF
MEMBER CALLAHAN

SOURCE: Rick Scott

RESPONDENT'S NAME: Merillat Industries, Inc.
Rudy Boschwitz

RELEVANT STATUTE: 2 U.S.C. §441b

INTERNAL REPORTS CHECKED: Rudy Boschwitz

FEDERAL AGENCIES CHECKED: None

BACKGROUND

The complainant, Rick Scott, alleges that Merillat Industries Inc. (Merillat) has made corporate expenditures on behalf of Rudy Boschwitz's campaign for the U.S. Senate, with the candidate's authorization, placing both Merillat and Boschwitz in violation of 2 U.S.C. §441b.

The complainant submitted a newspaper advertisement for a Merillat open house and tour of their facilities which appeared in the Minneapolis Star June 20, 1978. (Attached) The advertisement includes a picture of the candidate and reads in part "... shake hands with our special guest, Rudy Boschwitz. Rudy, formerly head of Plywood Minnesota, one of Merillat's leading distributors is now a candidate for the U.S. Senate..."

Also included in the complaint was an article from the Minneapolis Tribune dated June 21st. (Attached) The article indicates that Boschwitz's appearance at the open house was also noted in a press release and letters of invitation sent to local officials by Merillat for promotional purposes.

The Tribune article indicates that both Merillat and Boschwitz felt that the candidate's appearance would be beneficial to both parties although both denied that a corporate contribution had occurred.

ANALYSIS

As set forth in 2 U.S.C. §441b, corporations are prohibited from making contributions or expenditures in connection with federal elections.

As defined by §431(e), a contribution means "... anything of value made for the purpose of" influencing federal elections.

It appears that the attached newspaper advertisement as well as the June 21st open house attended by Boschwitz, which were paid for by Merillat Industries, may constitute a corporate contribution.

RECOMMENDATION

1. Find reason to believe that Merillat Industries Inc. and Rudy Boschwitz may have violated 2 U.S.C. §441b.
2. Send attached letters.

700400919556



MINNESOTA DFL PARTY STATE CONVENTION

CONVENTION '78

RECEIVED
FEDERAL ELECTION
COMMISSION

78 JUN 26 AM 12:30

7003930

SAINT PAUL CIVIC CENTER

JUNE 2, 3, AND 4

June 21, 1978

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

Commissioners:

I wish to complain about corporate expenditures by Merillat Industries Incorporated in connection with the 1978 U. S. Senate election in Minnesota.

Attached is a copy of a newspaper advertisement which appeared in the Minneapolis STAR Tuesday, June 20, 1978. It is my understanding that similar advertisements have appeared in other area newspapers. In featuring a picture of Rudy Boschwitz, described as "a candidate for the U. S. Senate," and inviting the public to "meet Rudy" in given Open House hours, the corporation clearly is violating U.S. Code Title 2 441b. prohibitions against such expenditures.

The corporate intent is established in the Minneapolis TRIBUNE article of June 21 enclosed. In it, the company president says he hoped the event "would help Boschwitz's candidacy," that it "would allow him (Boschwitz) to meet people that he might not be able to meet otherwise," and that "we need more Rudy's down there (in Washington)."

I also wish to complain that candidate Boschwitz personally violated the same provision in that he knowingly accepted this expenditure on his behalf. His willing attendance attests to it, as well as his admission cited in the same TRIBUNE article.

I request prompt action on this matter. I have not consulted with any campaign or candidate before filing this complaint.

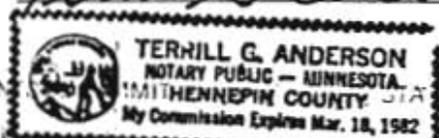
Subscribed and sworn before
me on June 21, 1978. My
commission expires on March 18,
1982.

Terrill G. Anderson

Rick Scott

Rick Scott
DFL State Chair

803941



DFL STATE CENTER CHAIR, 730 E. 38th STREET/MINNEAPOLIS, MN 55407, (612) 827-5421

79040092957

"M"-DAY!

ON WEDNESDAY, JUNE 21st WE'RE OPENING OUR DOORS TO EVERYONE!

Join us during our Open House!

Come on over and meet us. Merillat Industries, one of the nation's top 5 kitchen cabinet and bathroom vanity manufacturers invites you to tour our new facilities and meet the people who are Merillat. The Open House is from 3:00 P.M. to 8:00 P.M. We're located at 21755 Cedar Ave., South in the Airlake Industrial Park in Lakeville. From the Twin Cities take I-35 south. Exit at Minnesota Route 50 and follow 50 east thru downtown Lakeville to Cedar Ave., turn right (south) 3/4 of a mile to the plant.

