



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20461

THIS IS THE END OF TUB # 962

Date Filled 2/26/80 Camera No. --- 2

Comments GPC



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

February 6, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Edwin L. Pear
Ulrich, Pear, Barense & Eggar, P.C.
210 East Huron Street
Ann Arbor, Michigan 48104

Re: MUR 962

Dear Mr. Pear:

On February 5, 1980, the Commission approved your signed conciliation agreement. A copy of the agreement is attached for your information.

We note that under General Conditions, Section III of the agreement, your client Thanos Masters must comply with the terms of the agreement, i.e. submit payment of the civil penalty in the amount of \$50 to the Commission within 30 days after the Commission's approval. A check should be made payable to the U.S. Treasurer.

If you have any questions regarding this matter, please contact Miriam Aguiar at (202) 523-4060.

Sincerely,


Charles N. Steele
General Counsel

Enclosure

Conciliation Agreement

CLASSIFIED MAIL
UNLESS INDICATED OTHERWISE

Mr. John L. Fear
Ulrich, Beer, Barense & Leggar, P.C.
211 East Huron Street
Ann Arbor, Michigan 48104

Re: MUR 962

Dear Mr. Fear:

On January 2, 1973, the Commission approved your signed
conciliation agreement. A copy of the agreement is attached
for your information.

Under General Conditions, Section III of the
conciliation agreement, your client Hans Factors must comply with the
terms of the agreement, i.e., submit payment of the civil
penalty in the amount of \$10 to the Commission within 30 days
of the Commission's approval. A check should be made
payable to the State Treasurer.

If you have any questions regarding this matter, please
contact this office at (313) 533-4979.

Sincerely,

Charles L. Gault
General Counsel

cc: Mr. Fear

cc: Mr. Gault

WJG 1/15

BEFORE THE FEDERAL ELECTION COMMISSION
November 27, 1979

In the Matter of)
) MUR 962
Thano Masters)

CONCILIATION AGREEMENT

This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Thano Masters violated 2 U.S.C. §441a(a)(1)(A) in connection with a \$3,000 contribution made to the Earl Greene for Congress Committee.

NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Thano Masters, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding.

II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against him in this matter.

III. That the pertinent facts in this matter are as follows:

A. On August 7, 1978 Respondent became a guarantor for a \$3,000 91 day bank loan made to the Earl Greene for Congress Committee from the Ann Arbor Bank and Trust Company. The loan was made in connection with the primary election, and was due November 6, 1978.

B. The Earl Greene for Congress Committee repaid the \$3,000 loan with \$74.79 accrued interest on November 6, 1978.

C. Secured bank loans are considered contributions by the guarantor. 2 U.S.C. §431(e).

THEREFORE, Respondent agrees that:

IV. Respondent's contribution of \$3,000 to the Earl Greene for Congress Committee for use in connection with the general election campaign was in excess of and therefore in violation of the \$1,000 individual contribution limitation set forth in 2 U.S.C. §441a(a)(1)(A).

V. Respondent will pay a civil penalty in the amount of \$50 pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

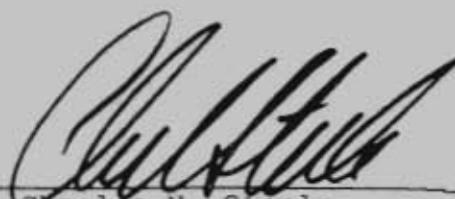
I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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 of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

5 Feb. 1980
Date



Charles N. Steele
Acting General Counsel
Federal Election Commission

Date

Thano Masters
Respondent



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

February 6, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Victor Adamo
Nederlander, Dodge & McCauley, P.C.
1930 Buhe Building
Detroit, Michigan 48226

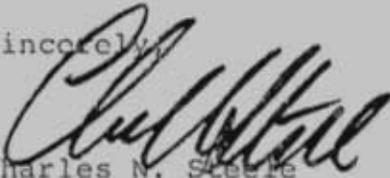
Re: MUR 962

Dear Mr. Adamo:

On February 5, 1980, the Commission accepted the conciliation agreements signed by your clients Mr. Gerald Faye and the Earl Greene for Congress Committee. The Commission also accepted the payment of the civil penalties in settlement of their respective violations of 2 U.S.C. § 441a. Accordingly, the Commission has closed its file on this matter.

Enclosed you will find a fully executed copy of the conciliation agreements for your files. Should you have any questions, please contact Miriam Aguiar at (202) 523-4060.

Sincerely,


Charles N. Steele
General Counsel

Enclosures

Conciliation Agreements:
Mr. Gerald Faye
Earl Greene for Congress Committee

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Victor Kanno
Superlander, Dodge & McCauley, P.C.
1999 Bank Building
Detroit, Michigan 48226

Re: MUR 962

Dear Mr. Kanno:

On February 9, 1980, the Commission accepted the
settlement agreements signed by your clients Mr. Gerald
"Bud" and Mrs. Carl Green for Congress Committee. The Com-
mission also accepted the payment of the civil penalties
in settlement of their respective violations of 2 U.S.C.
§ 1953. Accordingly, the Commission has closed its file
on this matter.

Enclosed you will find a fully executed copy of the
settlement agreements for your files. Should you have
any questions, please contact Miriam Amiar at (301) 523-
1234.

Sincerely,

Charles S. Boyle
General Counsel

CSB 2/1/80

cc: Mr. Kanno

cc: Mr. Green

cc: Mr. Amiar

cc: Mr. [unclear] for [unclear] [unclear]

BEFORE THE FEDERAL ELECTION COMMISSION
November 27, 1979

In the Matter of
Gerald E. Faye

)
)
)

MUR 962

CONCILIATION AGREEMENT

This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Gerald E. Faye violated 2 U.S.C. §441a(a)(1)(A) in connection with contributions totalling \$5,100 made to the Earl Greene for Congress Committee.

NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Gerald E. Faye having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding.

II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against him in this matter.

III. That the pertinent facts in this matter are as follows:

A. On August 9, 1978, Respondent contributed \$100 to the Earl Greene for Congress Committee ("the Committee") for use in the general election.

B. On August 28, 1978, Respondent extended a 90 day interest free \$5000 personal loan to the Committee, to be repaid on November 28, 1978.

C. That on October 27, 1978, Respondent received \$5000 as payment in full of the loan.

THEREFORE, Respondent agrees:

IV. Respondent's aggregate contributions of \$5100 to the Earl Greene for Congress Committee for use in connection with the general election were in excess, and therefore in violation of, the individual contribution limitation set forth in 2 U.S.C. §441(a)(1)(A).

V. Respondent will pay a civil penalty in the amount of \$150 pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

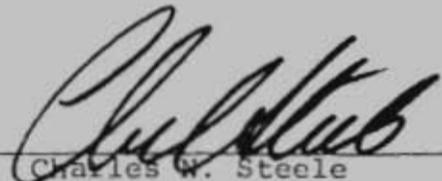
I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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 of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

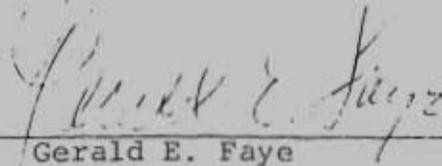
IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

4 Feb 1980
Date



Charles W. Steele
Acting General Counsel
Federal Election Commission


Date



Gerald E. Faye
Respondent

A. On August 7, 1978, Respondent accepted a 91 day \$3,000 loan from the Ann Arbor Bank and Trust Company, which was secured by a guaranty bond of Mr. Thano Masters. Respondent disclosed the receipt thereof on its 30 day post-primary report, and noted that the loan was due to be paid on November 6, 1978, with accrued interest of \$74.79.

B. On August 28, 1978, Respondent accepted a 90 day personal, interest free \$5,000 loan from Mr. Gerald E. Faye. The loan was due to be repaid on November 28, 1978. In addition, Respondent had accepted a \$100 contribution from Mr. Faye on August 9, 1978.

C. That Respondent repaid the \$5,000 loan in full on October 27, 1978 and repaid the \$3,000 loan in full with \$74.79 interest on November 6, 1978, both on or before the respective due dates.

IV. Respondent acknowledges that the loans described in III(A) and (B) are contributions under 2 U.S.C. §431(e)(1).

THEREFORE, Respondent agrees:

V. That by accepting the \$3,000 and \$5,000 loans which were in excess of the \$1,000 2 U.S.C. §441a(a)(1)(A) limitation, Respondent violated 2 U.S.C. §441a.

VI. Respondent will pay a civil penalty in the amount of \$400 pursuant to 2 U.S.C. §437g(a)(6)(B).

VII. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

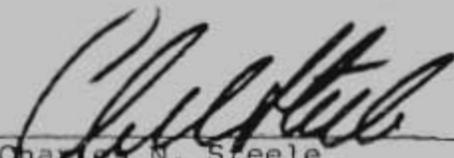
I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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 of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

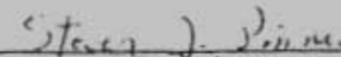
IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

4 Feb. 1980
Date



Charles N. Steele
Acting General Counsel
Federal Election Commission

December 14, 1977
Date



Steven J. Pinney, Treasurer
Earl Greene for Congress Committee
Respondent

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Earl Greene for Congress Committee) MUR 962
Gerald E. Faye)
Thano Masters)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on February 4, 1980, the Commission decided by a vote of 6-0 to take the following actions regarding MUR 962:

1. Approve the signed conciliation agreements submitted by respondents Earl Greene for Congress Committee, Gerald E. Faye and Thano Masters.
2. Close the file.

Voting for this determination were Commissioners Aikens, Friedersdorf, Harris, McGarry, Reiche, and Tiernan.

Attest:

2-5-80

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of the Commission Secretary: 1-31-80, 11:39
Circulated on 48 hour vote basis: 1-31-80, 4:00

January 31, 1980

MEMORANDUM TO: Marjorie W. Emonn
FROM: Jane Colgrove
SUBJECT: RUC 962

Please have the attached Memo to the Commission on
RUC 962 distributed to the Commission on a 49 hour
tally basis.

Thank you.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

35 JAN 31 411:39

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele *CNS*

SUBJECT: MUR 962 - Conciliation Agreements

DATE: January 31, 1980

This matter concerns the making and acceptance of excessive contributions in violation of 2 U.S.C. §441a. On September 14, 1979 the Commission found reasonable cause to believe that Gerald E. Faye and Thano Masters violated 2 U.S.C. §441a(a)(1)(A) and that the Earl Greene for Congress Committee violated 2 U.S.C. §441a(f). The Commission then entered into conciliation with the respondents.

Mr. Masters signed the conciliation agreement addressed to him and submitted it to the Commission through his attorney, Edwin Pear. Mr. Faye and the Greene Committee responded through their attorney Victor Adamo and submitted alternate conciliation agreements. Mr. Faye proposed to reduce the civil penalty from \$750 to \$100 in his agreement and the Greene Committee proposed to reduce the civil penalty from \$2,000 to \$200. As mitigating factors to support the reduction in the civil penalties, Mr. Adamo directed the Commission's attention to the following: (1) the Committee's poor financial status; (2) that the large civil penalty would impose undue hardship on the Committee; (3) that the receipt of the loans were fully disclosed to the Commission and to the public; and (4) that the violation was the "product" of a misinterpretation of contribution as defined by the Act. 1/

1/ This involved a misinterpretation by respondent of §100.4 (a)(1)(i) of the Regulations which reads that "a loan is a contribution to the extent that the obligation remains outstanding." This issue was discussed on pp. 3-4 of our General Counsel's Report of August 30, 1979 and we note that respondents in two other open MURs (982 & 1031) have made similar claims.

Mr. Pear then submitted an additional letter to the Commission on Mr. Master's behalf in which he requested that, should the Commission accept the lower civil penalties proposed by the other respondents, the Commission proportionately reduce the civil penalty in Mr. Masters' conciliation agreement to an amount not in excess of \$100.00.

The Office of General Counsel incorporated the respondents' proposals and drafted new conciliation agreements which were sent to the respondents on December 3, 1979. Mr. Faye has signed his conciliation agreement and submitted a check in the amount of \$150.00 as a civil penalty; Committee treasurer Steven J. Pinney signed the conciliation agreement on behalf of the Committee and submitted a \$400.00 check as a civil penalty; and Mr. Masters signed the alternate conciliation agreement which provides for a penalty of \$50.00. His attorney requested that he be provided with a copy of the executed agreement after it had been approved by the Commission. 2/

Recommendation

1. Approve the signed conciliation agreements submitted by respondents Earl Greene for Congress Committee, Gerald E. Faye and Thano Masters.
2. Close the file.

Attachments

- I. September 25, 1979, letter and conciliation agreement - Pear
- II. October 2, 1979, letter and alternative conciliation agreements - Adamo
- III. October 8, 1979 letter - Pear
- IV. December 10, 1979 letter - Adamo
- V. December 31, 1979, letter and conciliation agreement - Adamo
- VI. December 19, 1979, letter and conciliation agreement - Adamo
- VII. December 10, 1979, letter and conciliation agreement - Pear

2/ We note that the penalties recommended here, when compared with the dollar amount of the violations, are within the same range as the penalties and violations in MUR 969, another §441a matter which is still in conciliation. Since the Commission recently considered the proposed penalties in MUR 969, we believe that matter could serve as some guidance here.

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301
19 SEP 28 P 2:01
GENERAL

LAW OFFICES
ULRICH PEAR BARENSE & EGGAN, P.C.
210 EAST HURON STREET
ANN ARBOR, MICHIGAN 48104

ROBERT D. ULRICH
EDWIN L. PEAR
WM. D. BARENSE
ANDREW M. EGGAN
MELVIN J. MURPHY, II

SEP 29 11:58
(313) 840-4443

SOUTH WASHINGTON STREET
LANSING, MICHIGAN 48106
(313) 483-3626

September 25, 1979

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

Re: MUR 962

Dear Mr. Oldaker:

Pursuant to your letter dated September 17, 1979, I am returning the executed Conciliation Agreement by Mr. Thano Masters.

Mr. Masters is somewhat concerned by the language in the Conciliation Agreement and specifically item III C. on page 2 for the reason that Mr. Masters did not make a bank loan but merely was a guarantor on a note for a personal friend and it is not the statute which defines a loan to include a guarantor, but the Commission's regulations which is unreasonable to assume the average person even knows about. The action by Mr. Masters was merely to vouch for the credibility of Mr. Greene with the bank.

Although we feel the Commission was wrong to impose a penalty on Mr. Masters in view of the facts and surrounding circumstances in this matter, Mr. Masters has determined that it is not economically feasible to further protest this matter and accordingly has executed the agreement.

Please advise us when said agreement has been approved by the Commission and to whom Mr. Masters should make his check payable.

Yours very truly,
ULRICH PEAR BARENSE & EGGAN, P. C.
Edwin L. Pear
Edwin L. Pear

ELP:bn
Enclosure

B. The Earl Greene for Congress Committee repaid the \$3,000 loan with \$74.79 accrued interest on November 6, 1978.

C. Secured bank loans are considered contributions by the guarantor. 2 U.S.C. §431(e).

THEREFORE, Respondent agrees that:

IV. Respondent's contribution of \$3,000 to the Earl Greene for Congress Committee for use in connection with the general election campaign was in excess of and therefore in violation of the \$1,000 individual contribution limitation set forth in 2 U.S.C. §441a(a)(1)(A).

V. Respondent will pay a civil penalty in the amount of \$250 pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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 of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

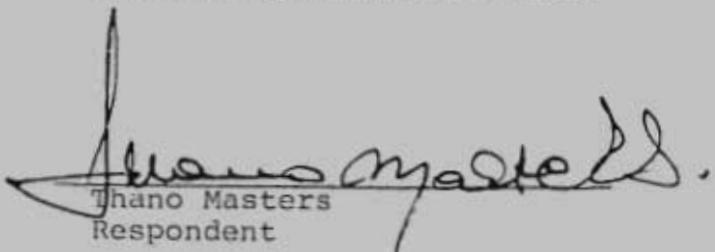
III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

Date

9/25/79
Date

William C. Oldaker
General Counsel
Federal Election Commission


Thano Masters
Respondent

ATTACHMENT II

9: 419
GOC
11294

Sutherland, Dodge & McCauley, P.C.
Attorneys and Counselors
1930 Buhl Building
Detroit, Michigan 48226

11294

ROBERT F. NEDERLANDER
JOHN F. DODGE, JR.
PATRICK R. MCCAULEY
VIN TOM I. ADAMS
ELLEN H. WITT
PHILIP L. TANNIAN

TELEPHONE
(313) 965-3000

October 2, 1979

11294

Ms. Miriam Aquiar, Attorney
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 962
Earl Greene for Congress Committee
Gerald E. Faye

Dear Ms. Aquiar:

The undersigned represents the Earl Greene for Congress Committee (hereafter "Committee") and Mr. Gerald E. Faye in connection with the investigation and conciliation procedures instituted by the Federal Election Commission pursuant to 2 U.S.C. 437g. Mr. Thano Masters, a third party to the activities in question, is represented by separate counsel. The comments in this letter are accordingly limited to the activities of the Committee as they relate to Mr. Masters and not to the activities, if any, of Mr. Masters himself.

In order to fully understand the activities of the Committee that are in issue, I believe it is necessary to briefly outline the nature of the campaign for Congress in the Second Congressional District of Michigan that resulted in 1978.

In 1976 the incumbent Congressman ran for election to the U.S. Senate leaving an open seat. Both parties nominated formidable candidates and the election was vigorously contested. When the votes were finally counted, Congressman Pursell was elected by a margin of approximately 250 votes out of a total vote cast of approximately 200,000 votes. For several days after the election, the results were "too close to call" and both candidates actually conceded the race at different times.

In 1979 it was generally assumed that the Democratic Party candidate from 1976 would run again for the nomination. After making initial statements in that direction, the 1976 candidate decided not to seek the nomination. This left an unexpected

Ms. Miriam Aquiar

Page 2

vacancy on the Democratic ticket which was thereafter very difficult to fill. It was then commonly believed among the district's Democrats that the voter popularity of, and the campaign committee assembled by, the 1976 candidate would be extremely difficult to duplicate. In addition, Mr. Pursell could now campaign as an incumbent Congressman with all of the benefits that arise from being an incumbent. In short, it was the Democratic Party consensus in the district that a victory in the election was quite unlikely.

When no other candidate emerged, Mr. Greene, who was then and is now a member of the Ann Arbor City Council, volunteered to run to complete the Democratic Party ticket. This decision was made relatively late in time and most political volunteers who would otherwise participate in the Congressional Campaign had become affiliated with other than very ongoing and active Democratic campaigns for U.S. Senate and State elective offices. From the beginning, the Greene for Congress Committee was forced into hasty and stopgap activities. Most notably, the Committee failed, in the time between Mr. Greene's announcement and the filing deadline, to collect sufficient petition signatures to survive a challenge before the State Board of Canvassers. The Committee was thus forced to conduct a write-in campaign to place a Democratic Party candidate on the general election ballot.

With active Democrats already committed to other campaigns, and with the generally perceived low probability of success of the Greene campaign, it was very difficult to raise funds for the election activities.

The election results reflected the scarcity of Democratic volunteers and dollars. Despite vigorous personal campaign efforts on the part of Mr. Greene and the work of his committee, the campaign received approximately 35% of the general election vote.

Although the Committee now holds approximately \$200 in its treasury, it was able to pay off its campaign debts only through personal loans to the Committee from Mr. Greene in the amount of approximately \$8,000. These loans, which will not likely be repaid, represent a large personal commitment on the part of Mr. Greene (who earns his primary income as a public school teacher) to satisfy the debts of the Committee and to avoid any stigma to the Democratic Party that would arise from a campaign that left substantial numbers of unpaid creditors.

Ms. Miriam Aguiar
Page 3

The loans in question were made to provide a minimum level of financing but without the knowledge on the part of any party that a violation of the Act would thereby result. This is documented by the fact that the loans were clearly reflected in the reports of the Committee and were paid back prior to their respective due dates; and, in the case of the loan from Mr. Faye, it was immediately paid back upon notice from the Commission that a loan appeared to be in violation of the Act. Any violations of the Act were a product of an innocent failure to appreciate that a loan, or loan guaranty, constituted a "contribution" under the Act.

I do not intend to infer by the above facts that your enforcement of the Act should be influenced by whether a campaign is successful. Rather, I ask only that you take these facts into consideration to the extent that they reflect: a) that the alleged violations of the Act were the result of hasty decisions on the part of the Committee and were performed without any knowledge that there was a potential violation of the Act; and, b) that large civil penalties, such as those proposed in the Conciliation Agreements, would work an undue hardship in this instance.

I have had the opportunity to review the proposed Conciliation Agreements with the Committee and Mr. Faye. They are generally desirous of resolving this matter through the Conciliation process and they have requested that I forward to you proposals for changes in the text of the Conciliation Agreements.

I have included with this letter a copy of each Conciliation Agreement as prepared by your office with certain modifications indicated. The proposed modifications are:

a) Reference to 2 U.S.C. §441a(f) has been modified to delete specific reference to subsection(f). The Committee and Mr. Faye are prepared (for the purposes of conciliation) to acknowledge that the loans exceeded the contribution limits of the Act. However, there was not a "knowing" violation of the Act. Specific reference to subsection (f) would, in my opinion, constitute an admission that does not comport with the facts of the present case.

b) Language has been added to item III.C. (Committee's Conciliation Agreement) to reflect that the loans were repaid on a timely basis. We believe this is important as it helps to indicate that the loans were not intended by the parties involved to constitute contributions as that term is commonly understood.

Ms. Miriam Aguiar
Page 4

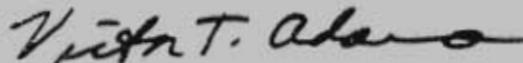
c) The proposed civil penalty for the Committee has been reduced to \$200. This is the full amount of the Committee's treasury and, we submit, is a proper penalty in this case. The Committee remains heavily indebted to Mr. Greene and a large penalty will only increase that debt. There is no reasonable likelihood that the penalty can be raised from other sources.