Meet...

the management team from Merillat and shake hands with our special guest.



Rudy Boschwitz, formerly head of Plywood Minnesota, one of Merillat's leading distributors is now a candidate for the U.S. Senate. Rudy will be at the Open House from 3:00 P.M. to 5:30 P.M.

See...

firsthand how Merillat quality kitchen cabinets and

bathroom vanities are made and take a complete tour of our modern production and warehousing facilities. We won't guarantee you'll become a cabinet manufacturing expert, but we know you will leave impressed with the features and quality that are built into every Merillat cabinet.

Win...

one of the many door prizes that will be given away at our Open House. Everyone who attends is eligible to win! Make it a point to come join us during our Open House and you may go home a winner! Refreshments will also be served.

Opportunity...

for employment at the Merillat Lakeville plant is still available to qualified personnel. This is a unique opportunity for interested citizens to meet the Merillat management team, inspect the modern production and warehousing facilities firsthand, and meet some of your friends and neighbors who already are a part of Merillat.

You'll find that people really are important at Merillat and that Merillat is a pleasant and rewarding place to work.

MERILLAT INDUSTRIES, INC. • MAKERS OF QUALITY KITCHEN CABINETS AND BATH VANITIES

Boschwitz visit to industry's open house raises questions

By David Phelps
Staff Writer

An old business connection has allowed Independent-Republican U.S. Senate candidate Rudy Boschwitz to link himself with economic development in Minnesota.

At a period when the state's business climate is being criticized, Boschwitz has joined in the promotion of an industrial expansion project that eventually could mean 400 new jobs in the Lakeville area.

But the association between Boschwitz and Merillat Industries, Inc., raises questions involving federal campaign laws prohibiting corporate contributions to candidates for

public office.

Boschwitz is scheduled to appear today at an "open house" for Merillat Industries' new plant in Lakeville. Merillat announced the open house, along with a picture of Boschwitz, in newspaper advertisements yesterday.

The advertisement said, "Meet the management team from Merillat and shake hands with our special guest, Rudy Boschwitz. Rudy, formerly head of Plywood Minnesota, one of Merillat's leading distributors is now a candidate for the U.S. Senate..."

Boschwitz's appearance also was noted in a letter of invitation for

the open house that was sent to public and private officials and in a news release announcing the ceremony.

Orville D. Merillat, president of the Michigan kitchen cabinet manufacturing company, denied that his firm is involved in Boschwitz campaign but said he hoped the event would help Boschwitz's candidacy.

"We feel it will be a plus both ways," Merillat said. "It will help us get better acquainted with the community as well as allow him to meet people here that he might not be able to meet otherwise."

Boschwitz continued on page 5B

Boschwitz Continued from page 2B

"We need more Rudys down there (in Washington)..." a campaign contribution.

Boschwitz said yesterday he is participating in the open house only to aid Merillat's business venture.

"I don't think there's a conflict here," Boschwitz said. "Frankly, I think we'll probably do him more good than he'll do us."

Boschwitz and campaign aides said they carefully reviewed Merillat's promotional ceremony and determined that it did not violate any campaign regulations before agreeing to participate.

Federal campaign laws forbid corporations from using their resources to promote the candidacy of an individual or influence an election. However, Federal Election Commission (FEC) officials admitted it is difficult to determine when a corporate activity becomes

The intent or purpose (of an activity) is the key. But in a situation like this it is very difficult to say that an entity is working for or against a candidate," said FEC official Sharon Snyder.

Merillat said state and local government officials and representatives from the business community have been invited to attend the open house. Announcements for the ceremony also urged persons interested in working for the company to visit the plant.

The \$3-million Lakeville plant began operation in April and has a payroll of about 50 people, plant manager Jay Foster said. Foster said the company hopes to employ 150 by the end of the year and could employ a maximum of 400 in the future.

Boschwitz said he is interested in the success of Merillat's Minnesota plant because of the volume of business his company does with Merillat. He said a plant in Minnesota will allow Plywood Minnesota outlets in Iowa and Nebraska to carry Merillat products.

Merillat also has plants in Adrian.