The civil penalty for Mr. Faye has been reduced accordingly to a proposed penalty of \$100. Mr. Faye acted without knowledge that his loan violated the contribution provisions of the Act. His loan was not made in any respect to frustrate or circumvent the Act.

I hope that the proposed modifications will be acceptable to the Commission. If so, the Committee and Mr. Faye are prepared to execute the revised Conciliation Agreements and pay the civil penalties.

Sincerely,

NEDERLANDER, DODGE & McCAULEY, P.C.



Victor T. Adamo

VTA:evs

Enclosures

cc: Earl Greene
Gerald Faye
Steven Pinney

BEFORE THE FEDERAL ELECTION COMMISSION
August 30, 1979

In the Matter of)
Earl Greene for Congress) MUR 962
Committee)

CONCILIATION AGREEMENT

This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Earl Greene for Congress Committee violated 2 U.S.C. §441a(X) in connection with its acceptance of \$5,100 in contributions from Mr. Gerald E. Faye and a \$3,000 contribution from Mr. Thano Masters.

NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Earl Greene for Congress Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding.

II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against it in this matter.

III. That the pertinent facts in this matter are as follows:

A. On August 7, 1978, Respondent accepted a 91 day \$3,000 loan from the Ann Arbor Bank and Trust Company, which was secured by a guaranty bond of Mr. Thano Masters. Respondent disclosed the receipt thereof on its 30 day post-primary report, and noted that the loan was due to be paid on November 6, 1978, with accrued interest of \$74.79.

B. On August 28, 1978, Respondent accepted a 90 day personal, interestfree \$5,000 loan from Mr. Gerald E. Faye. The loan was due to be repaid on November 28, 1978. In addition, Respondent had accepted a \$100 contribution from Mr. Faye on August 9, 1978.

C. That Respondent repaid the \$5,000 loan in full on October 27, 1978 and repaid the \$3,000 loan in full with \$74.79 interest on November 6, 1978, *both on or before the respective due dates.*

IV. Respondent acknowledges that the loans described in III(A) and (B) are contributions under 2 U.S.C. §431(c)(1).

THEREFORE, Respondent agrees:

V. That by accepting the \$3,000 and \$5,000 loans which were in excess of the \$1,000 2 U.S.C. §441a(a)(1)(A) limitation, Respondent violated 2 U.S.C. §441a(X).

VI. Respondent will pay a civil penalty in the amount of ~~\$2,000~~ *\$200* pursuant to 2 U.S.C. §437g(a)(6)(B).

VII. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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 of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

Date

William C. Oldaker
General Counsel
Federal Election Commission

Date

Steven J. Pinney, Treasurer
Earl Greene for Congress Committee
Respondent

B. On August 28, 1978, Respondent extended a 90 day interest free \$5000 personal loan to the Committee, to be repaid on November 28, 1978.

C. That on October 27, 1978, Respondent received \$5000 as payment in full of the loan.

THEREFORE, Respondent agrees:

IV. Respondent's aggregate contributions of \$5100 to the Earl Greene for Congress Committee for use in connection with the general election were in excess, and therefore in violation of, the individual contribution limitation set forth in 2 U.S.C. §441(a)(1)(A).

V. Respondent will pay a civil penalty in the amount of ^{F100}~~\$750~~ pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

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

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IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

Date

William C. Oldaker
General Counsel
Federal Election Commission

Date

Gerald E. Faye
Respondent.

ATTACHMENT III

914485

11328

LAW OFFICES
ULRICH PEAR BARENSE & EGGAN, P.C.
275 EAST WASHINGTON STREET
ANN ARBOR, MICHIGAN 48104

ROBERT D. ULRICH
EDWIN L. PEAR
WILLIAM BARENSE
ANDREW M. EGGAN
MELISSA J. MORGENTHAU

October 8, 1979

MUR 962

120
1000
1000
1000

Aguiar

Ms. Miriam Aguiar, Attorney
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20563

Re: MUR 962
Thano Masters

Dear Ms. Aguiar:

The undersigned represents Thano Masters in connection with the investigation of the Earl Greene for Congress Committee in the above referenced matter. In response to my telephone conversation with you on October 5, 1979, I am submitting the following which we request be considered by the commission. As you are aware, on September 25, 1979 I returned an executed Conciliation Agreement proposed by your office along with a letter explaining that Mr. Masters did not really agree with your proposed agreement but did not wish to incur additional expense in litigation and in the hope of resolving this matter expeditiously had reluctantly agreed to the proposed Conciliation Agreement. Subsequently, I received a copy of a letter from the Earl Greene for Congress Committee dated October 2, 1979, which appeared to me to infer that the Committee had discussed this matter with you and had made a proposed nominal settlement which you were going to take to the commission.

In view of the fact that the review of this whole matter clearly shows there was no intent by any of the parties to violate any portions of the law and all of the actions of the participants were fully documented and properly filed with the appropriate authorities, we would respectfully request that if the commission consents to the proposed agreement with Mr. Greene and Mr. Faye, then the commission also make the same appropriate reduction in the fine to Mr. Masters to an amount not to exceed \$100.00.

We trust you will find the above proposal both fair and equitable under the circumstances and consistent with the spirit of the law.

Your consideration is most appreciated.

Yours very truly,

ULRICH PEAR BARENSE & EGGAN, P. C.

[Signature]
Edwin L. Pear

91:24 111006

FLP:bn

ATTACHMENT IV

61-7
11804

Niederlander, Dodge & McCauley, P.C.
Attorneys and Counselors
1930 Buhl Building
Detroit, Michigan 48226

FEDERAL ELECTION
COMMISSION

79 DEC 12 PM 12:15
TELEPHONE
(313) 965-3000

ROBERT F. NEDERLANDER
JOHN C. DODGE, JR.
DATHIN F. H. MCCAULEY
VICTOR T. ADAMO
ELLEN H. WITT
PHILIP J. TANNIAN

December 10, 1979

015320

Mr. Charles N. Steele
Acting General Counsel
Federal Election Committee
Washington, D.C. 20463

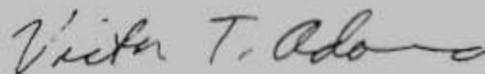
Re: MUR 962

Dear Mr. Steele:

Thank you for your letter of December 3, 1979, and revised proposed Conciliation Agreement in the above file. I have forwarded your letter and the revised Conciliation Agreements to the respective parties. I assume that we will be returning to you, signed copies within the next week.

Very truly yours,

Niederlander, Dodge & McCauley, P.C.



Victor T. Adamo

VTA;psm

60:1 d 21030 61

69
02 11 18

ATTACHMENT #

311 (ink)
11990

Nederlander, Dodge & McCauley, P.C.
Attorneys and Counselors
1930 Buhl Building
Detroit, Michigan 48226

RECEIVED
FEDERAL ELECTION COMMISSION

NO JAN 3 1980
TELEPHONE
(313) 965-3000

ROBERT E. NEDERLANDER
JOHN F. DODGE, JR.
PATRICK B. MCCAULEY
VICTOR T. ADAMO
ELLEN H. WITT
PHILIP G. TANNIAN
RONALD G. MUSTO

December 31, 1979

RECEIVED

Federal Election Commission
Washington, D.C. 20463
Attention: Mr. Charles N. Steele

Re: In the Matter of Gerald E. Faye
MUR 962

Dear Mr. Steele:

I am returning to you, two copies of the Conciliation Agreement in the matter of Earl Greene for Congress Committee signed by Mr. Gerald E. Faye. Also enclosed is a check from the Committee in the amount of One Hundred and Fifty (\$150.00) Dollars which represents the full amount of the civil penalty assessed in this matter.

I request that you return one of these copies to me when it has been signed by the Federal Election Commission. A return envelope is enclosed.

Very truly yours,

Nederlander, Dodge & McCauley, P.C.

Victor T. Adamo

Victor T. Adamo

VTA:psm
encls.

10 JAN 3 1980

B. On August 28, 1978, Respondent extended a 90 day interest free \$5000 personal loan to the Committee, to be repaid on November 28, 1978.

C. That on October 27, 1978, Respondent received \$5000 as payment in full of the loan.

THEREFORE, Respondent agrees:

IV. Respondent's aggregate contributions of \$100 to the Earl Greene for Congress Committee for use in connection with the general election were in excess, and therefore in violation of, the individual contribution limitation set forth in 2 U.S.C. §441(a)(1)(A).

V. Respondent will pay a civil penalty in the amount of \$150 pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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 of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

Date

Charles N. Steele
General Counsel
Federal Election Commission

Nov 20, 1977
Date

Gerald E. Faye
Gerald E. Faye
Respondent

GERALD E. FAYE
EDIE M. FAYE
1540 BROADWAY 662-1282
ANN ARBOR, MICH. 48104

3411

Dec 26 1979 74.102
724
\$150.⁰⁰/₁₀₀

PAY TO THE ORDER OF

Federal Election Commission

One hundred fifty and 00/100

DOLLARS



National Bank & Trust
Company of Ann Arbor, Michigan 48104

Gerald E. Faye

⑆0724⑆0102⑆

11446 4⑈

Nederlander, Dodge & McCauley, P.C.

Attorneys and Counselors

1930 Buhl Building

Detroit, Michigan 48226

DEC 26 AM 9:34

ROBERT E. NEDERLANDER
JOHN F. DODGE, JR.
PATRICK D. MCCAULEY
VICTOR T. ADAMO
ELLEN H. WITT
PHILIP A. FARRIAN
RONALD H. MILLER

TELEPHONE
(313) 965-3000

December 19, 1979

Federal Election Commission

Washington, D.C. 20463

Attention: Mr. Charles N. Steele

Dear Mr. Steele:

I am returning to you, two copies of the Conciliation Agreement in the matter of Earl Greene for Congress Committee signed by the Treasurer of the Committee. Also enclosed is a check from the Committee in the amount of Four Hundred (\$400.00) Dollars which represents the full amount of the civil penalty assessed in this matter.

I request that you return one of these copies to me when it has been signed by the Federal Election Commission. A return envelope is enclosed.

Mr. Gerald Faye has indicated to me that he will also accept his Conciliation Agreement although he has not returned copies to me as of this date. I expect to be forwarding his Conciliation Agreement to you within the next week.

Very truly yours,

Nederlander, Dodge & McCauley, P.C.

Victor T. Adamo

Victor T. Adamo

VIA:psm
encls.

9 DEC 26 AM 10:11

BEFORE THE FEDERAL ELECTION COMMISSION
November 27, 1979

In the Matter of)
Earl Greene for Congress) MUR 962
Committee)

CONCILIATION AGREEMENT

This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Earl Greene for Congress Committee violated 2 U.S.C. § 441a in connection with its acceptance of \$5,100 in contributions from Mr. Gerald E. Faye and a \$3,000 contribution from Mr. Thano Masters.

NOW, THEREFORE, the respective parties hercin, the Federal Election Commission and respondent Earl Greene for Congress Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a) (5) (A), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding.

II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against it in this matter.

III. That the pertinent facts in this matter are as follows:

A. On August 7, 1978, Respondent accepted a 91 day \$3,000 loan from the Ann Arbor Bank and Trust Company, which was secured by a guaranty bond of Mr. Thano Masters. Respondent disclosed the receipt thereof on its 30 day post-primary report, and noted that the loan was due to be paid on November 6, 1978, with accrued interest of \$74.79.

B. On August 28, 1978, Respondent accepted a 90 day personal, interest free \$5,000 loan from Mr. Gerald E. Faye. The loan was due to be repaid on November 28, 1978. In addition, Respondent had accepted a \$100 contribution from Mr. Faye on August 9, 1978.

C. That Respondent repaid the \$5,000 loan in full on October 27, 1978 and repaid the \$3,000 loan in full with \$74.79 interest on November 6, 1978, both on or before the respective due dates.

IV. Respondent acknowledges that the loans described in III(A) and (B) are contributions under 2 U.S.C. §431(e)(1).

THEREFORE, Respondent agrees:

V. That by accepting the \$3,000 and \$5,000 loans which were in excess of the \$1,000 2 U.S.C. §441a(a)(1)(A) limitation, Respondent violated 2 U.S.C. §441a.

VI. Respondent will pay a civil penalty in the amount of \$400 pursuant to 2 U.S.C. §437g(a)(6)(B).

VII. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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 of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

Date

Charles N. Steele
General Counsel
Federal Election Commission

December 14, 1979
Date

Steven J. Pinney
Steven J. Pinney, Treasurer
Earl Greene for Congress Committee
Respondent

3 2 7

EARL GREENE FOR CONGRESS
420 PACKARD ST., APT. 3 PH. 662-5902
ANN ARBOR, MICH. 48104

No. 145

December 14, 1978 ⁷⁴⁻⁹⁷⁹/₇₂₄

PAY TO THE ORDER OF

The Federal Election Commission
Four Hundred and No

\$ 400⁰⁰

DOLLARS

 **Huron Valley National Bank**
Ann Arbor, Michigan 48106

Steven J. Binney

⑆072409794⑆

250⑆60⑆6⑆

Jarr
1186

LAW OFFICES
ULRICH PEAR BARENSE & EGGAN, P.C.
210 EAST HURON STREET
ANN ARBOR, MICHIGAN 48104

ROBERT E. ELMICH
EDWIN L. PEAR
WM. S. BARENSE
ANDREW M. EGGAN
MELVIN J. MITSCHKE

313 965-4441

RECEIVED
FEDERAL ELECTION
COMMISSION

DEC 12 1979
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 10, 1979

Mr. Charles N. Steele
Acting General Counsel
Federal Election Commission
Washington, D.C. 20463

0153

Re: MUR 962

Dear Mr. Steele:

Enclosed herewith please find the executed Conciliation Agreement approved by Mr. Masters in the above matter pursuant to your letter dated December 3, 1979.

Both Mr. Masters and myself appreciate your review of this matter and the reduction in the proposed civil penalty. As previously pointed out, there was no intent by Mr. Masters to violate any provisions of the Act or to frustrate or circumvent the intent of the Act.

Please provide the undersigned with an executed copy of the agreement after it has been approved by the Commission and advise us where and to whom Mr. Masters' check should be sent.

Thank you again for your kind consideration and cooperation.

Yours very truly,

ULRICH PEAR BARENSE & EGGAN, P. C.

Edwin L. Pear
Edwin L. Pear

ELP:bn

Enclosure

DEC 12 1979

RECEIVED
GENERAL COUNSEL

B. The Earl Greene for Congress Committee repaid the \$3,000 loan with \$74.79 accrued interest on November 6, 1978.

C. Secured bank loans are considered contributions by the guarantor. 2 U.S.C. §431(e).

THEREFORE, Respondent agrees that:

IV. Respondent's contribution of \$3,000 to the Earl Greene for Congress Committee for use in connection with the general election campaign was in excess of and therefore in violation of the \$1,000 individual contribution limitation set forth in 2 U.S.C. §441a(a)(1)(A).

V. Respondent will pay a civil penalty in the amount of \$50 pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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 of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

420#
1199.0

Nederlander, Dodge & McCauley, P.C.
Attorneys and Counselors
1930 Wahl Building
Detroit, Michigan 48226

ROBERT A. NEDERLANDER
1930 WAHL BLDG
DETROIT, MI 48226
TEL: 313-467-1200
FAX: 313-467-1201
WWW: WWW.NEDERLANDER.COM

2 J 3 11 12
1313 965 3011

December 31, 1979

Federal Election Commission
Washington, D.C. 20463
Attention: Mr. Charles N. Steele

Re: In the Matter of Gerald E. Faye
MJR 962

Dear Mr. Steele:

I am returning to you, two copies of the Conciliation Agreement in the matter of Earl Greene for Congress Committee signed by Mr. Gerald E. Faye. Also enclosed is a check from the Committee in the amount of One Hundred and Fifty (\$150.00) Dollars which represents the full amount of the civil penalty assessed in this matter.

I request that you return one of these copies to me when it has been signed by the Federal Election Commission. A return envelope is enclosed.

Very truly yours,

Nederlander, Dodge & McCauley, P.C.

Victor T. Adamo

Victor T. Adamo

VIA:psm
encls.

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GERALD E. FAYE
EDIE M. FAYE
1540 BROADWAY 662-1282
ANN ARBOR, MICH. 48105

3411

PAY TO THE ORDER OF

Federal Election Commission

Dec 24 1977 24-104
724
\$150.00

One hundred fifty and 00/100

DOLLARS

 **National Bank & Trust**
Company of Ann Arbor, Michigan 48104

Gerald E. Faye

⑆0724⑆0102⑆ 11446 4⑆

Widener Library & the Country Club

3 1970 Build Building

2 Street Newport 48226

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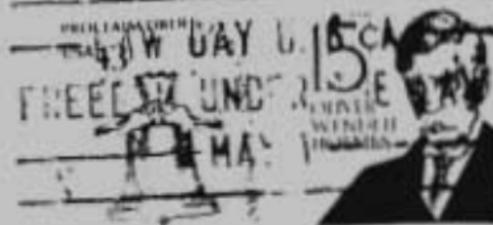
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Federal Election Commission

Washington, D.C. 20461

Attention: Mr. Charles N. Steele

ACC⁷
11-23-79

Nederlander, Dodge & McCauley, P.C.
Attorneys and Counselors
1930 Buhl Building
Detroit, Michigan 48226

DEC 29 1979

TELEPHONE
(313) 965-3000

NEDERLANDER, DODGE & MCCAULEY
ATTORNEYS AND COUNSELORS
1930 Buhl Building
Detroit, Michigan 48226
Telephone (313) 965-3000

December 19, 1979

Federal Election Commission
Washington, D.C. 20463
Attention: Mr. Charles N. Steele

Dear Mr. Steele:

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Very truly yours,

Nederlander, Dodge & McCauley, P.C.

Victor T. Adamo

Victor T. Adamo

VTA:psm
encls.

9 DEC 26 10:01 AM '79

A. On August 7, 1978, Respondent accepted a 91 day \$3,000 loan from the Ann Arbor Bank and Trust Company, which was secured by a guaranty bond of Mr. Thano Masters. Respondent disclosed the receipt thereof on its 30 day post-primary report, and noted that the loan was due to be paid on November 6, 1978, with accrued interest of \$74.79.

B. On August 28, 1978, Respondent accepted a 90 day personal, interest free \$5,000 loan from Mr. Gerald E. Faye. The loan was due to be repaid on November 28, 1978. In addition, Respondent had accepted a \$100 contribution from Mr. Faye on August 9, 1978.

C. That Respondent repaid the \$5,000 loan in full on October 27, 1978 and repaid the \$3,000 loan in full with \$74.79 interest on November 6, 1978, both on or before the respective due dates.

IV. Respondent acknowledges that the loans described in III(A) and (B) are contributions under 2 U.S.C. §431(e)(1).

THEREFORE, Respondent agrees:

V. That by accepting the \$3,000 and \$5,000 loans which were in excess of the \$1,000 2 U.S.C. §441a(a)(1)(A) limitation, Respondent violated 2 U.S.C. §441a.

VI. Respondent will pay a civil penalty in the amount of \$400 pursuant to 2 U.S.C. §437g(a)(6)(B).

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IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

Date

Charles N. Steele
Acting General Counsel
Federal Election Commission

December 14, 1979
Date

Steven J. Pinney
Steven J. Pinney, Treasurer
Earl Greene for Congress Committee
Respondent

4
3

EARL GREENE FOR CONGRESS
426 PACKARD ST., APT. 3 PH. 662-5962
ANN ARBOR, MICH. 48104

No. 145

December 19, 1978 $\frac{74-979}{724}$

\$ 400⁰⁰

PAY TO THE ORDER OF

The Federal Election Commission

Four Hundred and ⁰⁰/₁₀₀

DOLLARS



**Huron Valley
National Bank**
Ann Arbor, Michigan 48106

Steven J. Pinnick

⑆072409796⑆

250⑆607⑆6⑆

First Class Mail

NEDERLANDER, DODGE & MCCAULEY, P.C.
ATTORNEYS AND COUNSELORS
1930 BUHL BUILDING
DETROIT, MICHIGAN 48226

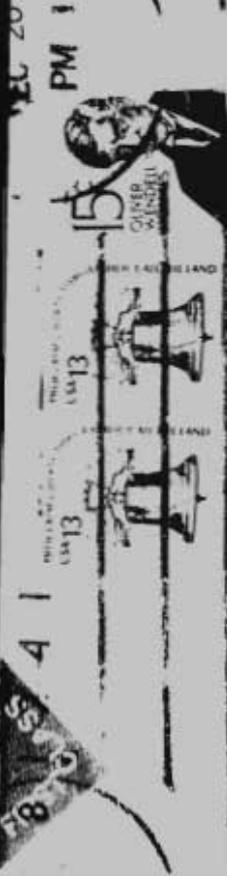
TO:

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Attention: Mr. Charles N. Steele

DEC 26 1963



9a

LAW OFFICES
ULRICH PEAR BARENSE & EGGAN, P.C.
210 EAST HURON STREET
ANN ARBOR, MICHIGAN 48104

RECEIVED
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.
DEC 11 1979

DEC 12 1979
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.

December 10, 1979

Mr. Charles N. Steele
Acting General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MFR 962

Dear Mr. Steele:

Enclosed herewith please find the executed Conciliation Agreement approved by Mr. Masters in the above matter pursuant to your letter dated December 3, 1979.

Both Mr. Masters and myself appreciate your review of this matter and the reduction in the proposed civil penalty. As previously pointed out, there was no intent by Mr. Masters to violate any provisions of the Act or to frustrate or circumvent the intent of the Act.

Please provide the undersigned with an executed copy of the agreement after it has been approved by the Commission and advise us where and to whom Mr. Masters' check should be sent.