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Orville D. Merillat
21755 Cedar Avenue
Lakeville, Minnesota

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-2-

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

Sincerely,

William C. Oldaker
General Counsel

Enclosure

7 6 9 4 0 0 9 3 9 6



FEDERAL ELECTION COMMISSION

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

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17250-D 19th Ave. North
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FEDERAL ELECTION COMMISSION

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

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DFL State Chair
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Sincerely,

William C. Oldaker
General Counsel

77010092963

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

Sincerely,

William C. Oldaker
General Counsel

Enclosure

7 0 0 4 0 0 9 2 9 6 1

Africa sends its children

By KAREN DeYOUNG
Washington Post

ISLE OF PINES, Cuba—As the visitors entered the classroom, the junior high school students snapped to attention and stared at the wall. A grave black youth stepped forward and shouted a drill-sergeant greeting.

"Comrade visitors: We are the Angolan pioneers, the beacon and guide of the continent. We commit ourselves to our organization, to the MPLA workers' party, to our people and to President Neto. Long live the Angolan revolution, surviving our own Bay of Pigs in Africa. The struggle continues, the victory certain. Fatherland or death. We will overcome."

THE FORMALITIES dispensed with, they raised a clenched-fist salute, smiled shyly and sat back down to their studies.

The boys and girls between 12 and 16 are among more than 2,000 Mozambiquen and Angolan children brought across the Atlantic as part of Cuba's aid program to Africa. They complement what U.S. officials say are 40,000 Cuban troops on their continent.

In a program that began last fall and is expanding to include Ethiopians, the students will spend from one to three years here. In addition to attending school, they spend several hours a day, along with 20,000 Cuban children, working in the citrus groves that cover nearly a third of this small island 60 miles off Cuba's southwestern coast.

THE ISLE OF PINES is a sort of mass boarding school that is the showpiece of Cuba's extensive "schools in the countryside" system designed to teach the value of manual labor along with traditional studies.

Until 1966, the island had only a prison. Fidel Castro closed the prison, transferred the prisoners and renamed the island the "Isle of Youth." It was here, Castro de-

Cuba

Turn to Page 2A

but it's hard to

By JOHN HURST
Los Angeles Times

SAN LUIS OBISPO, Calif.— It is difficult to look into the wide, innocent eyes of Charles "Tex" Watson and fully comprehend he murdered seven strangers.

At 32, Watson's boyish features just barely have begun to thicken. It is almost impossible to look at Watson as he professes born-again Christian love in an easy Texas drawl and imagine him coldly butchering the Tate-LaBianca victims while they screamed for mercy.

THAT'S EXACTLY WHAT Watson did in Los Angeles in the summer of 1969 when he was an executioner for Charles Manson.

Watson originally was sentenced in 1971 to die in the gas chamber for the murders, but he was given life in prison when California's death penalty law was declared unconstitutional.

Now, as an inmate of the medium-security California Men's Colony here, Watson has published a book detailing his role in the seven murders and his religious conversion in prison.

All royalties from the book are to go to the

International Prison Ministry to distribute 200,000 papers as inspirational material. The book might or might not be certain is no "Crime and Punishment" or content.

In the book Watson somehow from the murder trial involvement with

"I look back," he says about his feelings, "and really me back there?" Watson, the murderer?"

WATSON DOES NOT because of a soul torn. In fact, he was fairly good for the first few years.

"I was happy with my wife and was happy making toys for their children. But my life was something and I didn't know what it was."

Watson said he felt no God.

"At the time of the kill



CHARLES 'TEX' WATSON

Photographed at trial

Psychologists say women are

By GORDON SLOVUT
Missneapolis Star Staff Writer

ST. LOUIS—Rude women are unkind, Dr. Joyce Brothers, television psychologist, said yesterday.

Brothers, a panelist at a rape seminar sponsored by the American Medical Association, said studies show that rapists usually pick on women who appear friendly.

"If a man on the street asks you for a match or asks you directions, snub him," she advised the women in her audience. And she said that if a suspicious-looking stranger approaches a woman at night she ought to start screaming "fire" to scare him off.

She said that four out of five women who resist by screaming, scratching or trying to escape rape, if they start resisting. Many women who are beaten and raped too long before they started resisting, she said.

Another panelist, Lt. Carol Kope, director of the crimes division of the sheriff's bureau

Boschwitz visit to industry's open house raises questions

By David Phelps
Staff Writer

An old business connection has allowed Independent-Republican U.S. Senate candidate Rudy Boschwitz to link himself with economic development in Minnesota.

At a period when the state's business climate is being criticized, Boschwitz has joined in the promotion of an industrial expansion project that eventually could mean 400 new jobs in the Lakeville area.