Thank you again for your kind consideration and cooperation.

Yours very truly,

ULRICH PEAR BARENSE & EGGAN, P. C.

Edwin I. Fear

EIP:ba

Enclosure

60:10 3131

Nederlander, Dodge & McCauley, P.C.
Attorneys and Counselors
1930 Buhl Building
Detroit, Michigan 48226

13 DEC 12 1979
TELEPHONE
313 965 3000

ROBERT E. NEDERLANDER
JOHN A. STODOLSKY
PATRICIA R. McCAULEY
VICTOR T. ADAMO
EUGENE H. WITT
FRANK J. FANNING

December 10, 1979

Mr. Charles N. Steele
Acting General Counsel
Federal Election Committee
Washington, D.C. 20463

0153

Re: MUR 962

Dear Mr. Steele:

Thank you for your letter of December 3, 1979, and revised proposed Conciliation Agreement in the above file. I have forwarded your letter and the revised Conciliation Agreements to the respective parties. I assume that we will be returning to you, signed copies within the next week.

Very truly yours,

Nederlander, Dodge & McCauley, P.C.

Victor T. Adamo

Victor T. Adamo

VTA:psm

111731244

60:18 213308



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

MEMORANDUM TO: CHARLES STEELE 2

FROM: MARJORIE W. EMMONS / MARGARET CHANEY *mc*

DATE: DECEMBER 3, 1979

SUBJECT: MUR 962 - Interim Conciliation Report
dated 11-30-79; Received in OCS
11-30-79, 10:19

The above-named document was circulated to the Commission on a 24-hour no-objection basis at 2:00, Friday, November 30, 1979.

There were no objections to the Interim Conciliation Report at the time of the deadline.

300181243



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 3, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Edwin L. Pear, Attorney
Ulrich, Pear, Barense and Eggen, P.C.
210 East Huron Street
Ann Arbor, Michigan 48104

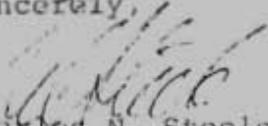
Re: MUR 962

Dear Mr. Pear:

This letter is to confirm the Commission's receipt of your signed conciliation agreement and subsequent letter requesting that the Commission reduce the amount of the civil penalty provision. The Office of General Counsel has incorporated your suggestions and has amended the conciliation agreement proposing a civil penalty in the amount of \$50.00, which this office is prepared to recommend to the Commission. We have enclosed the agreement herewith which we submit for your signature.

I am still hopeful that this matter can be settled through a conciliation agreement. Should you have any further questions, please call Miriam Aguiar at (202) 523-4060. You should respond to the Commission's proposal within ten (10) days of receipt of this notification.

Sincerely,


Charles N. Steele
Acting General Counsel

Enclosure
Conciliation Agreement

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B. The Earl Greene for Congress Committee repaid the \$3,000 loan with \$74.79 accrued interest on November 6, 1978.

C. Secured bank loans are considered contributions by the guarantor. 2 U.S.C. §431(e).

THEREFORE, Respondent agrees that:

IV. Respondent's contribution of \$3,000 to the Earl Greene for Congress Committee for use in connection with the general election campaign was in excess of and therefore in violation of the \$1,000 individual contribution limitation set forth in 2 U.S.C. §441a(a)(1)(A).

V. Respondent will pay a civil penalty in the amount of \$50 pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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 of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

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III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

Date

Charles N. Steele
Acting General Counsel
Federal Election Commission

Date

Thano Masters
Respondent

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RETURN TO SENDER

ARTICLE ADDRESS TO: *1000 1st St*

ARTICLE NO: *432876* INCLINED NO: *979*

DATE: *DEC 19 1961*

POSTMASTER: *FOR FEES*

RECEIVED BY: *1000 1st St*

DATE: *DEC 19 1961*

INITIALS: *979*



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

December 3, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Victor Adamo
Nederlander, Dodge & McCauley, P.C.
1930 Buhl Building
Detroit, Michigan 48226

Re: MUR 962

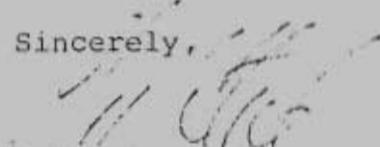
Dear Mr. Adamo:

This letter is to confirm the Commission's receipt of your proposed conciliation agreements on behalf of Mr. Gerald Faye and the Earl Greene for Congress Committee. The Office of General Counsel has incorporated a number of your suggested changes and has amended the conciliation agreements which this office is prepared to recommend to the Commission.

As to the conciliation agreement naming Mr. Faye as respondent, this office proposes a civil penalty in the amount of \$150. As to the conciliation agreement naming the Earl Greene for Congress Committee as respondent, this office has: (a) replaced 2 U.S.C. §441a(f) with 2 U.S.C. §441a; (b) changed III C to read: "That Respondent repaid the \$5,000 loan in full on October 27, 1978 and repaid the \$3,000 loan in full with \$74.79 interest on November 6, 1978, both on or before the respective due dates"; (c) proposed a civil penalty in the amount of \$400. We have enclosed the agreements herewith which we submit for your signature.

I am still hopeful that this matter can be settled through a conciliation agreement. Should you have any questions, please call Miriam Aguiar at (202) 523-4060. You should respond to the Commission's proposal within 10 days of receipt of this notification.

Sincerely,


Charles N. Steele
Acting General Counsel

Enclosure
Conciliation Agreements

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B. On August 28, 1978, Respondent extended a 90 day interest free \$5000 personal loan to the Committee, to be repaid on November 28, 1978.

C. That on October 27, 1978, Respondent received \$5000 as payment in full of the loan.

THEREFORE, Respondent agrees:

IV. Respondent's aggregate contributions of \$5100 to the Earl Greene for Congress Committee for use in connection with the general election were in excess, and therefore in violation of, the individual contribution limitation set forth in 2 U.S.C. §441(a)(1)(A).

V. Respondent will pay a civil penalty in the amount of \$150 pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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 of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

Date

Charles N. Steele
Acting General Counsel
Federal Election Commission

Date

Gerald E. Faye
Respondent

9 0 2 7

BEFORE THE FEDERAL ELECTION COMMISSION
November 27, 1979

In the Matter of)
Earl Greene for Congress) MUR 962
Committee)

CONCILIATION AGREEMENT

This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Earl Greene for Congress Committee violated 2 U.S.C. § 441a in connection with its acceptance of \$5,100 in contributions from Mr. Gerald E. Faye and a \$3,000 contribution from Mr. Thano Masters.

NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Earl Greene for Congress Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding.

II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against it in this matter.

III. That the pertinent facts in this matter are as follows:

A. On August 7, 1978, Respondent accepted a 91 day \$3,000 loan from the Ann Arbor Bank and Trust Company, which was secured by a guaranty bond of Mr. Thano Masters. Respondent disclosed the receipt thereof on its 30 day post-primary report, and noted that the loan was due to be paid on November 6, 1978, with accrued interest of \$74.79.

B. On August 28, 1978, Respondent accepted a 90 day personal, interest free \$5,000 loan from Mr. Gerald E. Faye. The loan was due to be repaid on November 28, 1978. In addition, Respondent had accepted a \$100 contribution from Mr. Faye on August 9, 1978.

C. That Respondent repaid the \$5,000 loan in full on October 27, 1978 and repaid the \$3,000 loan in full with \$74.79 interest on November 6, 1978, both on or before the respective due dates.

IV. Respondent acknowledges that the loans described in III(A) and (B) are contributions under 2 U.S.C. §431(e)(1).

THEREFORE, Respondent agrees:

V. That by accepting the \$3,000 and \$5,000 loans which were in excess of the \$1,000 2 U.S.C. §441a(a)(1)(A) limitation, Respondent violated 2 U.S.C. §441a.

VI. Respondent will pay a civil penalty in the amount of \$400 pursuant to 2 U.S.C. §437g(a)(6)(B).

VII. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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 of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

Date

Charles N. Steele
Acting General Counsel
Federal Election Commission

Date

Steven J. Pinney, Treasurer
Earl Greene for Congress Committee
Respondent

1921811

REGISTERED MAIL
 REGISTERED MAIL DELIVERY
 REGISTERED MAIL DELIVERY
 REGISTERED MAIL DELIVERY

ADDRESS ADDRESSED TO
Victor Adams
1980 Buhl Bldg.
Detroit, Michigan #8226

INSURED NO.
624245

POSTMARKED
DEC 8 1979

POSTMAYBE EDIT. M. B. 1979
 LLPRK INITIALS

11-18-79

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GOC#
11328

LAW OFFICES
ULRICH PEAR BARENSE & EGGAN, P.C.
210 EAST WILSON STREET
ANN ARBOR, MICHIGAN 48104

ROBERT J. BROWN
LAWYER
AND PARTNER
210 EAST WILSON STREET
ANN ARBOR, MICHIGAN 48104

October 8, 1979

1500 WASHINGTON STREET
ANN ARBOR, MICHIGAN 48104
TEL: 963-1111

Mr. Nicholas Aguilar, Attorney
Federal Election Commission
1225 F Street, N.W.
Washington, D.C. 20543

RE: 962
Thamo Mastern

Dear Mr. Aguilar:

The undersigned represents Thamo Mastern in connection with the investigation of the Earl Greene for Congress Committee in the above referenced matter. In response to a telephone conversation with you on October 7, 1979, I am submitting the following which we request be considered by the Commission. As you are aware, on September 25, 1979 I returned an executed Conciliation Agreement proposed by your office along with a letter explaining that Mr. Mastern did not verbally agree with your proposed agreement but did not wish to await additional evidence in litigation and in the hope of resolving this matter expeditiously had reluctantly agreed to the proposed Conciliation Agreement. Subsequently, I received a copy of a letter from the Earl Greene for Congress Committee dated October 2, 1979, which requested us to infer that the committee has reviewed this matter with you and had reached a proposed settlement of the matter and a settlement of the investigation.

It is our belief that the above described settlement of the matter was reached by any of the parties to the investigation and that all of the parties to the participation were fully informed and properly followed the usual procedures, and would respectfully request that if the Commission agrees to the proposed agreement with Mr. Greene and Mr. Fave, then the Commission file the same appropriate documents in the file of Mr. Mastern to the extent of the settlement.

Very truly yours,
Robert J. Brown

91:24 1113067

Robert J. Brown
Attorney
Ulrich Pear Barense & Eggan, P.C.
210 East Wilson Street
Ann Arbor, Michigan 48104
Tel: 963-1111

1000 1000 1000
ULRICH PEAR BARENSE & EGGAN, P.C.

ATTN: AGENCIES FOR THE FEDERAL GOVERNMENT



Mrs. Miriam Agular, Attorney
Federal Election Commission
1325 F Street, N.W.
Washington, D.C. 20461



FEDERAL ELECTION COMMISSION

1125 K STREET, N.W.
WASHINGTON, D.C. 20543

MEMORANDUM TO: CHARLES STEELE *mwe*
FROM: MARJORIE W. EMMONS/MARGARET CHANEY *mc*
DATE: OCTOBER 11, 1979
SUBJECT: MUR 962 - Interim Conciliation Report
dated 10-4-79; Signed by GC
10-10-79; Received in OCS
10-10-79, 11:11

The above-named document was circulated to the Commission on a 24-hour no-objection basis at 4:00, October 10, 1979.

There were no objections to the Interim Conciliation Report at the time of the deadline.

October 10, 1979

MEMORANDUM TO: Marge Emmons
FROM: Jane Colgrove
SUBJECT: MUR 962

Please have the attached Interim Conciliation Report on MUR 962 distributed to the Commission on a 24 hour tally basis.

Thank you.

BEFORE THE FEDERAL ELECTION COMMISSION
October 4, 1979

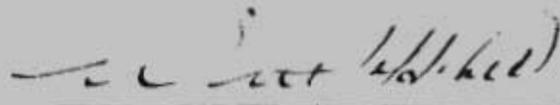
OCT 10 AM: 11

In the Matter of)
Earl Greene for Congress) MUR 962
Committee)
Gerald E. Faye)
Thano Masters)

INTERIM CONCILIATION REPORT

This matter concerns the making and receipt of excessive contributions in violation of 2 U.S.C. §441a. On September 14, 1979 the Commission found reasonable cause to believe that Gerald E. Faye and Thano Masters violated 2 U.S.C. §441a(a)(1)(A) and that the Earl Greene for Congress Committee violated 2 U.S.C. §441a(f). Letters of notification were mailed on September 17, 1979. Mr. Masters has responded by letter through his attorney, Mr. Edwin Pear. Mr. Victor Adamo, attorney for both the Greene Committee and Mr. Faye contacted the Commission on September 28, 1979. He stated that his clients were prepared to conciliate and would formally contact the Commission within a week. A full report will be submitted to the Commission upon receipt and review of Mr. Adamo's response.

10/10/79
Date



William C. Oldaker
General Counsel

9:419

11294
MUR 962

Niederlander, Dodge & McCauley, P.C.
Attorneys and Counselors
1930 Buhl Building
Detroit, Michigan 48226

ROBERT F. NEDERLANDER
JOHN A. DODGE, JR.
PATRICK B. MCCOULEY
VICTOR T. ADAMS
ELLEN M. WIST
DILLIP L. TANNIAN

TELEPHONE
(313) 965-3000

October 2, 1979

10/2/79

Ms. Miriam Aquiar, Attorney
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 962
Earl Greene for Congress Committee
Gerald E. Faye

Dear Ms. Aquiar:

The undersigned represents the Earl Greene for Congress Committee (hereafter "Committee") and Mr. Gerald E. Faye in connection with the investigation and conciliation procedures instituted by the Federal Election Commission pursuant to 2 U.S.C. 437g. Mr. Thano Masters, a third party to the activities in question, is represented by separate counsel. The comments in this letter are accordingly limited to the activities of the Committee as they relate to Mr. Masters and not to the activities, if any, of Mr. Masters himself.

In order to fully understand the activities of the Committee that are in issue, I believe it is necessary to briefly outline the nature of the campaign for Congress in the Second Congressional District of Michigan that resulted in 1978.

In 1976 the incumbent Congressman ran for election to the U.S. Senate leaving an open seat. Both parties nominated formidable candidates and the election was vigorously contested. When the votes were finally counted, Congressman Pursell was elected by a margin of approximately 250 votes out of a total vote cast of approximately 200,000 votes. For several days after the election, the results were "too close to call" and both candidates actually conceded the race at different times.

In 1978 it was generally assumed that the Democratic Party candidate from 1976 would run again for the nomination. After making initial statements in that direction, the 1976 candidate decided not to seek the nomination. This left an unexpected

Ms. Miriam Aquiar

Page 2

vacancy on the Democratic ticket which was thereafter very difficult to fill. It was then commonly believed among the district's Democrats that the voter popularity of, and the campaign committee assembled by, the 1976 candidate would be extremely difficult to duplicate. In addition, Mr. Pursell could now campaign as an incumbent Congressman with all of the benefits that arise from being an incumbent. In short, it was the Democratic Party consensus in the district that a victory in the election was quite unlikely.

When no other candidate emerged, Mr. Greene, who was then and is now a member of the Ann Arbor City Council, volunteered to run to complete the Democratic Party ticket. This decision was made relatively late in time and most political volunteers who would otherwise participate in the Congressional Campaign had become affiliated with other than very ongoing and active Democratic campaigns for U.S. Senate and State elective offices. From the beginning, the Greene for Congress Committee was forced into hasty and stopgap activities. Most notably, the Committee failed, in the time between Mr. Greene's announcement and the filing deadline, to collect sufficient petition signatures to survive a challenge before the State Board of Canvassers. The Committee was thus forced to conduct a write-in campaign to place a Democratic Party candidate on the general election ballot.

With active Democrats already committed to other campaigns, and with the generally perceived low probability of success of the Greene campaign, it was very difficult to raise funds for the election activities.

The election results reflected the scarcity of Democratic volunteers and dollars. Despite vigorous personal campaign efforts on the part of Mr. Greene and the work of his committee, the campaign received approximately 35% of the general election vote.

Although the Committee now holds approximately \$200 in its treasury, it was able to pay off its campaign debts only through personal loans to the Committee from Mr. Greene in the amount of approximately \$8,000. These loans, which will not likely be repaid, represent a large personal commitment on the part of Mr. Greene (who earns his primary income as a public school teacher) to satisfy the debts of the Committee and to avoid any stigma to the Democratic Party that would arise from a campaign that left substantial numbers of unpaid creditors.

Ms. Miriam Aguiar
Page 3

The loans in question were made to provide a minimum level of financing but without the knowledge on the part of any party that a violation of the Act would thereby result. This is documented by the fact that the loans were clearly reflected in the reports of the Committee and were paid back prior to their respective due dates; and, in the case of the loan from Mr. Faye, it was immediately paid back upon notice from the Commission that a loan appeared to be in violation of the Act. Any violations of the Act were a product of an innocent failure to appreciate that a loan, or loan guaranty, constituted a "contribution" under the Act.

I do not intend to infer by the above facts that your enforcement of the Act should be influenced by whether a campaign is successful. Rather, I ask only that you take these facts into consideration to the extent that they reflect: a) that the alleged violations of the Act were the result of hasty decisions on the part of the Committee and were performed without any knowledge that there was a potential violation of the Act; and, b) that large civil penalties, such as those proposed in the Conciliation Agreements, would work an undue hardship in this instance.

I have had the opportunity to review the proposed Conciliation Agreements with the Committee and Mr. Faye. They are generally desirous of resolving this matter through the Conciliation process and they have requested that I forward to you proposals for changes in the text of the Conciliation Agreements.

I have included with this letter a copy of each Conciliation Agreement as prepared by your office with certain modifications indicated. The proposed modifications are:

a) Reference to 2 U.S.C. §441a(f) has been modified to delete specific reference to subsection(f). The Committee and Mr. Faye are prepared (for the purposes of conciliation) to acknowledge that the loans exceeded the contribution limits of the Act. However, there was not a "knowing" violation of the Act. Specific reference to subsection (f) would, in my opinion, constitute an admission that does not comport with the facts of the present case.

b) Language has been added to item III.C. (Committee's Conciliation Agreement) to reflect that the loans were repaid on a timely basis. We believe this is important as it helps to indicate that the loans were not intended by the parties involved to constitute contributions as that term is commonly understood.

Ms. Miriam Aguiar
Page 4

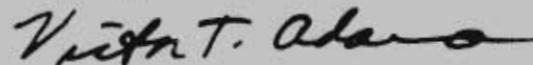
c) The proposed civil penalty for the Committee has been reduced to \$200. This is the full amount of the Committee's treasury and, we submit, is a proper penalty in this case. The Committee remains heavily indebted to Mr. Greene and a large penalty will only increase that debt. There is no reasonable likelihood that the penalty can be raised from other sources.

The civil penalty for Mr. Faye has been reduced accordingly to a proposed penalty of \$100. Mr. Faye acted without knowledge that his loan violated the contribution provisions of the Act. His loan was not made in any respect to frustrate or circumvent the Act.

I hope that the proposed modifications will be acceptable to the Commission. If so, the Committee and Mr. Faye are prepared to execute the revised Conciliation Agreements and pay the civil penalties.

Sincerely,

NEDERLANDER, DODGE & McCAULEY, P.C.



Victor T. Adamo

VTA:evs

Enclosures

cc: Earl Greene
Gerald Faye
Steven Pinney

BEFORE THE FEDERAL ELECTION COMMISSION
August 30, 1979

In the Matter of)
Earl Greene for Congress) MUR 962
Committee)

CONCILIATION AGREEMENT

71
This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Earl Greene for Congress Committee violated 2 U.S.C. §441a(X) in connection with its acceptance of \$5,100 in contributions from Mr. Gerald E. Faye and a \$3,000 contribution from Mr. Thano Masters.

NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Earl Greene for Congress Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding.

II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against it in this matter.

III. That the pertinent facts in this matter are as follows:

A. On August 7, 1978, Respondent accepted a 91 day \$3,000 loan from the Ann Arbor Bank and Trust Company, which was secured by a guaranty bond of Mr. Thano Masters. Respondent disclosed the receipt thereof on its 30 day post-primary report, and noted that the loan was due to be paid on November 6, 1978, with accrued interest of \$74.79.

B. On August 28, 1978, Respondent accepted a 90 day personal, interestfree \$5,000 loan from Mr. Gerald E. Faye. The loan was due to be repaid on November 28, 1978. In addition, Respondent had accepted a \$100 contribution from Mr. Faye on August 9, 1978.

C. That Respondent repaid the \$5,000 loan in full on October 27, 1978 and repaid the \$3,000 loan in full with \$74.79 interest on November 6, 1978, *both on or before the respective due dates.*

IV. Respondent acknowledges that the loans described in III(A) and (B) are contributions under 2 U.S.C. §431(c)(1).

THEREFORE, Respondent agrees:

V. That by accepting the \$3,000 and \$5,000 loans which were in excess of the \$1,000 2 U.S.C. §441a(a)(1)(A) limitation, Respondent violated 2 U.S.C. §441a ~~(X)~~.

VI. Respondent will pay a civil penalty in the amount of ~~\$2,000~~ *\$200* pursuant to 2 U.S.C. §437g(a)(6)(B).

VII. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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 of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

Date

William C. Oldaker
General Counsel
Federal Election Commission

Date

Steven J. Pinney, Treasurer
Earl Greene for Congress Committee
Respondent

B. On August 28, 1978, Respondent extended a 90 day interest free \$5000 personal loan to the Committee, to be repaid on November 28, 1978.

C. That on October 27, 1978, Respondent received \$5000 as payment in full of the loan.

THEREFORE, Respondent agrees:

IV. Respondent's aggregate contributions of \$5100 to the Earl Greene for Congress Committee for use in connection with the general election were in excess, and therefore in violation of, the individual contribution limitation set forth in 2 U.S.C. §441(a)(1)(A).

V. Respondent will pay a civil penalty in the amount of ^{\$100}~~\$750~~ pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

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

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III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

Date

William C. Oldaker
General Counsel
Federal Election Commission

Date

Gerald E. Faye
Respondent

Vanderbinder Dodge & McCuskey P.C.
1930 Buhl Building
Detroit Michigan 48226



Ms. Miriam Aquiar, Attorney
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20563

GCP# 11235
50488
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LAW OFFICES
ULRICH PEAR BARENSE & EGGAN, P.C.
210 EAST HILTON STREET
ANN ARBOR, MICHIGAN 48104

RECEIVED
SEP 25 1979
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.

September 25, 1979

SEP 29 1979
P 2:07

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

Re: MUR 962

Dear Mr. Oldaker:

Pursuant to your letter dated September 17, 1979, I am returning the executed Conciliation Agreement by Mr. Thano Masters.

Mr. Masters is somewhat concerned by the language in the Conciliation Agreement and specifically item III C. on page 2 for the reason that Mr. Masters did not make a bank loan but merely was a guarantor on a note for a personal friend and it is not the statute which defines a loan to include a guarantor, but the Commission's regulations which is unreasonable to assume the average person even knows about. The action by Mr. Masters was merely to vouch for the credibility of Mr. Greene with the bank.

Although we feel the Commission was wrong to impose a penalty on Mr. Masters in view of the facts and surrounding circumstances in this matter, Mr. Masters has determined that it is not economically feasible to further protest this matter and accordingly has executed the agreement.

Please advise us when said agreement has been approved by the Commission and to whom Mr. Masters should make his check payable.

Yours very truly,

ULRICH PEAR BARENSE & EGGAN, P. C.

Edwin L. Pear
Edwin L. Pear

ELP:dm

Enclosure

B. The Earl Greene for Congress Committee repaid the \$3,000 loan with \$74.79 accrued interest on November 6, 1978.

C. Secured bank loans are considered contributions by the guarantor. 2 U.S.C. §431(e).

THEREFORE, Respondent agrees that:

IV. Respondent's contribution of \$3,000 to the Earl Greene for Congress Committee for use in connection with the general election campaign was in excess of and therefore in violation of the \$1,000 individual contribution limitation set forth in 2 U.S.C. §441a(a)(1)(A).

V. Respondent will pay a civil penalty in the amount of \$250 pursuant to 2 U.S.C. §437q(a)(6)(B).

VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437q(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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 of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

Date

William C. Oldaker
General Counsel
Federal Election Commission

4/2/19

Date

Thano Masters

Respondent

ULRICH PEAR BARENSE & EGGAN, P.C.

ATTN: ANDREW M. BOLLARD JR.



POSTAGE

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



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, DC 20461

September 17, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gerald E. Faye
1540 Broadway Street
Ann Arbor, Michigan 48105

Re: MUR 962

Dear Mr. Faye:

On September 13, 1979, the Commission determined there was reasonable cause to believe that you committed a violation of 2 U.S.C. §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended, ("the Act"). Specifically, the Commission found reasonable cause to believe that on August 28, 1978 you extended a \$5,000 personal loan to the Greene for Congress Committee in connection with the general election. This was in addition to your \$100 contribution to the Committee on August 9, 1978. Loans are considered contributions under 2 U.S.C. §431(c)(1). As 2 U.S.C. §441a(a)(1)(A) limits individual contributions to \$1,000 per candidate per election, your aggregate \$5,100 contribution to the Committee for use in the general election violated this section of 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 \$5,000.

We enclose a proposed conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter.

If you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Miriam Aguiar, the attorney assigned to this matter, at 202-523-4057.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

PS Form 3823, April 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
 Mr. Robert E. ...
 ...
 ...

3 ARTICLE DESCRIPTION

REGISTERED NO	CERTIFIED NO	INSURED NO
	943912	1111

 (Always obtain signature of addressee or agent)

I have received the article described above
 SIGNATURE Addressee Authorized agent
 [Signature]
 DATE OF DELIVERY POSTMARK
 9-20-84 112 335

5 ADDRESS: Complete on back (if requested)

6 UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

CLOTHED MAIL
REGISTERED RECEIPT REQUESTED

Mr. Gerald L. Page
1400 Broadway Street
Ann Arbor, Michigan 48105

Re: MUR 962

Dear Mr. Page:

On _____, 1979, the Commission determined there was reasonable cause to believe that you committed a violation of 2 U.S.C. 5441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended. (the Act). Specifically, the Commission found reasonable cause to believe that on August 28, 1978 you extended a \$5,000 personal loan to the Greene for Congress Committee in connection with the General election. This was in addition to your \$100 contribution to the Committee on August 1, 1978. Loans are considered contributions under 2 U.S.C. 5441(e)(1). As 2 U.S.C. 5441a(a)(1)(A) limits individual contributions to \$1,000 per candidate per election, your aggregate \$5,100 contribution to the Committee amounts to the general election violated this provision of 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. 5437c (a)(2)(B). We are unable to reach an agreement during the period of consideration except upon a finding of sufficient cause to believe a violation has occurred. Violations may be litigated in United States District Court and may result in a civil penalty not in excess of \$5,000.

We enclose a proposed conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter.

If you agree ~~with~~ the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Miriam Aguiar, the attorney assigned to this matter, at 202 523-4057.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

B. On August 28, 1978, Respondent extended a 90 day interest free \$5000 personal loan to the Committee, to be repaid on November 28, 1978.

C. That on October 27, 1978, Respondent received \$5000 as payment in full of the loan.

THEREFORE, Respondent agrees:

IV. Respondent's aggregate contributions of \$5100 to the Earl Greene for Congress Committee for use in connection with the general election were in excess, and therefore in violation of, the individual contribution limitation set forth in 2 U.S.C. §441(a)(1)(A).

V. Respondent will pay a civil penalty in the amount of \$750 pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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 of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

Date

William C. Oldaker
General Counsel
Federal Election Commission

Date

Gerald E. Faye
Respondent



FEDERAL ELECTION COMMISSION

1125 K STREET, N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

September 17, 1979

Mr. Steven J. Pinney, Treasurer
Earl Greene for Congress Committee
563 S. Ashley St.
Ann Arbor, Michigan 48103

Re: MUR 962

Dear Mr. Pinney:

On September 13, 1979, the Commission determined there was reasonable cause to believe that the Earl Greene for Congress Committee committed a violation of 2 U.S.C. §441a(f) of the Federal Election Campaign Act of 1971, as amended, (the "Act"). Specifically, the Commission found reasonable cause to believe that the Committee accepted two individual contributions which were both in excess of the \$1,000 limitation set forth in 2 U.S.C. §441a(a)(1)(A): a \$5,000 personal loan on August 28, 1978 from Gerald Faye and a \$3,000 bank loan secured by a guaranty bond of Thano Masters on August 7, 1978. Section 431(e)(1)(A) of the Act defines a contribution to include a "loan ... made for the purpose of influencing the ... election of any person to Federal office," and under Commission Regulation 100.4(a)(1)(i), a loan includes a guarantee ... [or] any other form of security where the risk of nonpayment rests with the guarantor. Therefore, the Committee violated 2 U.S.C. §441a(f) by accepting two contributions which exceeded the §441a(a)(1)(A) \$1,000 individual limitation.

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 \$5,000.

We enclose a proposed conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter.

If you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Miriam Aguiar, the attorney assigned to this matter, at 202-523-4057.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

SENDER Complete items 1, 2 and 3
Add your address in the RETURN TO space in 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) 55

2 ARTICLE ADDRESSED TO
 Steven J. Stein, Esq.
 First National City Bank
 1000 Pennsylvania Ave.
 N.W.
 Washington, D.C. 20004

3 ARTICLE DESCRIPTION

REGISTERED NO	CERTIFIED NO	INSURED NO
	943211	

 (Always obtain signature of addressee or agent)

I have received the article described above:
 SIGNATURE *Steven J. Stein* Addressee Authorized agent

4 DATE OF DELIVERY *June 20 1975*

5 ADDRESS Complete only if requested

6 UNABLE TO DELIVER BECAUSE CLERK'S INITIALS

POSTMARK
 20
 1975

Form 3877, Apr 1971 RETURN RECEIPT REGISTERED INSURED AND CERTIFIED MAIL

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Steven J. Pinney, Treasurer
Earl Greene for Congress Committee
503 S. Ashley St.
Ann Arbor, Michigan 48103

Re: MUR 962

Dear Mr. Pinney:

On _____, 1979, the Commission determined there was reasonable cause to believe that the Earl Greene for Congress Committee committed a violation of 2 U.S.C. 5441a(f) of the Federal Election Campaign Act of 1971, as amended, (the Act). Specifically, the Commission found reasonable cause to believe that the Committee accepted two individual contributions which were both in excess of the \$1,000 limitation set forth in 2 U.S.C. 5441a(a)(1)(A): a \$5,000 personal loan on August 29, 1978 from Gerald Faye and a \$3,000 bank loan secured by a guaranty bond of Thano Masters on August 7, 1978. Section 431(e)(1)(A) of the Act defines a contribution to include a loan ... made for the purpose of influencing the ... election of any person to Federal office, and under Commission Regulation 100.4(a)(1)(i), a loan includes a guarantee ... [or] any other form of security where the risk of nonpayment rests with the guarantor. Therefore, the Committee violated 2 U.S.C. 5441a(f) by accepting two contributions which exceeded the 5441a(a)(1)(A) \$1,000 individual limitation.

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 to enter into a conciliation agreement. 2 U.S.C. 5441a(i)(3). 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 a civil penalty not in excess of

We enclose a proposed conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter.

If you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Miriam Aguiar, the attorney assigned to this matter, at 202 823-4657.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

BEFORE THE FEDERAL ELECTION COMMISSION
August 30, 1979

In the Matter of)
) MUR 962
Earl Greene for Congress)
Committee)

CONCILIATION AGREEMENT

This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Earl Greene for Congress Committee violated 2 U.S.C. §441a(f) in connection with its acceptance of \$5,100 in contributions from Mr. Gerald E. Faye and a \$3,000 contribution from Mr. Thano Masters.

NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Earl Greene for Congress Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding.

II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against it in this matter.

III. That the pertinent facts in this matter are as follows:

A. On August 7, 1978, Respondent accepted a 91 day \$3,000 loan from the Ann Arbor Bank and Trust Company, which was secured by a guaranty bond of Mr. Thano Masters. Respondent disclosed the receipt thereof on its 30 day post-primary report, and noted that the loan was due to be paid on November 6, 1978, with accrued interest of \$74.79.

B. On August 28, 1978, Respondent accepted a 90 day personal, interestfree \$5,000 loan from Mr. Gerald E. Faye. The loan was due to be repaid on November 28, 1978. In addition, Respondent had accepted a \$100 contribution from Mr. Faye on August 9, 1978.

C. That Respondent repaid the \$5,000 loan in full on October 27, 1978 and repaid the \$3,000 loan in full with \$74.79 interest on November 6, 1978.

IV. Respondent acknowledges that the loans described in III(A) and (B) are contributions under 2 U.S.C. §431(e)(1).

THEREFORE, Respondent agrees:

V. That by accepting the \$3,000 and \$5,000 loans which were in excess of the \$1,000 2 U.S.C. §441a(a)(1)(A) limitation, Respondent violated 2 U.S.C. §441a(f).

VI. Respondent will pay a civil penalty in the amount of \$2,000 pursuant to 2 U.S.C. §437g(a)(6)(B).

VII. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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 of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

Date

William C. Oldaker
General Counsel
Federal Election Commission

Date

Steven J. Pinney, Treasurer
Earl Greene for Congress Committee
Respondent



FEDERAL ELECTION COMMISSION

1100 K STREET, N.W.
WASHINGTON, D.C. 20461

September 17, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Edwin L. Pear
Ulrich, Pear, Barense & Eggan, P.C.
210 E. Huron Street
Ann Arbor, Michigan 48104

Re: MUR 962

Dear Mr. Pear:

On September 13, 1979, the Commission determined there was reasonable cause to believe that your client, Mr. Thano Masters committed a violation of 2 U.S.C. §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended, ("the Act"). Specifically, the Commission found reasonable cause to believe that on August 7, 1978, Mr. Masters secured by guaranty bond a 91 day \$3,000 loan from the Ann Arbor Bank and Trust Company to the Earl Greene for Congress Committee in connection with the primary election campaign. Secured bank loans are considered contributions by the guarantors under the Act. See 2 U.S.C. §431(e). As 2 U.S.C. §441a(a)(1)(A) limits individual contributions to \$1,000 per federal candidate per election, Mr. Master's \$3,000 contribution for use in connection with the primary election campaign violated this section of 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 \$5,000.

We enclose a proposed conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter.

If you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Miriam Aguiar, the attorney assigned to this matter, at 202-523-4057.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

U.S. POST OFFICE
1971

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 5
(CONSULT POSTMASTER FOR FEES)

2 ARTICLE ADDRESSED TO
Edwin L. Pear
210 G Street
Arlington, Virginia 22201

3 ARTICLE DESCRIPTION
REGISTERED NO CERTIFIED NO INSURED NO
243907

(Always obtain signature of addressee or agent)

I have received the article described above

SIGNATURE Addressee Authorized agent

Edwin L. Pear
by Beth L. Hooper

DATE OF DELIVERY
SEP 23 1971

ADDRESS: Complete only if required

6 UNABLE TO DELIVER BECAUSE CLERK'S INITIALS

POST MARK
SEP 23 1971
ARLINGTON VA

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Edwin L. Bear
Hirsch, Pearl, Barense & Noon, P.C.
210 E. Marion Street
Ann Arbor, Michigan 48104

Re: MUR 962

Dear Mr. Bear:

On July 1, 1979, the Commission determined there was reasonable cause to believe that your client, Mr. Thano Masters committed a violation of 2 U.S.C. 441a(2)(B)(i) of the Federal Election Campaign Act of 1971, as amended. (The Act) 2. Specifically, the Commission found reasonable cause to believe that on August 7, 1978, Mr. Masters secured by guaranty bond a \$1,000 loan from the Ann Arbor Bank and Trust Company, the Carl George for Congress Committee in connection with the primary election campaign. Secured bank loans are considered contributions by the guarantors under the Act, see 2 U.S.C. 441a(e). 2 U.S.C. 441a(2)(B)(i) limits individual contributions to \$1,000 per candidate per election. Mr. Masters a \$1,000 contribution for use in connection with the primary election campaign violated this section of the Act.

The Commission has a duty to attempt to correct such violations for a period of 30 days by means of conciliation, mediation and persuasion, and if possible, by a conciliation agreement. 2 U.S.C. 441a(2)(B)(ii). If no agreement is reached, the Commission may, upon a finding of reasonable cause to believe a violation has occurred, institute civil suit in United States District Court to obtain an order a civil penalty not in excess of \$1,000.

- 2 -

We enclose a proposed conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter.

If you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Miriam Aguilar, the attorney assigned to this matter, at 202-523-4057.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

BEFORE THE FEDERAL ELECTION COMMISSION
August 30, 1979

In the Matter of)
) MUR 962
Thano Masters)

CONCILIATION AGREEMENT

This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Thano Masters violated 2 U.S.C. §441a(a)(1)(A) in connection with a \$3,000 contribution made to the Earl Greene for Congress Committee.

NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Thano Masters, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding.

II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against him in this matter.

III. That the pertinent facts in this matter are as follows:

A. On August 7, 1978 Respondent became a guarantor for a \$3,000 91 day bank loan made to the Earl Greene for Congress Committee from the Ann Arbor Bank and Trust Company. The loan was made in connection with the primary election, and was due November 6, 1978.

B. The Earl Greene for Congress Committee repaid the \$3,000 loan with \$74.79 accrued interest on November 6, 1978.

C. Secured bank loans are considered contributions by the guarantor. 2 U.S.C. §431(e).

THEREFORE, Respondent agrees that:

IV. Respondent's contribution of \$3,000 to the Earl Greene for Congress Committee for use in connection with the general election campaign was in excess of and therefore in violation of the \$1,000 individual contribution limitation set forth in 2 U.S.C. §441a(a)(1)(A).

V. Respondent will pay a civil penalty in the amount of \$250 pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute 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 of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

Date

William C. Oldaker
General Counsel
Federal Election Commission

Date

Thano Masters
Respondent

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Earl Greene for Congress Committee) MUR 962
Gerald E. Faye)
Thano Masters)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on September 13, 1979, the Commission determined by a vote of 5-0 to adopt the following recommendations, as set forth in the General Counsel's Report dated August 30, 1979, regarding the above-captioned matter:

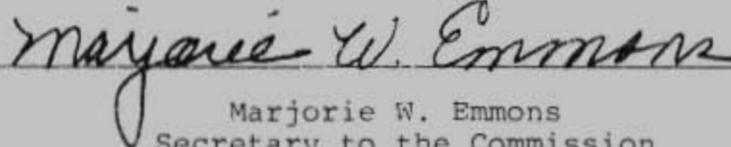
1. Find REASONABLE CAUSE TO BELIEVE that Gerald E. Faye and Thano Masters violated 2 U.S.C. §441a(a)(1)(A).
2. Find REASONABLE CAUSE TO BELIEVE that the Earl Greene for Congress Committee violated 2 U.S.C. §441a(f).
3. Approve and send the letters and conciliation agreements to the respondents (Attachment VI to the above-named report).

Voting for this determination were Commissioners Friedersdorf, Harris, McGarry, Reiche, and Tiernan.

Attest:

9/14/79

Date


Marjorie W. Emmons
Secretary to the Commission

Received in the Office of the Commission Secretary: 9-11-79, 10:53
Circulated on 48 hour vote basis: 9-11-79, 4:00

September 11, 1979

MEMORANDUM TO: Marge Emmons
FROM: Eliasa T. GARR
SUBJECT: MUR 962

Please have the attached General Counsel's Report on MUR 962 distributed to the Commission on a 48 hour tally basis.

Thank you.

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BEFORE THE FEDERAL ELECTION COMMISSION
August 30, 1979

SEP 11 AM: 53

In the Matter of)
Earl Greene for Congress Committee) MUR 962
Gerald E. Faye)
Thano Masters)

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On May 16, 1979, the Commission found reason to believe that Gerald E. Faye and Thano Masters may have violated 2 U.S.C. §441a(a)(1)(A) and that the Earl Greene for Congress Committee 1/ may have violated 2 U.S.C. §441a (f) in connection with a \$5,000 loan from Mr. Faye and a guaranty of a \$3,000 loan from Mr. Masters made to and accepted by the Committee. The matter was generated pursuant to a referral from the Reports Analysis Division. Letters of notification were mailed to respondents on May 17, 1979.

II. EVIDENCE

In his response to the Commission's May 17th letter, Committee Treasurer Steven J. Pinney stated that pursuant to an October 4 notice from the Clerk of the House of Representatives which informed him of the possible §441a violation, the Committee began securing monies to repay the loans. As the Committee was financially unable to do so, Candidate Earl Greene obtained a personal bank loan and repaid both loans by their due dates

1/ Candidate Earl Greene was defeated in the 1978 general election, receiving 32% of the vote.

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by personal check.^{2/} To his response, Mr. Pinney attached a copy of the loan agreement guaranteed by Mr. Masters, and a copy of the \$3,000 check to the Committee. The loan was paid in full with interest accrued on November 6, 1978. (See Attachment I). In addition, Mr. Pinney stated that he would submit material on the loan obtained from Mr. Faye when it was available. As neither Mr. Masters nor Mr. Faye responded to the Commission's May 17th letter and as Mr. Pinney failed to submit additional material, letters were mailed to all respondents on July 10 which indicated that the Commission intended to conclude its investigation and that in the absence of further materials, the Commission would render its determination on the information presently available.

Mr. Pinney responded on July 14 and attached Mr. Greene's personal check to Mr. Faye dated October 30, 1978 for \$5,034.25. (See Attachment III).

Mr. Edwin Pear, counsel for Mr. Masters contacted the Commission by phone on July 13 and submitted a formal response on July 16. (See Attachment IV). Mr. Pear stated that he intended to review the documents submitted by Mr. Pinney to determine whether additional material was warranted. Mr. Pear submitted an additional response on August 21, 1979 in which he stated that in agreeing to guarantee the bank loan to Mr. Greene, Mr. Masters relied on the representations made by Greene and "assumed that the candidate would be adhering to all the provisions of the law."

^{2/} The Committee disclosed repayment of the loans on its 30 day post-general election report. (See Attachment II).

8 7 0 7

Mr. Faye contacted the Commission by phone on August 2. According to Mr. Faye, candidate Greene "wanted an early loan," and Mr. Faye complied with the request. We informed Mr. Faye that the Act required the Commission to grant respondents an opportunity to respond to the Commission's findings and suggested that he submit a letter to the Commission in this regard. Mr. Faye stated that he would submit a letter. To date, no response has been received.

III. ANALYSIS

2 U.S.C. §441a(a)(1)(A) limits individual contributions to \$1,000 per federal candidate (and his authorized political committee) per election. Contributions, as defined by 2 U.S.C. §431(e)(1), include loans. While bank loans made in the ordinary course of business are exempt from the definition of "contribution", a bank loan is considered a loan by each guarantor. §431(e)(5)(G)(ii). Under 11 CFR 100.4(a)(1)(i) a loan includes a "guarantee ... (or) any other form of security where the risk of nonpayment rests with the ... guarantor ... as well as with a political committee (or) candidate."