But the association between Boschwitz and Merillat Industries, Inc., raises questions involving federal campaign laws prohibiting corporate contributions to candidates for

public office.

Boschwitz is scheduled to appear today at an "open house" for Merillat Industries' new plant in Lakeville. Merillat announced the open house, along with a picture of Boschwitz, in newspaper advertisements yesterday.

The advertisement said, "Meet the management team from Merillat and shake hands with our special guest, Rudy Boschwitz. Rudy, formerly head of Plywood Minnesota, one of Merillat's leading distributors is now a candidate for the U.S. Senate . . ."

Boschwitz's appearance also was noted in a letter of invitation for

the open house that was sent to public and private officials and in a news release announcing the ceremony.

Orville D. Merillat, president of the Michigan kitchen cabinet manufacturing company, denied that his firm is involved in Boschwitz's campaign but said he hoped the event would help Boschwitz's candidacy.

"We feel it will be a plus both ways," Merillat said. "It will help us get better acquainted with the community as well as allow him to meet people here that he might not be able to meet otherwise.

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Boschwitz

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"We need more Rudys down there (in Washington)."

a campaign contribution.

Boschwitz said yesterday he is participating in the open house only to aid Merillat's business venture.

"The intent or purpose (of an activity) is the key. But in a situation like this it is very difficult to say that an entity is working for or against a candidate," said FEC official Sharon Snyder.

"I don't think there's a conflict here," Boschwitz said. "Frankly, I think we'll probably do him more good than he'll do us."

Merillat said state and local government officials and representatives from the business community have been invited to attend the open house. Announcements for the ceremony also urged persons interested in working for the company to visit the plant.

Boschwitz and campaign aides said they carefully reviewed Merillat's promotional ceremony and determined that it did not violate any campaign regulations before agreeing to participate.

The \$3-million Lakeville plant began operation in April and has a payroll of about 50 people, plant manager Jay Foster said. Foster said the company hopes to employ 150 by the end of the year and could employ a maximum of 400 in the future.

Federal campaign laws forbid corporations from using their resources to promote the candidacy of an individual or influence an election. However, Federal Election Commission (FEC) officials admitted it is difficult to determine when a corporate activity becomes

Boschwitz said he is interested in the success of Merillat's Minnesota plant because of the volume of business his company does with Merillat. He said a plant in Minnesota will allow Plywood Minnesota outlets in Iowa and Nebraska to carry Merillat products.

Merillat also has plants in Adrian, Mich., and Jackson, Ohio.

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MINNESOTA DFL PARTY STATE CONVENTION

CONVENTION '78

RECEIVED
FEDERAL ELECTION
COMMISSION

18 JUN 23 AM 12:3

SAINT PAUL CIVIC CENTER

JUNE 2, 3, AND 4

June 21, 1978

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

Commissioners:

I wish to complain about corporate expenditures by Merillat Industries Incorporated in connection with the 1978 U. S. Senate election in Minnesota.

Attached is a copy of a newspaper advertisement which appeared in the Minneapolis STAR Tuesday, June 20, 1978. It is my understanding that similar advertisements have appeared in other area newspapers. In featuring a picture of Rudy Boschwitz, described as "a candidate for the U. S. Senate," and inviting the public to "meet Rudy" in given Open House hours, the corporation clearly is violating U.S. Code Title 2 441b. prohibitions against such expenditures.

The corporate intent is established in the Minneapolis TRIBUNE article of June 21 enclosed. In it, the company president says he hoped the event "would help Boschwitz's candidacy," that it "would allow him (Boschwitz) to meet people that he might not be able to meet otherwise," and that "we need more Rudy's down there (in Washington)."

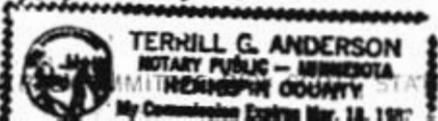
I also wish to complain that candidate Boschwitz personally violated the same provision in that he knowingly accepted this expenditure on his behalf. His willing attendance attests to it, as well as his admission cited in the same TRIBUNE article.

I request prompt action on this matter. I have not consulted with any campaign or candidate before filing this complaint.

Subscribed and sworn before me on June 21, 1978. My commission expires on March 18, 1982.

Rick Scott
Rick Scott
DFL State Chair

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CONVENTION '78 9
DEMOCRATIC-FARMER-LABOR PARTY

730 E. 38th Street

Minneapolis, Minnesota 55407



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



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FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20463

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