In attempting to justify the loans in question as not excessive, respondent Committee has placed an interpretation on the language of §100.4(a)(1)(i) that is contrary to the meaning of the Act and the Regulations. In pertinent part, §100.4(a)(1)(i) states that "a loan is a contribution to the extent that the obligation remains outstanding." The Committee states it believed this provision to mean that the two loans "... were not to be considered contributions unless the Committee

failed to repay the loans in full by the date they were due," and then only contributions to the extent of the amounts left unpaid. (See Attachment I). In fact, the Commission interpreted the §100.4(a)(1)(i) provision in AO 1975-69 as follows:

"when a loan creates a legally enforceable obligation to repay, a contribution remains outstanding only to the extent that the principal remains unpaid. While outstanding, a loan is a contribution which counts against the individual's \$1,000 ... contribution limitation. Once it is retired, however, the loan (a contribution by definition), is extinguished and no longer counts against these limitations."^{3/}

Thus, the §100.4(a)(1)(i) provision applies to a situation where an initial loan or guaranty is within the §441a limits. Once such loan is extinguished, the amount "... no longer counts ..." and the lender or guarantor may lend or guaranty again up to the §441a limits.

Here the loans by Mr. Faye and the guaranty by Mr. Masters were in excess of the §441a limits as soon as they occurred. Therefore, Mr. Faye was in violation of §441a(a)(1)(A) when he negotiated the \$5,000 personal loan to the Committee on August 28, 1978; and Mr. Masters was in violation of §441a(a)(1)(A) when he secured the \$3,000 bank loan, made to the Committee, with a guaranty bond on August 7, 1978. The Committee's acceptance of these contributions, which were in excess of the §441a(a)(1)(A) limitation, was in violation of §441a(f).

IV. RECOMMENDATION

1. Find reasonable cause to believe that Gerald E. Faye and Thano Masters violated 2 U.S.C. §441a(a)(1)(A).

^{3/} Our reason to believe notice letter to Mr. Pinney made reference to this AO.

2. Find reasonable cause to believe that the Earl Greene for Congress Committee violated 2 U.S.C. §441a(f).
3. Approve and send attached letters and conciliation agreements to respondents.

7/10/79
Date

William C. Oldaker
William C. Oldaker
General Counsel

ATTACHMENTS

- I. Pinney's May 30 response
- II. Committee report
- III. Pinney's July 14 response
- IV. Pear's July 16 response
- V. Pear's August 21 response
- VI. Letters and conciliation agreements to:

Gerald E. Faye
Thano Masters
Earl Greene for Congress Committee

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May 30, 1979
 563 S. Ashley Street
 Ann Arbor, Michigan 48104

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

302667

Re: MR 967

Dear Mr. Oldaker:

Your letter of 17 May 1979 requesting this Committee to explain the circumstances under which it accepted a personal loan of \$5,000 extended on 28 August 1978 by Gerald Faye and a \$3,000 bank loan secured by a guaranty bond of Elmo Bosters obtained on 7 August 1978 was received by me on 22 May 1979. As indicated in our letter of 17 October 1978 to the Clerk of the House of Representatives, the Committee accepted the loans in the belief they were allowable under the provisions of the Regulations prescribed by the Federal Election Commission to implement the Federal Election Campaign Act of 1971.

Specifically, the Committee believed that under the provisions of the Regulations, loans advanced to the Committee were not to be considered contributions unless the Committee failed to repay the loans in full by the date they were contractually due to be repaid, and then they could be considered contributions only to the amount left outstanding - that is, unpaid - on the loans. The Committee believed this was the proper interpretation of section 100.3(a)(1)(i) of the Regulations, which states that "A loan is a contribution to the extent that the obligation remains outstanding", and section 100.3(a)(6) of the Regulations, which stipulates that credit extended to a committee shall not be considered a contribution unless it is extended "for a length of time beyond normal business or trade practices" and unless the creditor has not made "a commercially reasonable attempt to collect the debt".

From the outset, the Committee viewed the loans it received as debts which it was obligated to repay by their due dates, and therefore as matters falling under what we understood to be the intentions of sections 100.3(a)(1)(i) and 100.3(a)(6). Consistent with this belief, the 30 day post-primary report filed by the Committee on 4 September 1978 itemized the loans only on Schedule C - Debts and Obligations. Further, in the belief that the loans would not be considered contributions until the date they were to be repaid, and then only to the extent of the unpaid or balance left to be repaid, the Committee took care to specify the contractual date of repayment for each loan in its description of the loans on Schedule C in the 30 day post-primary report.

It was not until the Committee received two letters from the Office of the Clerk of the House of Representatives, both dated 4 October 1978, informing us that on the loans we had itemized on Schedule C were supposed to be itemized instead on Schedule A - Itemized Receipts and (8) that the loans as constituted

were in possible violation of Title 2, section 551a of the United States Code, that we became aware of the possibility of our having mistakenly interpreted the Regulation on this issue. The Committee promptly complied with both requests from the office of the Clerk of the House by amending our 30 day post-primary report and beginning the process of securing the money needed to repay the two loans. Since the Committee was not financially able to repay either of the loans, the candidate of the Committee, Earl Greene, obtained a personal bank loan, secured by real property which he owned, and lent to the Committee the money necessary to discharge the loans. Both loans were repaid by the date they were due by personal checks written by Mr. Greene, and the transactions were itemized in the 30 day post-election report filed by the Committee on 1 December 1978 in loans advanced to the Committee by Earl Greene.

In accordance with our telephone conversation on the afternoon of 1 June 1979 with Maria Aguilar of your office, the Committee is forwarding this account of the circumstances surrounding the two loans along with part of the supporting documents. Because of circumstances beyond our control, we have not been able to obtain full documentation of both loans at this date. The Committee has contacted the San Arbor Bank and Trust, in an attempt to secure complete records of the \$4,000 loan. Mr. Clifford Sheldon, the officer of that bank who approved the loan, has indicated that photostatic copies of these records should be available to us by early in the week of June 1 - 9. We have included, however, those documents pertaining to this loan which are in the Committee's possession. We are also attempting to secure from Mr. Donald Vago records relating to the \$3,000 personal loan. However, Mr. Vago underwent an operation for removal of a tumor this past week and therefore has not been able to provide us with these documents yet. We understand that, barring any complications, Mr. Vago will be returning home early in the week of June 1 - 9. At that time we hope to secure all relevant documents regarding this loan. As soon as these sets of documents are available to us we will forward them to your office.

The Committee admits the transactions to be the ones described and requests that you confirm the procedures under review by the Federal Election Commission. All of the documents accounted for the loans in question fit as in compliance with the adherence to the provisions of the Federal Law. The Committee reports any information at the Regulation is not sure and any violation of the Federal Election Campaign Act which it might represent may have occurred. If the Commission requires any further information to be in the judgment on this matter, the Committee will appreciate the opportunity to furnish any further information that it can.

Respectfully,
 Steven J. Finney, Treasurer
 Earl Greene for Congress Campaign

JUN 5 9 31 AM '79

1979

11

July 14, 1979

903132

Mr. William C. Oldaker, General Counsel
The Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20563

Re: MR 962

Dear Mr. Oldaker:

I have enclosed a photostatic copy of the check by which Earl Greene, the candidate of this Committee, repaid to Dr. Gerald Faye the \$5,000 loan which Dr. Faye made to the Committee. I had hoped to also forward to your office a photostatic copy of the check by which Dr. Faye conveyed the loan of \$5,000 to the Committee. However, shortly after his release from the hospital Dr. Faye left for a six week vacation in Europe. I understand from Mr. Greene that Dr. Faye intended to contact your office to ascertain what records or statements you would require from him. Since Dr. Faye left for Europe without contacting Mr. Greene further on this matter, we do not know whether or not he did so. However, the Committee does not have a copy of Dr. Faye's check at this time.

Mr. Greene had also been in contact with the Ann Arbor Bank and Trust Company in an effort to secure further records regarding the \$5,000 loan from that institution. I have not received any further information from Mr. Greene on that effort since my letter to your office last month, and since Mr. Greene was called out of town this past week to attend a family funeral I have not been able to check recently with him as to his success.

On behalf of the Committee I apologize for the delay in forward this information to you and for our inability to forward as much information as we had hoped to, and I thank you for your patience in this matter.

Sincerely,

Steven L. Finney

Steven L. Finney, Treasurer
Earl Greene for Governor Committee
593 S. Maple St.
Ann Arbor, Michigan 48103

0 1 3 1 8 1 3 1 5

EARL W. GREENE
1534 BROADWAY PH. 313-062-8007
ANN ARBOR, MICH. 48105

1915

74-973724

PAY TO THE ORDER OF

Harold + Edie Payne
Five thousand three hundred and 50/100

1915
5034.50

DOLLARS



Marion Valley
National Bank
Marion, Mich. 49859

Earl W. Greene

⑆072409744⑆ ⑆11A⑆ ⑆2700⑆ ⑆0000503425⑆

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ATTACHMENT IV

Aguilar

LAW OFFICES
ULRICH PEAR BARENSE & EGGAN, P.C.
210 EAST HURON STREET
ANN ARBOR, MICHIGAN 48104

FEDERAL ELECTION COMMISSION

HENRY D. WILSON
FRANK J. BEAR
JAMES H. HANCOCK
ANDREW M. JOSEFAN
WILLIAM L. MILLER

July 16, 1979

79 JUL 16 11 2 AM '79
3 SOUTH WASHINGTON STREET
ANN ARBOR, MICHIGAN 48104

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

908106

Attention: Miriam Aguilar

Re: Thano Masters - MUR 962

Gentlemen:

Pursuant to my telephone conversation with Miriam Aguilar on Friday, July 13, 1979, please be advised that the undersigned represents Mr. Thano Masters with respect to an investigation of an alleged violation of the Federal Election Campaign Act of 1971. Mr. Masters had earlier been in contact with Mr. Earl Green, who informed Mr. Masters that he would be filing the necessary information and response to this investigation. It is our understanding that Mr. Green has submitted some information to the Commission, however, as of this date, we have not had an opportunity to review that information or to meet with Mr. Green to discuss its contents. We are presently attempting to meet with Mr. Green to determine if any additional information or response is necessary on behalf of Mr. Masters.

As soon as we are able to review the information provided by Mr. Green, we will advise you if there is any additional information that Mr. Masters could provide.

Thank you for your assistance and cooperation.

Yours very truly,

ULRICH PEAR BARENSE & EGGAN, P. C.

Edwin L. Pear

all:bn

cc: Mr. Thano Masters

37:48 81701 02

1979 JUL 18 11 20 AM '79

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ATTACHMENT II *Miriam*

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LAW OFFICES
ULRICH PEAR BARENSE & EGGAN, P.C.
200 EAST WYOMING STREET
ANN ARBOR, MICHIGAN 48104

MARKET STREET
ANN ARBOR, MICHIGAN
48106-1000

30384
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RECEIVED
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

August 15, 1979

Ms. Miriam Aguilar
Federal Election Commission
1225 K Street N.W.
Washington, D.C. 20543

RE: HRF 262

Dear Ms. Aguilar:

The undersigned represent Mr. Thoms Masters regarding an investigation of an alleged violation of the Federal Election Campaign Act by the Earl Greene for Congress Committee. Mr. Masters and I have had an opportunity to review the information provided by Mr. Greene which we feel accurately reflects our understanding of the surrounding facts in this matter. It appears Mr. Greene's committee acted under an honest belief that they were complying with the rules and regulations of the Act.

Mr. Masters has no direct knowledge of the specific regulations of the Election Commission and at no time did he intentionally attempt to violate the Act.

Mr. Masters was a former employer of Mr. Greene and had known Mr. Greene for several years and is a long-time friend. Mr. Masters had no question in his own mind that Mr. Greene would make full repayment of the loan from the bank. Mr. Masters never loaned any money directly to Mr. Greene for the election and was merely signing the warrants of payment which was requested by the bank as a favor for a former employee, knowing full well that the note would be repaid and, which in fact, was repaid when due.

Mr. Masters relied on the representations of the candidate and the assumption that the candidate would be adhering to all provisions of the law. It is Mr. Masters' feeling that it would be unfair to be the subject of further action by the committee when there may have been a misinterpretation of the regulations by the candidate himself which appears to have been made in good faith and not with the intention to violate any provision of the law.

If there is anything further that is need, please so advise. We trust this will conclude the matter as to Mr. Masters.

Yours very truly,

ULRICH PEAR BARENSE & EGGAN, P. C.

Edwin S. Pear
Edwin S. Pear

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FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20461

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gerald E. Faye
1540 Broadway Street
Ann Arbor, Michigan 48105

Re: MUR 962

Dear Mr. Faye:

On _____, 1979, the Commission determined there was reasonable cause to believe that you committed a violation of 2 U.S.C. §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended, ("the Act"). Specifically, the Commission found reasonable cause to believe that on August 28, 1978 you extended a \$5,000 personal loan to the Greene for Congress Committee in connection with the general election. This was in addition to your \$100 contribution to the Committee on August 9, 1978. Loans are considered contributions under 2 U.S.C. §431(e)(1). As 2 U.S.C. §441a(a)(1)(A) limits individual contributions to \$1,000 per candidate per election, your aggregate \$5,100 contribution to the Committee for use in the general election violated this section of 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 \$5,000.

3 1 3 2 0



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20461

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Steven J. Pinney, Treasurer
Earl Greene for Congress Committee
563 S. Ashley St.
Ann Arbor, Michigan 48103

Re: MUR 962

Dear Mr. Pinney:

On _____, 1979, the Commission determined there was reasonable cause to believe that the Earl Greene for Congress Committee committed a violation of 2 U.S.C. §441a(f) of the Federal Election Campaign Act of 1971, as amended, (the "Act"). Specifically, the Commission found reasonable cause to believe that the Committee accepted two individual contributions which were both in excess of the \$1,000 limitation set forth in 2 U.S.C. §441a(a)(1)(A): a \$5,000 personal loan on August 28, 1978 from Gerald Faye and a \$3,000 bank loan secured by a guaranty bond of Thano Masters on August 7, 1978. Section 431(e)(1)(A) of the Act defines a contribution to include a "loan ... made for the purpose of influencing the ... election of any person to Federal office," and under Commission Regulation 100.4(a)(1)(i), a loan includes a guarantee ... [or] any other form of security where the risk of nonpayment rests with the guarantor. Therefore, the Committee violated 2 U.S.C. §441a(f) by accepting two contributions which exceeded the §441a(a)(1)(A) \$1,000 individual limitation.

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 \$5,000.

We enclose a proposed conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter.

If you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Miriam Aguiar, the attorney assigned to this matter, at 202-523-4057.

Sincerely,

William C. Oldaker
General Counsel

Enclosure



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Edwin L. Pear
Ulrich, Pear, Barense & Eggan, P.C.
210 E. Huron Street
Ann Arbor, Michigan 48104

Re: MUR 962

Dear Mr. Pear:

On _____, 1979, the Commission determined there was reasonable cause to believe that your client, Mr. Thano Masters committed a violation of 2 U.S.C. §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended, ("the Act"). Specifically, the Commission found reasonable cause to believe that on August 7, 1978, Mr. Masters secured by guaranty bond a 91 day \$3,000 loan from the Ann Arbor Bank and Trust Company to the Earl Greene for Congress Committee in connection with the primary election campaign. Secured bank loans are considered contributions by the guarantors under the Act. See 2 U.S.C. §431(e). As 2 U.S.C. §441a(a)(1)(A) limits individual contributions to \$1,000 per federal candidate per election, Mr. Master's \$3,000 contribution for use in connection with the primary election campaign violated this section of 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 \$5,000.

We enclose a proposed conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter.

If you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Miriam Aguiar, the attorney assigned to this matter, at 202-523-4057.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

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FEDERAL ELECTION COMMISSION

1100 K STREET, N.W.
WASHINGTON, D.C. 20543

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *LE*
DATE: AUGUST 3, 1979
SUBJECT: "JR 962 - Interim Investigative Report
dated 8-1-79. signed by QC 8-2-79,
Received by QCS 8-2-79, 12:50.

The above-named document was circulated to
the Commission on a 24-hour no-objection basis
at 4:00, August 2, 1979.

There were no objections to the Interim Investigative
Report at the time of the deadline.

3328

BEFORE THE FEDERAL ELECTION COMMISSION
August 1, 1979

In the Matter of)
Earl Greene for Congress)
Committee)
Thano Masters)
Gerald Faye)

AUG 2 12:50

MUR 962

INTERIM INVESTIGATIVE REPORT

20101731

This matter concerns the receipt of excessive contributions in violation of 2 U.S.C. §441a. Letters of notification were mailed to all respondents advising that without further documents the Commission would proceed with the matter on information available. Mr. Masters responded through his attorney, Edwin Pearl, who stated that he intended to meet with the Greene Committee to review material submitted and would advise if Mr. Masters wished to submit additional information. Committee treasurer Steven Pinney also submitted a response. The certified letter of notification sent to Mr. Faye was returned unclaimed. We have re-sent the letter by regular mail to obtain service and offer him an opportunity to respond.

8/2/79

Date

William C. Oldaker

William C. Oldaker
General Counsel

LAW OFFICES
ULRICH PEAR BARENSE & EGGAN, P.C.
211 EAST HERON STREET
ANN ARBOR, MICHIGAN 48104

ROBERT L. EGGAN
EDWIN L. PEARL
AND
ANDREW M. EGGAN
OF THE FIRM OF

TELEPHONE 444-1111

July 16, 1979

19 JUL 16 1979
SOUTH WASHINGTON STREET
ANN ARBOR, MICHIGAN 48104

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

908116

Attention: Miriam Aguilar

Re: Thano Masters - MUR 962

Gentlemen:

Pursuant to my telephone conversation with Miriam Aguilar on Friday, July 13, 1979, please be advised that the undersigned represents Mr. Thano Masters with respect to an investigation of an alleged violation of the Federal Election Campaign Act of 1971. Mr. Masters had earlier been in contact with Mr. Earl Green, who informed Mr. Masters that he would be filing the necessary information and response to this investigation. It is our understanding that Mr. Green has submitted some information to the Commission, however, as of this date, we have not had an opportunity to review that information or to meet with Mr. Green to discuss its contents. We are presently attempting to meet with Mr. Green to determine if any additional information or response is necessary on behalf of Mr. Masters.

As soon as we are able to review the information provided by Mr. Green, we will advise you if there is any additional information that Mr. Masters could provide.

Thank you for your assistance and cooperation.

Yours very truly,

ULRICH PEAR BARENSE & EGGAN, P. C.

Edwin L. Pearl
Edwin L. Pearl

ELP:br

cc: Mr. Thano Masters

EP:br 8170P

July 14, 1979

903132

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

Re: MUR 962

Dear Mr. Oldaker:

I have enclosed a photostatic copy of the check by which Earl Greene, the candidate of this Committee, repaid to Dr. Gerald Faye the \$5,000 loan which Dr. Faye made to the Committee. I had hoped to also forward to your office a photostatic copy of the check by which Dr. Faye conveyed the loan of \$5,000 to the Committee. However, shortly after his release from the hospital Dr. Faye left for a six week vacation in Europe. I understand from Mr. Greene that Dr. Faye intended to contact your office to ascertain what records or statements you would require from him. Since Dr. Faye left for Europe without contacting Mr. Greene further on this matter, we do not know whether or not he did so. However, the Committee does not have a copy of Dr. Faye's check at this time.

Mr. Greene had also been in contact with the Ann Arbor Bank and Trust Company in an effort to secure further records regarding the \$3,000 loan from that institution. I have not received any further information from Mr. Greene on that effort since my letter to your office last month, and since Mr. Greene was called out of town this past week to attend a family funeral I have not been able to check recently with him as to his success.

On behalf of the Committee I apologize for the delay in forward this information to you and for our inability to forward as much information as we had hoped to, and I thank you for your patience in this matter.

Sincerely,


Steven J. Pinney, Treasurer
Earl Greene for Congress Committee
563 S. Ashley St
Ann Arbor, Michigan 48103

1915

EARL W. GREENE
1851 BROADWAY PH. 313-662-8307
ANN ARBOR, MICH. 48105

10-30-1918 74-979/724

PAY TO THE
ORDER OF

Gerald + Edie Page
Five Thousand Thirty Four and 25/100

\$5034.25

DOLLARS



Marion Valley
National Bank
Ann Arbor, Michigan 48106

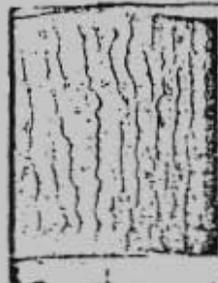
Earl W. Greene

MEANS

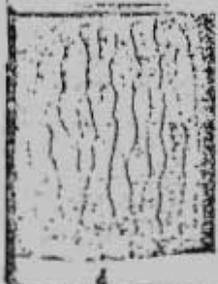
⑆072409794⑆

318 327 00

⑆00005031.25⑆



PAID TO THE ORDER OF
10-30-1918
5034.25
MARION VALLEY NATIONAL BANK
ANN ARBOR, MICH.
74-979/724
2552



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Steven J. Finney, Treasurer
Earl Greene for Congress Committee
561 S. Ashley Street
Ann Arbor, Michigan 48103



Mr. William C. Oldaker, General Counsel
The Federal Election Commission
1475 E. Street N.W.
Washington, D.C. 20543



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

July 10, 1979

Mr. Thano Masters
421 E. Liberty St.
Ann Arbor, MI 48104

Re: MUR 962

Dear Mr. Masters:

On May 19, 1979, you were notified that the Commission was conducting an investigation of your alleged violations of the Federal Election Campaign Act of 1971, as amended. You were notified that you were a reasonable opportunity to demonstrate why no action should be taken against you.

As of this date, we have received no written response. The Commission intends to conclude its investigation shortly. In the absence of any materials from you, the Commission will have to decide whether to take further action solely on the basis of information available from other sources.

If you have any questions regarding this matter, please contact Miriam Aguiar, the attorney assigned to this case at 202-523-4057.

Sincerely,

A handwritten signature in cursive script, appearing to read "W.C. Oldaker", is written over the typed name.

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

July 10, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Steven Pinney, Treasurer
Earl Greene for Congress Committee
563 South Ashley Street
Ann Arbor, MI 48104

Re: MUR 962

Dear Mr. Pinney:

On May 22, 1979, you were notified that the Commission was conducting an investigation of alleged violations of the Federal Election Campaign Act of 1971, as amended, by your committee, the Earl Greene for Congress Committee. You were notified that you had a reasonable opportunity to demonstrate why no action should be taken against your committee.

We acknowledge receipt of your letter dated May 30, 1979 in which you stated your intent to submit additional documents relevant to this matter. As of this date, we have received no further response. The Commission intends to conclude its investigation shortly. In the absence of additional materials from you, the Commission will have to decide whether to take further action solely on the basis of information presently available.

If you have any questions regarding this matter, please contact Miriam Aguiar, the attorney assigned to this matter at 202-523-4057.

Sincerely,

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

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20461

July 10, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gerald E. Faye
1540 Broadway St.
Ann Arbor, MI 48105

Re: MUR 962

Dear Mr. Faye:

On May 25, 1979 you were notified that the Commission was conducting an investigation of your alleged violations of the Federal Election Campaign Act of 1971, as amended. You were notified that you had a reasonable opportunity to demonstrate why no action should be taken against you.

As of this date, we have received no written response. The Commission intends to conclude its investigation shortly. In the absence of any materials from you, the Commission will have to decide whether to take further action solely on the basis of information available from other sources.

If you have any questions regarding this matter, please call Miriam Aguiar, the attorney assigned to this case at 202-523-4057.

Sincerely,

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

William C. Oldaker
General Counsel

11340

FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20461

Official Mail

Permit No. 100, Wash., D.C. 20461

CLAIM CHECK NO.

739644

HOLD

DATE

7-12
1ST NOTICE

JUL 12 1979

FINAL NOTICE
JUL 19 1979

RETURN

JUL 27 1979

Disposal from
PS Form 3818-A
Feb 1978

*Mr. Andrew
M. L.*
NOTIFIED

Mr. Gerald E. Payne
1540 Broadway St.
Ann Arbor MI 48105



POSTAGE AND FEES PAID



CERTIFIED

● RETURN TO ADDRESSEE RETURN TO SPACE ON LABEL	
* The following service is requested, check one Show to whom and date delivered <input type="checkbox"/> C Show to whom, date and address of delivery <input type="checkbox"/> C RESTRICTED DELIVERY Show to whom and date delivered <input type="checkbox"/> C RESTRICTED DELIVERY Show to whom, date and address of delivery <input type="checkbox"/> C CONSULT POSTMASTER FOR FEES	ARTICLE ADDRESSED TO Gerold E. Fay 1541 Broadway Ann Arbor, Mi 48105
REGISTERED <input type="checkbox"/> CERTIFIED <input type="checkbox"/> INSURED <input type="checkbox"/> NO	* Always obtain signature of addressee or agent)
SIGNATURE <input type="checkbox"/> ADDRESS <input type="checkbox"/> AUTHORIZED AGENT <input type="checkbox"/>	DATE OF DELIVERY <input type="checkbox"/> POSTMARK <input type="checkbox"/>
ADDRESS COMPLETELY REQUESTED <input type="checkbox"/>	ADDRESS COMPLETELY REQUESTED <input type="checkbox"/>
6 UNABLE TO DELIVER BECAUSE	CLERK'S INITIALS

MUR 962

 APR 1977 0 - 245 556
 Aguiar



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, DC 20543

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS *7/11/79*

DATE: JULY 11, 1979

SUBJECT: MUR 962 - Interim Investigative
Report dated 7-6-79.
Received in OCS 7-10-79
10:31

The above-named document was circulated to the Commission on a 24-hour no-objection basis at 4:00, Tuesday, July 10, 1979.

There were no objections to the Interim Investigative Report at the time of the deadline.

3343
R

July 10, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 962

Please have the attached Interim Invest Report
on MUR 962 distributed to the Commission.

Thank you.

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BEFORE THE FEDERAL ELECTION COMMISSION
July 6, 1979

In the Matter of)
Earl Greene for Congress) MUR 962
Committee)
Thano Masters)
Gerald Faye)

INTERIM INVESTIGATIVE REPORT

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This matter concerns the receipt of excessive contributions in violation of 2 U.S.C. §441a. In his May 30, 1979 response, Committee treasurer Steven Pinney stated that he hoped to secure and submit other relevant documents regarding the contributions. To date, we have received no additional information from the respondents. This office contacted Mr. Pinney on July 3rd regarding this matter and we are mailing letters of notification to all respondents advising that without further documents, the Commission will proceed with the matter on information presently available. Should respondents fail to respond, we are prepared to make a report and recommendation to the Commission on documents already submitted.

7/9/79
DATE

William C. Oldaker
WILLIAM C. OLDAKER
GENERAL COUNSEL



FEDERAL ELECTION COMMISSION

1125 K STREET, S.W.
WASHINGTON, D.C. 20063

MEMORANDUM TO CHARLES STEELE
FROM: MARGOPIE W. ENNORS *mwe*
DATE: JUNE 19, 1979
SUBJECT: MUR 962 - Interim Investigative Report
dated 6-14-79; Received in OCS
6-15-79, 1:41

The above-named document was received on a 24
hour no-objection basis at 11:00, June 19, 1979.

The Commission Secretary's Office has received
no objections to the Interim Investigative Report
as of 11:30 this date.

June 15, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 962

Please have the attached Interim Invest Report
on MUR 962 distributed to the Commission.

Thank you.

345

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Earl Greene for Congress Committee) MUR 962
Gerald E. Faye)
Thano Masters)

INTERIM INVESTIGATIVE REPORT

This matter concerns apparent violations of 2 U.S.C. §§ 441a(a)(1) and 441a(f). Attached to his June 5, 1979 response, Steven J. Pinney, treasurer for the Earl Greene for Congress Committee submitted documents pertinent to the investigation. He stated that the Committee is in the process of obtaining further documentation and indicated that he would submit the additional information shortly.

The Office of General Counsel is awaiting receipt of the additional information and will submit a full report to the Commission upon review of all documents.

Date

6/14/79

William C. Oidaker
General Counsel

6/14/79

47

May 30, 1979
563 S. Ashley Street
Ann Arbor, Michigan 48103

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

902667

Re: MUR 962

Dear Mr. Oldaker:

Your letter of 17 May 1979 requesting this Committee to explain the circumstances under which it accepted a personal loan of \$5,000 extended on 28 August 1978 by Gerald Faye and a \$3,000 bank loan secured by a guaranty bond of Thano Masters obtained on 7 August 1978 was received by me on 22 May 1979. As indicated in our letter of 17 October 1978 to the Clerk of the House of Representatives, the Committee accepted the loans in the belief they were allowable under the provisions of the Regulations prescribed by the Federal Election Commission to implement the Federal Election Campaign Act of 1971.

Specifically, the Committee believed that under the provisions of the Regulations, loans advanced to the Committee were not to be considered contributions unless the Committee failed to repay the loans in full by the date they were contractually due to be repaid, and then they would be considered contributions only to the amount left outstanding - that is, unpaid - on the loan. The Committee believed this was the proper interpretation of section 100.4 (a)(1)(1) of the Regulations, which states that "A loan is a contribution to the extent that the obligation remains outstanding", and section 100.4(a)(6) of the Regulations, which stipulates that credit extended to a committee shall not be considered a contribution unless it is extended "for a length of time beyond normal business or trade practices" and unless the creditor has not made "a commercially reasonable attempt to collect the debt".

From the outset, the Committee viewed the loans it received as debts which it was obligated to repay by their due dates, and therefore as matters falling under what we understood to be the intentions of sections 100.4(a)(1)(1) and 100.4(a)(6). Consistent with this belief, the 30 day post-primary report filed by the Committee on 4 September 1978 itemized the loans only on Schedule C - Debts and Obligations. Further, in the belief that the loans would not be considered contributions until the date they were to be repaid, and then only to the extent of the outstanding balance left to be repaid, the Committee took care to specify the contractual date of repayment for each loan in its description of the loans on Schedule C in the 30 day post-primary report.

It was not until the Committee received two letters from the Office of the Clerk of the House of Representatives, both dated 4 October 1978, informing us that (a) the loans we had itemized on Schedule C were supposed to be itemized instead on Schedule A - Itemized Receipts and (b) that the loans as constituted

were in possible violation of Title 2, section 441a of the United States Code, that we became aware of the possibility of our having mistakenly interpreted the Regulations on this issue. The Committee promptly complied with both requests from the Office of the Clerk of the House by amending our 30 day post-primary report and beginning the process of securing the money needed to repay the two loans. Since the Committee was not financially able to repay either of the loans, the candidate of the Committee, Earl Greene, obtained a personal bank loan, secured by real property which he owned, and lent to the Committee the money necessary to discharge the loans. Both loans were repaid by the date they were due by personal checks written by Mr. Greene, and the transactions were itemized in the 30 day post-election report filed by the Committee on 9 December 1978 as loans advanced to the Committee by Earl Greene.

In accordance with my telephone conversation on the afternoon of 1 June 1979 with Miriam Aquilar of your office, the Committee is forwarding this account of the circumstances surrounding the two loans along with part of the supporting documents. Because of circumstances beyond our control, we have not been able to obtain full documentation of both loans at this date. The Committee has contacted the Ann Arbor Bank and Trust in an attempt to secure complete records of the \$3,000 loan. Mr. Clifford Sheldon, the officer of that bank who approved the loan, has indicated that photostatic copies of these records should be available to us by early in the week of June 3 - 9. We have included, however, those documents pertaining to this loan which are in the Committee's possession. We are also attempting to secure from Mr. Gerald Faye records relating to the \$5,000 personal loan. However, Mr. Faye underwent an operation for removal of a tumor this past week and therefore has not been able to provide us with these documents yet. We understand that, barring any complications, Mr. Faye will be returning home early in the week of June 3 - 9. At that time we hope to secure all relevant documents regarding this loan. As soon as these sets of documents are available to us we will forward them to your office.

The Committee submits the foregoing to be the true circumstances under which it accepted and retired the loans now under review by the Federal Election Commission. When the Committee accepted the two loans in question it did so in confidence that it was adhering to the provisions of the federal law. The Committee regrets any misinterpretation of the Regulations it has made and any violation of the Federal Election Campaign Act which its misinterpretations may have caused. If the Commission requires any further information to aid in its judgement on this matter, the Committee will appreciate the opportunity to furnish any further information that it can.

Respectfully,

Steve J. Pinney
Steven J. Pinney, Treasurer
Earl Greene for Congress Committee

92 : 8 d 9 N O R E :

1979

Ninety-one (91) Days after date the undersigned promises to pay to the order of

ANN ARBOR BANK AND TRUST COMPANY

Three Thousand and 00/100 Dollars

ANN ARBOR BANK AND TRUST COMPANY, Ann Arbor, Michigan for value received, with interest from date paid at the rate of 10 %

per annum, computed on the basis of a 365 day year. The undersigned hereby assigns and pledges to said Bank as collateral security for the payment of this note and all other liabilities, absolute or contingent, present or future, several or otherwise, of the undersigned, to said Bank, whether said Bank shall be an original or a subsequent party thereto, the following property:

Guaranty Bond Guaranter of Thano Masters

The undersigned also agrees that (a) As additional security said Bank is hereby granted a lien on all other property or assets including deposits and other credits of the undersigned and any two or more of them jointly at any time in possession or control of or owing by the Bank for any purpose. All stock or bond certificates issued on any stock certificates assigned and pledged as security hereunder shall forthwith be deposited in the Bank as additional security. After payment hereof the Bank shall continue to service said other liabilities until each of the parts. (b) Whenever the Bank deems itself insured or the security afforded by said property shall in the sole opinion of said Bank be insufficient or on default in payment of any liability above mentioned, said Bank may at its option without

notice to anyone declare this note and any other liability of the undersigned above mentioned due and payable forthwith and sell all or any part of the security with or without notice at public or private sale, purchase thereof and after deducting all expenses of collection and sale, apply the proceeds and any deposits or credits in part or full payment of any of said liabilities, whether due or not in any order it elects. (c) Maker will pay all costs and expenses of collection of this note including a reasonable attorney's fee. (d) In default the entire principal

and thereafter bear the same rate of interest. (e) This obligation and each grant of lien hereby made shall be several as to each maker and each endorser and joint as to any two or more of them whether or not they sign in similar capacities and each of them waives presentment, demand, protest and notice and agrees that no obligation shall be discharged by any extension, indulgence or release given to any person or by the release or non-enforcement of any security.

I We acknowledge that I we have read the foregoing and that nothing herein shall limit any right granted said Bank by other instrument or by law.

hereof shall bear interest at 10 % until paid. (e) If the interest is not paid when due it shall become a part of the principal

Amount Financed	FINANCE CHARGE	Total of Payments	Single Payment in amount of "Total of Payments" due on
\$ 3,000.00	\$ 74.79	\$ 3,074.79	November 6, 19 78
If prepaid, finance charge computed by applying above interest rate to date of prepayment			ANNUAL PERCENTAGE RATE 10.00 %

By executing this note, the undersigned acknowledge receipt of a completely filled-in copy prior to execution

Earl Greene For U.S. Congress Committee

By: Earl Greene
1553 Broadway
Ann Arbor, Michigan 48105

R	N	Approved by CS/36
PR	PN	

Name ADDRESS

SECURED-DIRECT NOTE
ANN 735

102240100:00800903

Handwritten signature

OFFICER'S CHECK

ANN ARBOR BANK AND TRUST COMPANY

PAYABLE TO: Earl Greene For U.S. Congress Committee

74-100
78 735

97094

Ann Arbor Bank and Trust Company
ANN ARBOR, MICHIGAN 48105



Earl Greene

PURCHASER'S RECEIPT - RETAIN FOR YOUR RECORDS

Ann Arbor, Michigan, August 7, 19 78

\$ 3,000.00

Ninety-one (91) Days

after date the undersigned promises to pay to the order of

ANN ARBOR BANK AND TRUST COMPANY

Three Thousand and 00/100

Stoue -
\$ 3,074.79
paid
11-6-78
Earl

at the ANN ARBOR BANK AND TRUST COMPANY, Ann Arbor, Michigan, for value received, with interest from date paid at the rate of 10

per annum, computed on the basis of a 365 day year. The undersigned hereby assigns and pledges to said Bank as collateral security for the payment of this note and all other liabilities, absolute or contingent, present or future, several or otherwise, of the undersigned, to said Bank, whether said Bank shall be an original or a subsequent party thereto, the following property:

Guaranty Bond Guarantor of Thano Masters

11-6-78
74.79

PAID PAID

The undersigned also agrees that said Bank is hereby granted a lien on all other real and personal assets (including deposits and other credits) of the undersigned and one two or more of them (jointly or severally in possession or control of (or owing to) the Bank for any purpose. All stock dividend certificates issued on or after the date of this note and pledged as security hereunder shall remain in possession of the Bank as additional security. After payment hereof, the security shall continue to secure said other liabilities until each can be paid. (b) Whenever the Bank deems itself insecure or if the security afforded by said property shall, in the opinion of said Bank, be insufficient or on default in payment of any liability above mentioned, said Bank may, at its option, without

notice to anyone, declare this note and any other liability of the undersigned above mentioned due and payable forthwith and sell all or part of the security, with or without notice, at public or private sale, purchase thereat, and after deducting all expenses of collection and sale, apply the proceeds and any deposits or credits in part or full payment of any of said liabilities, whether the same are in any order of priority. (c) Maker will pay reasonable attorney's fee. (d) Upon default the entire principal interest shall bear interest at 10% until paid; 2% of the interest not paid when due shall become a part of the principal

and thereafter bear the same rate of interest. (1) This obligation and grant of lien hereby made shall be several as to each maker and each endorser, and joint as to any two or more of them whether or not they sign in similar capacities and each of them waives presentment, demand, protest and notice and agrees that no obligor shall be discharged by any extension, indulgence or release given to any person, or by the release or non-endorsement of any security. We acknowledge that we have read the foregoing and that nothing herein shall limit any right granted said Bank by other instrument or by law.

Amount Financed	FINANCE CHARGE	Total of Payments	Single Payment in amount of	Total of Payments due on
\$ 3,000.00	\$ 74.79	\$ 3,074.79	November 6,	19 78
If prepaid, finance charge computed by applying above interest rate to date of prepayment			ANNUAL PERCENTAGE RATE 10.00 %	

By executing this note, the undersigned acknowledge receipt of a completely filled-in copy prior to execution.

Earl Greene For U.S. Congress Committee

H	N	Approved By	
PR	PN	CS/36	

By: Earl Greene
1553 Broadway
Ann Arbor, Michigan 48105
Earl W. Greene

Due No 90809

same ADDRESS

SECURED-DIRECT NOTE
AAH 735

Steven A. Hinner, President
Equal Employment Opportunity Commission
500 U.S. Building
Washington, D.C. 20541

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FIRST CLASS

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

FIRST CLASS



FEDERAL ELECTION COMMISSION

1078 STREET NW
WASHINGTON, DC 20004

May 17, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gerald E. Faye
1540 Broadway Street
Ann Arbor, Michigan 48105

RE: MUR 962

Dear Mr. Faye:

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

Specifically it appears that you may have violated 2 U.S.C. § 441a(a)(1)(A) by contributing \$5,000 to the Earl Greene for Congress Committee on or about 28 August 1978. Contributions are defined by 2 U.S.C. § 431(e)(1) to include... "a...loan...made for the purpose of influencing the... election... of any person to Federal office." Although we note that the Committee repaid the loan on 27 October 1978, the Act was violated when the contribution was originally made.

We have numbered this matter MUR 962.

Under the Act, you have an opportunity to demonstrate that no further 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 (10) days after your receipt of this notification.



Page 2

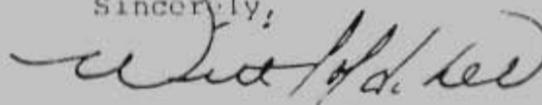
Letter to: Gerald E. Faye

If you have any questions, please contact Miriam Aguiar, the attorney assigned to this matter at 202/523-4057.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless 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

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)

<input type="checkbox"/> Show to whom and date delivered	C
<input type="checkbox"/> Show to whom, date, and address of delivery	C
<input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered	C
<input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery \$	

(CONSULT POSTMASTER FOR FEES)

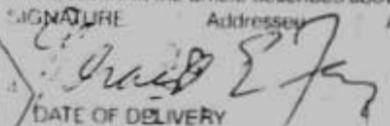
2 ARTICLE ADDRESSED TO
Gerald E. Faye
1546 Broadway Street
Ann Arbor, Michigan 48105

3 ARTICLE DESCRIPTION

REGISTERED NO	CERTIFIED NO	INSURED NO
	943700	

(Always obtain signature of addressee or agent)

I have received the article described above

SIGNATURE	Addresser	Authorized agent
		

4 DATE OF DELIVERY

5 ADDRESS (Complete only if requested)

6 UNABLE TO DELIVER BECAUSE

POSTMARK



CLERK'S INITIALS

PSN 3811-0 1-49 500

Handwritten notes at the bottom of the form, including "MAY 25 1979" and other illegible markings.

CONTAINED MAIL
RETURN RECEIPT REQUESTED

W. Gerald E. Faye
1540 Broadway Street
Ann Arbor, Michigan 48105

RE: JUR 962

Dear Mr. Faye:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that your 1977 may violate certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act").

Specifically, it appears that you may have violated 2 U.S.C. § 3041(a)(1)(3) by contributing \$5,000 to the W. J. Faye for Congress Committee on or about 23 August 1978. Contributions are defined by 2 U.S.C. § 3041(e)(1) to include... "contributions for the purpose of influencing any... election of any person to Federal office." Although we note that the Committee found the loan on 27 October 1978, the Act was violated when the contribution was originally made.

We have assigned this matter to 962.

Under the Act, you have an opportunity to demonstrate that no further 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. These materials, if submitted, should be submitted under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within 30 (30) days after your receipt of this notification.

Page 4
Letter to: [illegible]

If you have any questions, please contact [illegible]
[illegible], the attorney assigned to this matter at 202/534-4057.

This letter will remain confidential in accordance
with 28 C.F.R. § 171.11 (1) (3) (c) unless you wish the investigation
to be disclosed.

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

Sincerely,

William C. Baker
General Counsel

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FEDERAL ELECTION COMMISSION

1100 K STREET, N.W.
WASHINGTON, D.C. 20543

May 17, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Thano Masters
421 E. Liberty Street
Ann Arbor, Michigan 48104

RE: MUR 962

Dear Mr. Masters:

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

Specifically, it appears that by securing a guaranty bond on a \$3,000 bank loan to the Earl Greene for Congress Committee on or about August 7, 1978, you may have violated 2 U.S.C. § 441a(a)(1)(A), which limits individual contributions to \$1,000 per federal candidate per election. A contribution is defined by 2 U.S.C. § 431(e)(1) to include loans...made for the purpose of influencing the nomination for election, or election... Further, under the Commission's regulations, 11 CFR § 100.4(a)(1)(i), a loan includes a "guarantee... (or) any other form of security where the risk of nonpayment rests with the...guarantor..." Although we note that the Committee repaid the loan on November 25, 1978, the Act was violated when the contribution was originally made.

We have numbered this matter MUR 962.

Under the Act, you have an opportunity to demonstrate that no further 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 (10) days after your receipt of this



Page 2
Letter to: Thano Masters

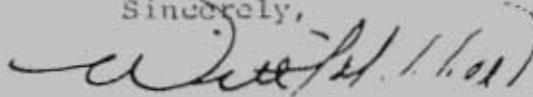
notification.

If you have any questions, please contact Miriam Aguiar, the attorney assigned to this matter at 202/523-4057.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless 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,



Aguiar MUR-962

PS Form 3811 Apr 1977

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

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

2 ARTICLE ADDRESSED TO
Thano Masters
421 E. Liberty St.
Ann Arbor, MI 48104

3 ARTICLE DESCRIPTION
REGISTERED NO. CERTIFIED NO. INSURED NO.
943699

(Always obtain signature of addressee or agent)

I have received the article described above:
SIGNATURE Addressee Authorized agent
Mary Blotke
4 DATE OF DELIVERY POSTMARK
5-13
5 ADDRESS (Complete only if requested)

6 UNABLE TO DELIVER BECAUSE CLERK'S INITIALS

RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

PS Form 3811 Apr 1977

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

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

2 ARTICLE ADDRESSED TO
Thano Masters
421 E. Liberty St.
Ann Arbor, MI 48104

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

(Always obtain signature of addressee or agent)

I have received the article described above:
SIGNATURE Addressee Authorized agent
Lana Cook
4 DATE OF DELIVERY POSTMARK
5-13
5 ADDRESS (Complete only if requested)

6 UNABLE TO DELIVER BECAUSE CLERK'S INITIALS

RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

Aguiar MUR-962

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

W. James Masters
111 S. Liberty Street
Ann Arbor, Michigan 48104

RE: MUR 962

Dear Mr. Masters:

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

Specifically, it appears that by securing a guaranty loan for a \$1,496 bank loan to the Carl Albert for Congress Committee on or about August 7, 1972, you may have violated section 441(a)(1)(A), which limits individual contributions to \$1,000 per federal candidate per election. A contribution is defined by section 441(a)(1) to include loans...and the definition of influencing and nomination for election, or election... Further, under the Commission's regulations, in 44 CFR 101.11(a)(1)(ii), a loan includes a "guarantee... (or) any other form of security where the risk of nonpayment rests with the... guarantor..." Although we note that the Commission made its determination on November 20, 1971, the Act was violated and the Commission was probably misled.

Very truly yours,
Richard M. Cook, Acting Director

Under the Act, you have an opportunity to examine the records and take such action as you may desire. Please advise by mail or by personal interview which you believe are relevant to the Commission's analysis of this matter. Where appropriate, state what should be admitted under oath.

If you desire, you may wish to investigate this matter independently. Therefore, your responses should be made by return mail (10 days after your receipt of this

Page 2

Letter to: Tama Sisters

notification.

If you have any questions, please contact Special Agent, the attorney assigned to this matter at 202/524-4057.

This letter will remain confidential in accordance with F.O.I.A. 5 137-(1)(B)(3) unless 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 G. O'Leary
General Counsel



FEDERAL ELECTION COMMISSION

1200 K STREET, N.W.
WASHINGTON, D.C. 20543

May 17, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Steven J. Pinney, Treasurer
Earl Greene for Congress Committee
563 South Ashley Street
Ann Arbor, Michigan 48104

Re: MUR 962

Dear Mr. Pinney:

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

Specifically it appears that the Committee accepted two individual contributions in excess of the \$1,000 limitation set forth in 2 U.S.C. §441a(a)(1)(A). The Committee's 30 day post-primary election report disclosed that the Committee accepted a \$5,000 personal loan on 28 August 1978 from Gerald Faye and a \$3,000 bank loan secured by a guaranty bond of Thano Masters on 7 August 1978. The Act defines a contribution to include a "loan ... made for the purpose of influencing the ... election of any person to Federal office." (2 U.S.C. §431(c)(1)(A)). Although the loans were repaid, the Act was violated when the loans were originally accepted.

In your 17 October 1978 letter to the Clerk of the House, you suggested that the two loans were allowable under FEC regulations. The Commission has interpreted 11 CFR §100.4(a)(1)(i) to mean that "when a loan creates a legally enforceable obligation to repay, a contribution remains outstanding only to the extent that the principal remains unpaid. While outstanding, a loan is a contribution which counts against the individual's \$1,000 ... contribution limitation." AO 1975-69. Therefore, it appears that the Committee may have violated 2 U.S.C. §441a(f) by accepting the two loans which

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Add to 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
 REGISTERED DELIVERY c
 Show to whom and date delivered c
 REGISTERED DELIVERY c
 Show to whom, date, and address of delivery \$ c
 (CHECK WITH POSTMASTER FOR FEES)

ADDRESSEE ADDRESS TO
 Hon. Nancy, Treas.
 200 South Ashley Street
 Ann Arbor, MI 48104

ADDRESSEE SIGNATURE
 (SEE INSTRUCTIONS) CERTIFIED NO INSURED NO

(Always obtain signature of addressee or agent)

ADDRESSEE SIGNATURE (SEE INSTRUCTIONS) DATE
 [Signature] [Date]

AUTHORIZED AGENT SIGNATURE
 [Signature] AUTHORIZED AGENT

POSTMARK
 JUL 13 1979

CLERK'S INITIALS

exceeded the \$1,000 individual contribution limitation of §441a(a) (1) (A).

We have numbered this matter MUR 962.

Under the Act you have an opportunity to demonstrate that no further 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 (10) days after your receipt of this notification.

If you have any questions, please contact Miriam Aquiar, the attorney assigned to this matter at 202-523-4057.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a) (3) (B) unless 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

● SENDER Complete items 1, 2 and 3 Add your address in the RETURN TO space on reverse	
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2 ARTICLE ADDRESSED TO Steven J. Pinkey, Treasurer 563 South Ashley Street Ann Arbor, Michigan 48104	
3 ARTICLE DESCRIPTION REGISTERED NO <u>44302</u>	CERTIFIED NO <input type="checkbox"/> INSURED NO <input type="checkbox"/>
(Always obtain signature of addressee or agent) I have received the article described above SIGNATURE <u>[Signature]</u> Addressed to Authorized agent	
DATE OF DELIVERY <u>MAY 22 1979</u>	
5 ADDRESS Complete only if required by post office	
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MUR 962

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Mr. Steven B. Finney, Treasurer
Carl Creche for Congress Committee
563 South Ashley Street
Ann Arbor, Michigan 48104

Re: HRR 962

Dear Mr. Finney:

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

Specifically, it appears that the Committee accepted two individual contributions in excess of the \$1,000 limitation set forth in 2 U.S.C. 441a(a)(1)(A). The Committee's 1974 post-primary election report disclosed that the Committee accepted a \$2,000 personal loan on 11 August 1974 from Donald Cave and a \$3,000 bank loan secured by a guaranty bond of Thane Masters on 7 August 1974. The Act defines a contribution to include a loan made for the purpose of influencing the election of any person to Federal office. (2 U.S.C. 441(e)(1)(A)). Although the loans were repaid, the Act was violated when the loans were originally accepted.

In your 17 September 1974 letter to the Clerk of the House, you had stated that the two loans were allowable under FEC regulations. The Commission has interpreted 11 CFR 110.4(a)(1)(i) so that when a loan creates a legally enforceable obligation to repay, a contribution resulting outstanding only to the extent that the principal remains due while outstanding, a loan is a contribution unless exempt against the individual's 1974 annual contribution limitation. (49 FR 27483). Therefore, it appears that the Committee may have violated 2 U.S.C. 441(a)(1) by accepting the two loans which

exceeded the \$1,000 individual contribution limitation of 5441a(a)(1)(A).

We have numbered this matter "MR 967."

Under the Act you have an opportunity to demonstrate that no further 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 (10) days after your receipt of this notification.

If you have any questions, please contact Miriam Aquilar, the attorney assigned to this matter at 202 523 4957.

This matter will remain confidential in accordance with 2 U.S.C. 5437.(a)(3)(C) unless 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 P. Blister
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Earl Greene for Congress Committee) MUR 962
Steven J. Pinney)
Gerald E. Faye)
Thano Masters)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on May 16, 1979, the Commission determined by a vote of 6-0 to adopt the following recommendations, as set forth in the First General Counsel's Report dated May 11, 1979, regarding the above-captioned matter:

1. Find reason to believe that the Earl Greene for Congress Committee may have violated 2 U.S.C. §441a(f). Send the letter attached to the above-named report.
2. Find reason to believe that Thano Masters and Gerald Faye may have violated 2 U.S.C. §441a(a)(1)(A). Send the letters attached to the above-named report.

Voting for this determination were Commissioners Aikens, Friedersdorf, Harris, McGarry, Thomson, and Tiernan.

Attest:

5-16-79

Date

Margaret E. Chaney
for Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: Friday, 5-11-79, 4:12
Circulated on 48 hour vote basis: Monday, 5-14-79, 2:30

May 11, 1979

MEMORANDUM TO: Marge Emmons
FROM: Jane Colgrove
SUBJECT: MUR 962

367
Please have the attached First General Counsel's
Report on MUR 962 distributed to the Commission ~~and~~
48 hour tally basis.

Thank you.

FEDERAL ELECTION COMMISSION

Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

1 MATR 84112

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION

MUR NO. 962
DATE COMPLAINT RECEIVED
BY OGC
STAFF
MEMBER Aguiar

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

RESPONDENT'S NAME: Earl Greene for Congress Committee, Michigan
 Steven J. Pinney, Treasurer

Gerald E. Faye

Thano Masters

RELEVANT STATUTES: 2 U.S.C. §441a(a)(1)(A)
 2 U.S.C. §431 (e)(1)
 2 U.S.C. §441a(f)
 11 CFR §100.4(a)(1)(i)

INTERNAL REPORTS CHECKED: Public Records

FEDERAL AGENCIES CHECKED: None

GENERATION OF MATTER

On May 1, 1979, this matter was received as a referral from the Reports Analysis Division (RAD) in connection with two apparent excessive loans from individuals to the respondent committee. (See attachment I).

EVIDENCE

A review of the 30 day post-primary report filed by the Earl Greene for Congress Committee (Committee) disclosed the receipt of contributions which apparently exceeded the \$1,000 individual contribution limitation set forth in 2 U.S.C. §441a(a)(1)(A): a 91 day \$3,000 bank loan (at 10% interest) on 7 August 1978 secured by a guaranty bond by Thano Masters; and an interest free 90 day \$5,000 personal loan from Gerald E. Faye on 28 August 1978. In addition, Mr. Faye contributed \$100 to the Committee on 9 August 1978.

The Commission did not notify the Committee of the excessive contributions, as the Committee repaid both loans before RAD mailed the surface violation letter. The \$3,000 loan was repaid on 6 November 1978, and the \$5,000 loan was repaid on 27 October 1978.

In a 17 October 1978 letter addressed to the Clerk of the House, Committee Treasurer Steven J. Pinney argued that the two loans were allowable under FEC regulations. The Committee interpreted §100.4(a)(1)(i) to mean that the two loans were not "considered contributions until the date they were contractually due to be paid, and unless the Committee failed to repay them in full or reduce the outstanding amount of each loan to no more than \$1,000 by that date."

PRELIMINARY LEGAL ANALYSIS

2 U.S.C. §441a(a)(1)(A) limits individual contributions to any federal candidate and his authorized political committee to \$1,000 per election. Contributions are defined in 2 U.S.C. §431(e)(1) to include "loans." Under 11 CFR §100.4(a)(1)(i), a "loan is a contribution to the extent that the obligation remains outstanding." The Commission interpreted this subsection in AO 1975-69 to mean that:

"when a loan creates a legally enforceable obligation to repay, a contribution remains outstanding only to the extent that the principal remains unpaid. While outstanding, a loan is a contribution which counts against the individual's \$1,000 ... contribution limitation. Once it is retired, however, the loan (a contribution by definition), is extinguished and no longer counts against these limitations."

Consistent with this interpretation, it appears that Gerald Faye may have violated §441a(a)(1)(A) when he negotiated the \$5,000 personal loan to the Committee; and that Thano Masters may have violated §441a(a)(1)(A) when he secured the \$1,000 bank loan made to the Committee with a guaranty bond. A loan includes a "guarantee ... (or) any other form of security where the risk of nonpayment rests with the ... guarantor ..." The Committee, in turn, may have violated 2 U.S.C. §441a(f) by accepting the loans (contributions) which may have been in violation of §441a(a)(1)(A).

RECOMMENDATION

1. Find reason to believe that the Earl Greene for Congress Committee may have violated 2 U.S.C. §441a(f). Send attached letter.
2. Find reason to believe that Thano Masters and Gerald Faye may have violated 2 U.S.C. §441a(a)(1)(A). Send attached letters.

ATTACHMENTS

1. Referral
2. Letter to Committee
3. Letters to: Thano Masters
Gerald Faye

ATTACHMENT I

D 396
RAD 9L-63

REFER TO INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING

REPORTS ANALYSIS REFERRAL SHEET

MUR 962

DATE _____

ANALYST Beth Pollard

TO: OFFICE OF GENERAL COUNSEL

TEAM CHIEF Peter Kell *PK*

THROUGH: STAFF DIRECTOR *AP*

COMPLIANCE REVIEW Carroll Bowen *CB*

FROM: ASSISTANT STAFF DIRECTOR FOR REPORTS ANALYSIS *AP*

CANDIDATE COMMITTEE: EARL GREENE FOR CONGRESS C00099317 MI/02

TREASURER: Steven John Pinney

ADDRESS: 563 S. Ashley St. Ann Arbor, Michigan 48103

AFFILIATE(S): None

ALLEGATION(S):

CITE:

ATTACHMENT(S) 2

Committee received two
extensive loans from
individuals.

2U.S.C. 441a(a)(1)(A)

MANNER IN WHICH REVIEW WAS INITIATED if other than normal review, AND DATE: A surface
violation letter was prepared on 11/22/78.

ATTACHMENT

REPORTS: All reports within the dates listed below have received initial basic review. For all reports reviewed, see Attachment 1.

PERIOD COVERED FROM 7/24/78 TO 8/28/78

TOTAL RECEIPTS \$ 8520.22 TOTAL EXPENDITURES \$ 1505.55

CASH ON HAND \$ 7014.67 DEBTS \$ 8074.79

HISTORY:

RESULTS OF REVIEW: A surface violation letter was prepared ATTACHMENT 3
but the loans were repaid prior to the mailing of the letter.

COMMUNICATIONS WITH CANDIDATE COMMITTEE: none ATTACHMENT

REASONS FOR REFERRAL ATTACHMENT 4

Although the loans in question have been repaid, the division threshold for referral has been exceeded.

OTHER PENDING ACTIONS INITIATED BY RAD: ATTACHMENT

Not pertinent to the allegation.

OTHER RELEVANT INFORMATION: A letter was received on October 20, 1978 in response to a request sent by the Clerk of the House stating that the committee understands the regulations to read that the loans in question are "not considered contributions until the date they are contractually due to be repaid." (see attachment 5)

ITEMIZED RECEIPTS

(Contributions, Transfers, Contribution In-Kind,
 Other Income, Loans, Refunds)

Supporting Lines 14a, 15a, 15b, 15c, 16a, 17a, and/or 18a
 of FEC FORM 3

(Use Separate Schedules for
 each numbered line)

Name of Candidate or Committee in Full			
Earl Greene for Congress			
Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period
15F Ann Arbor Bank and Trust Co. 101 S. Main Street Ann Arbor, Michigan	Same <i>1111 ...</i> Occupation <i>...</i>	8/7/78	3,000.00
Receipt for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	<input type="checkbox"/> Check if Contributor is self-employed Appropriate Year To Date \$3,000.00		
15G Full Name, Mailing Address and ZIP Code Gerald E. Faye 1540 Broadway Street Ann Arbor, Michigan 48105	Principal Place of Business Oakland County Community College - Livonia, Mich Occupation College Professor	8/9/78 8/28/78	100.00 5,000.00
Receipt for <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other	<input type="checkbox"/> Check if Contributor is self-employed Appropriate Year To Date \$5,100.00		
15C 15D Full Name, Mailing Address and ZIP Code <i>HE 1102014</i> Earl W. Greene 1553 Broadway Street Ann Arbor, Michigan 48105	Principal Place of Business Willow Run High School Ypsilanti, Michigan Occupation High School Teacher	7/25/78 8/28/78	30.00 82.00
Receipt for <input checked="" type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other	<input type="checkbox"/> Check if Contributor is self-employed Appropriate Year To Date \$112.00		
Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period
Receipt for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	<input type="checkbox"/> Check if Contributor is self-employed Appropriate Year To Date \$		
Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period
Receipt for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	<input type="checkbox"/> Check if Contributor is self-employed Appropriate Year To Date \$		
Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period
Receipt for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	<input type="checkbox"/> Check if Contributor is self-employed Appropriate Year To Date \$		
Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period
Receipt for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	<input type="checkbox"/> Check if Contributor is self-employed Appropriate Year To Date \$		
SUBTOTAL (of amounts this line includes)			\$
TOTAL (this amount includes page 1's and number 1's)			\$8,212.00

DEBTS AND OBLIGATIONS

Page 1 of 1 for

Supporting Line Numbers 12 and 13
of FEC FORM 3

Line Number 1

(Use Separate Schedules for
each numbered line)

(Indicate Primary or General Election for each Entry)

Name of Candidate and Committee in Full

Earl Greene for Congress

Full Name, Mailing Address and ZIP Code of Debtor or Creditor

Ann Arbor Bank and Trust Co
101 S. Main Street
Ann Arbor, Michigan 48104

Date (month,
day, year)

8/7/78

Amount of Original
Debt, Contract,
Agreement or
Promise

\$ 3,074.79

Cumulative
Payment
To Date

\$ -0-

Outstanding
Balance at
Close of
This Period

\$ 3,074.79

Primary General Other

NATURE OF OBLIGATION (Detail of Debt)

Loan for ninth-one (91) days at 10% interest, to be paid back by November 6, 1978. Principal is \$3,000 and interest is \$74.79. Loan is secured by a guaranty bond of Mr. Thano Masters, owner of the restaurant known as Thano's Lamplighter, 421 E. Liberty Street, Ann Arbor, Michigan, 48104.

Full Name, Mailing Address and ZIP Code of Debtor or Creditor

Gerald E. Faye
1540 Broadway Street
Ann Arbor, Michigan 48105

Date (month,
day, year)

8/28/78

Amount of Original
Debt, Contract,
Agreement or
Promise

\$ 5,000.00

Cumulative
Payment
To Date

\$ -0-

Outstanding
Balance at
Close of
This Period

\$ 5,000.00

Primary General Other

NATURE OF OBLIGATION (Detail of Debt)

Personal loan, full amount of loan to be repaid within ninety (90) days, or by November 28, 1978. Principal is \$5,000 and interest is \$00.00.

Full Name, Mailing Address and ZIP Code of Debtor or Creditor

Date (month,
day, year)

Amount of Original
Debt, Contract,
Agreement or
Promise

\$

Cumulative
Payment
To Date

\$

Outstanding
Balance at
Close of
This Period

\$

Primary General Other

NATURE OF OBLIGATION (Detail of Debt)

Total for this period (this page total only)

\$

\$

\$

Total for this period (all pages combined)

\$ 8,074.79

\$ -0-

\$ 8,074.79



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20543

not sent

Steven John Pinney, Treasurer
Earl Green for Congress Committee
563 South Ashley Street
Ann Arbor, MI 48104

Dear Mr. Pinney:

This letter is prompted by the Commission's interest in assisting candidates and committees who wish to comply with the Federal Election Campaign Act, as amended. During review of the 30 Day Post-Primary Report of Receipts and Expenditures, we noticed entries indicating that you may have received contributions which exceed the limits set forth in the Act. A copy of that portion of your report is attached so that a review of your records can be made.

The Act precludes individuals from making political contributions to a candidate for Federal election in excess of \$1,000 to the donor. This return should be reported immediately by letter and should be reflected as a contribution refund on your next report of receipts and expenditures. If you find that the entries in question are incomplete or incorrect, please submit a statement which would clarify these particular matters for the public record. You may do so by amending your original report by letter.

Please notify the Commission within fifteen (15) days from the date of this letter of the determination made on these matters. If you have any questions concerning these matters, please do not hesitate to contact Beth Pollard (800)424-9530, our Reports Analyst assigned to you. Our local telephone number is 523-4172.

Sincerely,

A handwritten signature in cursive script that reads "Orlando B. Potter".

Orlando B. Potter
Staff Director

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Postnet

ITEMIZED EXPENDITURES

(Operating, Transfers Out, Contributions In-Kind, Loans, Loan Repayments and Refunds Made) Supporting Lines 20a, 21a, and 22a, 22b, and 22c of FEC FORM 3

Page 1 of 1 for Line Number 21a

(Use Separate Schedules for each numbered line)

1978
Election Commission
K Street, N.W.
Washington, D.C. 20403

Name of Candidate or Committee in Full
Earl Crone for Congress Committee

Full Name, Mailing Address and ZIP Code	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Ann Arbor Bank and Trust 101 S. Main Street Ann Arbor, Michigan 48104	Repay loan made on 7 August 1978. Expenditure for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other	11/6/78	\$3,074.79
Gerald E. Faye 1540 Broadway Street Ann Arbor, Michigan 48105	Repay loan made on 28 August 1978. Expenditure for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other	10/27/78	\$5,000.00
SUBTOTAL of expenditures this page (optional)			\$
TOTAL this period (last page this line number only)			\$3,074.79

790115017872

OCT 18 1978

REGULAR MAIL

30P AMEND U

7/25/78 8/28/78

MS TO

Earl Greene

Democrat for
U.S. Congress



711 N. University Ann Arbor, Michigan 48104 Tel 668-1575

October 17, 1978

I.D. # 081906

The Hon. Edmund L. Benschaw, Jr., Clerk
The United States House of Representatives
1036 Longworth House Office Building
Washington, D.C. 20515

Dear Sir:

Your letter dated 4 October 1978 directing my attention to Title 2, Section 441a of the United States Code was received by me on 10 October 1978.

The two loans to which your letter refers were accepted by the Committee in the belief they were allowable under the provisions of the Regulations prescribed by the Federal Election Commission to implement the Federal Election Campaign Act of 1971. The specific sections which we feel allow the Committee to accept the loans are § 100.4(a)(1), which contains the statement "A loan is a contribution to the extent that the obligation remains outstanding", and § 100.4(a)(6), which stipulates that any debt which a committee fails to pay "for a length of time beyond normal business or trade practice, unless the creditor has made a commercially reasonable attempt to collect the debt" shall be considered a contribution to the committee. The Committee understands these sections of the Regulations to mean that the two loans in question are not considered contributions until the date they are contractually due to be repaid, and unless the Committee fails to repay them in full or reduce the outstanding amount of each loan to no more than \$1000 by that date. In accordance with this interpretation of the Regulations, the Committee specified in the financial reports (FEC Form 3) filed with your office on 7 September 1978 (as amended on 25 September 1978) and 10 October 1978 that we intend to repay the loan for \$3071.79 on or before 6 November 1978 and the loan for \$5000 on or before 28 November 1978. It is our understanding that a loan advanced or secured with a firm and public commitment that it will be repaid within a certain time

10/17/78

constitutes a debt upon the Committee and therefore falls within the provisions of the sections of the Regulations we have cited.

Apart from the question of whether the proper interpretation of the Act is that given by you or that given by us, the Committee and its candidate feel the proper course for us is to adhere to the provisions of the Act as it is interpreted by those responsible for monitoring it. As we stated previously, it has been the intention of the Committee and its candidate from the outset to repay both loans in full. Within the past week we have taken steps to secure sufficient money repay in full both loans, before the date either falls due. Since the current financial position of the Committee does not allow it to pay off the loans with campaign monies, the loans will be repaid from the personal financial resources of the candidate, consistent with the provisions of § 110.10 of the Regulations. The candidate has already begun his efforts to accomplish this purpose, and we will most certainly keep you informed of progress in this matter as well as its ultimate resolution.

Sincerely,

Steven J. Binney

Steven J. Binney, Treasurer
Earl Greene for Congress Committee (051906)
563 S. Ashley St
Ann Arbor, Michigan 48104



FEDERAL ELECTION COMMISSION

1100 K STREET NW
WASHINGTON, DC 20543

CERTIFIED MAIL,
RETURN RECEIPT REQUESTED

Mr. Steven J. Pinney, Treasurer
Earl Greene for Congress Committee
563 South Ashley Street
Ann Arbor, Michigan 48104

Re: MUR 962

Dear Mr. Pinney:

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

Specifically it appears that the Committee accepted two individual contributions in excess of the \$1,000 limitation set forth in 2 U.S.C. §441a(a)(1)(A). The Committee's 30 day post-primary election report disclosed that the Committee accepted a \$5,000 personal loan on 28 August 1978 from Gerald Faye and a \$3,000 bank loan secured by a guaranty bond of Thano Masters on 7 August 1978. The Act defines a contribution to include a "loan ... made for the purpose of influencing the ... election of any person to Federal office." (2 U.S.C. §431(e)(1)(A)). Although the loans were repaid, the Act was violated when the loans were originally accepted.

In your 17 October 1978 letter to the Clerk of the House, you suggested that the two loans were allowable under FEC regulations. The Commission has interpreted 11 CFR §100.4(a)(1)(i) to mean that "when a loan creates a legally enforceable obligation to repay, a contribution remains outstanding only to the extent that the principal remains unpaid. While outstanding, a loan is a contribution which counts against the individual's \$1,000 ... contribution limitation." AO 1975-69. Therefore, it appears that the Committee may have violated 2 U.S.C. §441a(f) by accepting the two loans which

exceeded the \$1,000 individual contribution limitation of §441a(a)(1)(A).

We have numbered this matter MUR 962.

Under the Act you have an opportunity to demonstrate that no further 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 (10) days after your receipt of this notification.

If you have any questions, please contact Miriam Aguiar, the attorney assigned to this matter at 202-523-4057.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless 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



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20461

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Thano Masters
421 E. Liberty Street
Ann Arbor, Michigan 48104

RE: MUR 962

Dear Mr. Masters:

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

Specifically, it appears that by securing a guaranty bond on a \$3,000 bank loan to the Earl Greene for Congress Committee on or about August 7, 1978, you may have violated 2 U.S.C. § 441a(a)(1)(A), which limits individual contributions to \$1,000 per federal candidate per election. A contribution is defined by 2 U.S.C. § 431(e)(1) to include loans...made for the purpose of influencing the nomination for election, or election..." Further, under the Commission's regulations, 11 CFR § 100.4(a)(1)(i), a loan includes a "guarantee... (or) any other form of security where the risk of nonpayment rests with the...guarantor.." Although we note that the Committee repaid the loan on November 25, 1978, the Act was violated when the contribution was originally made.

We have numbered this matter MUR 962.

Under the Act, you have an opportunity to demonstrate that no further 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 (10) days after your receipt of this



Page 2
Letter to: Thano Masters

notification.

If you have any questions, please contact Miriam Aguiar, the attorney assigned to this matter at 202/523-4057.

This matter will remain confidential in accordance with 2 U.S.C. § 437j(a)(3)(B) unless 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



FEDERAL ELECTION COMMISSION

1058 STREET NW
WASHINGTON, DC 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gerald E. Faye
1540 Broadway Street
Ann Arbor, Michigan 48105

RE: MUR 962

Dear Mr. Faye:

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

Specifically it appears that you may have violated 2 U.S.C. § 441a(a)(1)(A) by contributing \$5,000 to the Earl Greene for Congress Committee on or about 28 August 1978. Contributions are defined by 2 U.S.C. § 431(e)(1) to include... "a...loan...made for the purpose of influencing the... election of any person to Federal office." Although we note that the Committee repaid the loan on 27 October 1978, the Act was violated when the contribution was originally made.

We have numbered this matter MUR 962.

Under the Act, you have an opportunity to demonstrate that no further 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 (10) days after your receipt of this notification.



D 321
RAD 92-63

REFER TO INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING

REPORTS ANALYSIS REFERRAL SHEET

MUR 962

DATE _____

ANALYST Beth Pollard

TO: OFFICE OF GENERAL COUNSEL

TEAM CHIEF Peter Kell *PK*

THROUGH: STAFF DIRECTOR *SP*

COMPLIANCE REVIEW Carroll Bowen *CB*

FROM: ASSISTANT STAFF DIRECTOR FOR REPORTS ANALYSIS *PH*

CANDIDATE/COMMITTEE: EARL GREENE FOR CONGRESS C00099317 MI/02

TREASURER: Steven John Pinney

ADDRESS: 563 S. Ashley St. Ann Arbor, Michigan 48103

AFFILIATE(S): None

ALLEGATION(S):

CITE:

ATTACHMENT(S) 2

Committee received two excessive loans from individuals.

20.S.C. 441a(a)(1)(A)

MANNER IN WHICH REVIEW WAS INITIATED if other than normal review. AND DATE: A surface violation letter was prepared on 11/22/78.

ATTACHMENT

REPORTS: All reports within the dates listed below have received initial basic review. For all reports reviewed, see Attachment 1.

PERIOD COVERED FROM 7/24/78 TO 8/28/78

TOTAL RECEIPTS \$ 8520.22 TOTAL EXPENDITURES \$ 1505.55

CASH ON HAND \$ 7014.67 DEBTS \$ 8074.79

HISTORY:

RESULTS OF REVIEW: A surface violation letter was prepared *ATTACHMENT 3*
but the loans were repaid prior to the mailing of the letter.

COMMUNICATIONS WITH CANDIDATE/COMMITTEE: none *ATTACHMENT*

REASON(S) FOR REFERRAL: *ATTACHMENT 4*

Although the loans in question have been repaid, the division threshold for referral has been exceeded.

OTHER PENDING ACTIONS INITIATED BY RAD: *ATTACHMENT*

Not pertinent to the allegation.

OTHER RELEVANT INFORMATION: A letter was received on October 20, 1978 in response to a request sent by the Clerk of the House stating that the committee understands the regulations to read that the loans in question are "not considered contributions until the date they are contractually due to be repaid." (see attachment 5)

STATE OF TEXAS
COMPTROLLER GENERAL

DATE: 12-1-79
PAGE: 1

TABLE

ACCOUNT	12-31-79		12-31-78		CHANGE	DATE	PAGE	TOTAL
	GENERAL	TRUST	GENERAL	TRUST				
1. STATE OF TEXAS								124,000.00
2. STATE OF TEXAS								11,000.00
3. STATE OF TEXAS								1,000.00
4. STATE OF TEXAS								2,000.00
5. STATE OF TEXAS								3,000.00
6. STATE OF TEXAS								4,000.00
7. STATE OF TEXAS								5,000.00
8. STATE OF TEXAS								6,000.00
9. STATE OF TEXAS								7,000.00
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11. STATE OF TEXAS								9,000.00
12. STATE OF TEXAS								10,000.00
13. STATE OF TEXAS								11,000.00
14. STATE OF TEXAS								12,000.00
15. STATE OF TEXAS								13,000.00
16. STATE OF TEXAS								14,000.00
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18. STATE OF TEXAS								16,000.00
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95. STATE OF TEXAS								93,000.00
96. STATE OF TEXAS								94,000.00
97. STATE OF TEXAS								95,000.00
98. STATE OF TEXAS								96,000.00
99. STATE OF TEXAS								97,000.00
100. STATE OF TEXAS								98,000.00
TOTAL	0.544	10,000	0.265	24,937				60

All Reports have received initial review

ITEMIZED RECEIPTS

(Contributions, Transfers, Contribution In-Kind,
 Other Income, Loans, Refunds)

Supporting Lines 14a, 15a, 15b, 15c, 16a, 17a, and/or 18a
 of FEC FORM 3

Page 1 of 1 for

Line Number 1

(Use Separate Schedules for
 each numbered line)

Name of Candidate or Committee in Full

Earl Greene for Congress

Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each receipt this Period
15F Ann Arbor Bank and Trust Co. 101 N. Main Street Ann Arbor, Michigan	Same Occupation	8/7/78	3,000.00
Receipt for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other Full Name, Mailing Address and ZIP Code	<input type="checkbox"/> Check if Contribution is self-employment Aggregate Year To Date \$3,000.00 Principal Place of Business		
15G Gerald E. Faye 1540 Broadway Street Ann Arbor, Michigan 48105	Oakland County Community College - Livonia, Mich Occupation College Professor	Date (month, day, year) 8/9/78 8/28/78	Amount of each receipt this Period 100.00 5,000.00
Receipt for <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other Full Name, Mailing Address and ZIP Code	<input type="checkbox"/> Check if Contribution is self-employment Aggregate Year To Date \$5,100.00 Principal Place of Business		
15H Earl W. Greene 1553 Broadway Street Ann Arbor, Michigan 48105	Willow Run High School Ypsilanti, Michigan Occupation High School Teacher	Date (month, day, year) 7/25/78 8/28/78	Amount of each receipt this Period 30.00 82.00
Receipt for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other Full Name, Mailing Address and ZIP Code	<input type="checkbox"/> Check if Contribution is self-employment Aggregate Year To Date \$112.00 Principal Place of Business		
Receipt for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other Full Name, Mailing Address and ZIP Code	<input type="checkbox"/> Check if Contribution is self-employment Aggregate Year To Date \$ Principal Place of Business		
Receipt for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other Full Name, Mailing Address and ZIP Code	<input type="checkbox"/> Check if Contribution is self-employment Aggregate Year To Date \$ Principal Place of Business		
Receipt for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other Full Name, Mailing Address and ZIP Code	<input type="checkbox"/> Check if Contribution is self-employment Aggregate Year To Date \$ Principal Place of Business		
Receipt for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other Full Name, Mailing Address and ZIP Code	<input type="checkbox"/> Check if Contribution is self-employment Aggregate Year To Date \$ Principal Place of Business		

\$ 8,212.00

DEBTS AND OBLIGATIONS

Supporting Line Numbers 12 and 13
of FEC FORM 3

Page 1 of 1 for

Line Number 1

(Use Separate Schedules for
each numbered line)

(Indicate Primary or General Election for each Entry)

Name of Candidate and Committee in Full

Earl Greene for Congress

Full Name, Address and ZIP Code of Lender or Creditor

Ann Arbor Bank and Trust Co
101 S. Main Street
Ann Arbor, Michigan 48104

Date (month, day, year)

8/7/78

Amount of Original Debt, Contract, Agreement or Promise

\$ 3,074.79

Cumulative Payment To Date

\$ -0-

Outstanding Balance at Close of This Period

\$ 3,074.79

Primary General Other

EXPLANATION OF DEBT (SEE INSTRUCTIONS)

Loan for ninety-one (91) days at 10% interest, to be paid back by November 6, 1978. Principal is \$3,000 and interest is \$74.79. Loan is secured by a guaranty bond of Mr. Thano Masters, owner of the restaurant known as Thano's Lemplighter, 421 E. Liberty Street, Ann Arbor, Michigan, 48104.

Full Name, Address and ZIP Code of Lender or Creditor

Gerald E. Faye
1540 Broadway Street
Ann Arbor, Michigan 48105

Date (month, day, year)

8/28/78

Amount of Original Debt, Contract, Agreement or Promise

\$5,000.00

Cumulative Payment To Date

\$ -0-

Outstanding Balance at Close of This Period

\$5,000.00

Primary General Other

EXPLANATION OF DEBT (SEE INSTRUCTIONS)

Personal loan, full amount of loan to be repaid within ninety (90) days, or by November 28, 1978. Principal is \$5,000 and interest is \$00.00.

Full Name, Address and ZIP Code of Lender or Creditor

Date (month, day, year)

Amount of Original Debt, Contract, Agreement or Promise

\$

Cumulative Payment To Date

\$

Outstanding Balance at Close of This Period

\$

Primary General Other

EXPLANATION OF DEBT (SEE INSTRUCTIONS)

Full Name, Address and ZIP Code of Lender or Creditor

Date (month, day, year)

Amount of Original Debt, Contract, Agreement or Promise

\$ 3,074.79

Cumulative Payment To Date

\$ -0-

Outstanding Balance at Close of This Period

\$ 3,074.79

Primary General Other

EXPLANATION OF DEBT (SEE INSTRUCTIONS)



FEDERAL ELECTION COMMISSION

1275 K STREET, N.W.
WASHINGTON, D.C. 20543

Steven John Pinney, Treasurer
Earl Green for Congress Committee
563 South Ashley Street
Ann Arbor, MI 48104

Dear Mr. Pinney:

This letter is prompted by the Commission's interest in assisting candidates and committees who wish to comply with the Federal Election Campaign Act, as amended. During review of the 30 Day Post-Primary Report of Receipts and Expenditures, we noticed entries indicating that you may have received contributions which exceed the limits set forth in the Act. A copy of that portion of your report is attached so that a review of your records can be made.

The Act precludes individuals from making political contributions to a candidate for federal election in excess of \$1,000 to the donor. This return should be reported immediately by letter and should be reflected as a contribution refund on your next report of receipts and expenditures. If you find that the entries in question are incomplete or incorrect, please submit a statement which would clarify these particular matters for the public record. You may do so by amending your original report by letter.

Please notify the Commission within fifteen (15) days from the date of this letter of the determination made on these matters. If you have any questions concerning these matters, please do not hesitate to contact Keith Pollard (301) 424-6330, our Reports Analyst assigned to you. Our local telephone number is 520-4172.

Sincerely,

Orlando B. Potter
Staff Director

390

3

ITEMIZED EXPENDITURES

(Operating, Transfers Out, Contributions In-Kind, Loans, Loan Repayments and Refunds Made)
Supporting Lines 20a, 21a, and 22a, 22b, and 22c
of FEC FORM 3

Page 1 of 1 for
Line Number 21a

(Use Separate Schedules for
each numbered line)

1978
Election Commission
K Street, N.W.
Washington, D.C. 20403

Name of Candidate or Committee in Full
Earl Greene for Congress Committee

Full Name, Mailing Address and ZIP Code	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Ann Arbor Bank and Trust 101 S. Main Street Ann Arbor, Michigan 48104	Repay loan made on 7 August 1978. Expenditure for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other	11/6/78	\$3,074.79
Gerald E. Faye 1540 Broadway Street Ann Arbor, Michigan 48105	Repay loan made on 28 August 1978. Expenditure for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other	10/27/78	\$5,000.00
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure Expenditure for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	Date (month, day, year)	Amount of each expenditure this period
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure Expenditure for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	Date (month, day, year)	Amount of each expenditure this period
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure Expenditure for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	Date (month, day, year)	Amount of each expenditure this period
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure Expenditure for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	Date (month, day, year)	Amount of each expenditure this period
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure Expenditure for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	Date (month, day, year)	Amount of each expenditure this period
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure Expenditure for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	Date (month, day, year)	Amount of each expenditure this period
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure Expenditure for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	Date (month, day, year)	Amount of each expenditure this period
SUBTOTAL of expenditures this page (optional)			\$
TOTAL this period (last page this line number only)			\$8,074.79

7001130811730901

OCT 18 1978
REGULAR MAIL

30P AMEND U

7/25/78 3/28/78

MS TO

Earl Greene

Democrat for
U.S. Congress



711 N. University Ann Arbor, Michigan 48104 Tel 668-1575

October 17, 1978

L.D. 081906

The Hon. Edmund L. Benschaw, Jr., Clerk
The United States House of Representatives
1036 Longworth House Office Building
Washington, D.C. 20515

Dear Sir:

Your letter dated 4 October 1978 directing my attention to Title 2, Section 541a of the United States Code was received by me on 10 October 1978.

The regulations to which your letter refers were accepted by the Committee in the belief they were allowable under the provisions of the Regulations prescribed by the Federal Election Commission to implement the Federal Election Campaign Act of 1971. The specific sections which we feel allow the Committee to accept the loans are § 100.4(a)(1), which contains the statement "A loan is a contribution to the extent that the obligation remains outstanding", and § 100.4(a)(6), which stipulates that any debt which a committee fails to pay "for a length of time beyond normal business or trade practice, unless the creditor has made a commercially reasonable attempt to collect the debt" shall be considered a contribution to the committee. The Committee understands these sections of the Regulations to mean that the two loans in question are not reclassified contributions until the date they are contractually due to be repaid, and unless the Committee fails to repay them in full or reduce the outstanding amount of each loan to no more than \$1000 by that date. In accordance with this interpretation of the Regulations, the Committee specified in the financial reports (TEC Form 3) filed with your office on 7 September 1978 (as amended on 25 September 1978) and 10 October 1978 that we intend to repay the loan for \$1071.79 on or before 6 November 1978 and the loan for \$5000 on or before 24 November 1978. It is our understanding that a loan advanced or secured with a clearly defined commitment that it will be repaid within a certain time

constitutes a debt upon the Committee and therefore falls within the provisions of the sections of the Regulations we have cited.

Apart from the question of whether the proper interpretation of the Act is that given by you or that given by us, the Committee and its candidate feel the proper course for us is to adhere to the provisions of the Act as it is interpreted by those responsible for enacting it. As we stated previously, it has been the intention of the Committee and its candidate from the outset to repay both loans in full. Within the past week we have taken steps to secure sufficient money repay in full both loans, before the date either falls due. Since the current financial position of the Committee does not allow it to pay off the loans with campaign monies, the loans will be repaid from the personal financial resources of the candidate, consistent with the provisions of § 110.10 of the Regulations. The candidate has already begun his efforts to accomplish this purpose, and we will most certainly keep you informed of progress in this matter as well as its ultimate resolution.

Sincerely,

Steven J. Finney

Steven J. Finney, Treasurer
Paul Greene for Congress Committee (DF1906)
563 E. Ashley St
Ann Arbor, Michigan 48104



FEDERAL ELECTION COMMISSION

105 K STREET NW
WASHINGTON, DC 20463

THIS IS THE BEGINNING OF OUR # 962

Date Filmed _____ Camera No. --- /

Generation _____

8 3 9 7

88241 1/20/68 10:00 AM 105 K STREET NW WASHINGTON DC 20463



FEDERAL ELECTION COMMISSION

105 K STREET NW
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF OUR # 962

Date Filed 2/26/80 Camera No. --- 2

Camera # 540

81395

105 K STREET NW WASHINGTON, D.C. 20463



FEDERAL ELECTION COMMISSION

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

THE FOLLOWING MATERIAL IS BEING ADDED TO THE
PUBLIC FILE OF CLOSED M/R 962.

30010192229



8004019231

LAW OFFICES

ULRICH PEAR BARENSE & EGGAN, P.C.

210 EAST HURON STREET

ANN ARBOR, MICHIGAN 48104



Mr. Charles N. Steele
General Counsel
Federal Election Commission
Washington, D.C. 20463

9 0 0 1 0 1 8 2 2 3 2

PS Form 3811, Aug. 1978

● 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:
 Victor Adamo
 1930 Buhe Bldg.
 Detroit, Michigan 48228

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	159546	44363

 (Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY: FEB 12 1980 51 POSTMARK

5. ADDRESS (Complete only if requested):
 4111 11th St

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

★ RP01 1978-273-284

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

MUR 962 Aguiar

PS Form 3811, Aug. 1978

● 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 ED
 Show to whom and date delivered _____
 RESTRICTED DELIVERY IN
 Show to whom, date, and address of delivery \$ _____
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 80 FEB 14 AM 11 49
 Edwin L. Pear
 210 East Huron Street
 Ann Arbor, Michigan 48104

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	0585MB	

 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
 Edwin L. Pear
 by Beth Newkirk

4. DATE OF DELIVERY: FEB 11 1980 POSTMARK

5. ADDRESS (Complete only if requested):

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

★ RP01 1978-273-284

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

MUR-962 Aguiar



FEDERAL ELECTION COMMISSION

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

80047192233

END OF ADDITIONAL MATERIAL FOR CLOSED MUR 962.

