



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

June 26, 2001

Mr. James D. Flodine
Senior Vice President
Omaha State Bank
12100 W. Center Road
Omaha, Nebraska 68144

Dear Jim:

Enclosed is the signed copy of the agreement between the Federal Election Commission (FEC) and the Omaha State Bank pertaining to the contribution made to the Bob Kerrey for US Senate Committee. This agreement, which was approved by the Federal Election Commission today -- the effective date of the agreement -- resolves the case first brought to your attention as PMUR 387 and subsequently numbered ADR 008.

As you are aware, the settlement agreement along with documents exchanged between your office and the FEC, prior to the commencement of negotiations, will be made part of the record that is released to the public. The Commission is obliged by Federal statute to make public all settlement agreements. Accordingly, the file on this case, including the above mentioned document, will be forwarded next month to the FEC's Public Information Office.

We look forward to receiving the payment noted in paragraph six and a copy of the corporate policy cited in that paragraph. Please have the payment made payable to and forwarded to the Federal Election Commission.

This agreement effectively resolves the issues raised in the report filed by the Nebraska Accountability and Disclosure Commission which made reference to the Bank.

I appreciate your assistance in resolving this matter and helping to bring this case to a mutually satisfactory conclusion.

Sincerely,

A handwritten signature in black ink, appearing to read "Allan D. Silberman", with a long horizontal flourish extending to the right.

Allan D. Silberman,
Director, ADR Office

Enclosure

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Case Number: ADR 008

Source: PMUR 387

Case Name: Omaha State Bank

NEGOTIATED SETTLEMENT

This matter was referred to the Federal Election Commission ("Commission") by the Nebraska Accountability and Disclosure Commission ("the NADC"). Following a review of the case, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended ("the FECA"), and to resolve this matter, the Commission entered into negotiations with Mr. James D. Flodine, senior vice president of Omaha State Bank ("the Respondent"). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

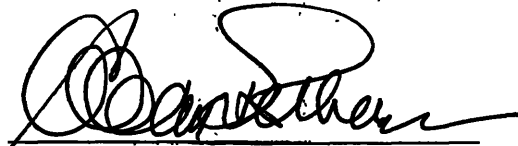
Negotiations between the Commission and the Respondent have addressed the issues raised in this matter. The parties have agreed to resolve the matter according to the following terms:

1. The Commission has entered into this agreement as part of its responsibility for administering the Federal Election Campaign Act and in an effort to promote compliance of the FECA on the part of the Respondent. The Commission's use of ADR procedures is authorized in "The Administrative Dispute Resolution Act of 1996", 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. The Contributor has voluntarily entered into this agreement with the Commission.
3. In October, 1999, Omaha State Bank, through its representative, Michael L. Dahir, contributed a \$1,000 to the Bob Kerrey for Senate Committee. It is unlawful for any national bank or corporation to make a contribution in connection with any election to any political office or any officer or any director of any corporation or any national bank to consent to any contribution or expenditure by the corporation or national bank. 2 U.S.C. § 441b(a).
4. In contributing the \$1,000 to the Bob Kerrey for Senate Committee, Mr. Dahir was acting as the intermediary for Omaha State Bank. No person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. 2 U.S.C. § 441f.
5. The \$1,000 contribution from the Omaha State Bank to the Bob Kerrey for Senate Committee was received on October 29, 1999. On November 24, 1999 the aforementioned contribution was refunded by the Kerrey for Senate Committee to Omaha State Bank. The refund from the Kerrey for Senate Committee to the contributor, Omaha State Bank, was in compliance with the thirty day period specified in 11 C.F.R. § 103.3(b)(1) governing refunds of contributions by political committees.

6. The Respondent acknowledges that its actions were in violation of the statute governing federal election campaigns and that the actions were a result of a lack of knowledge of the FECA. In an effort to avoid a repetition of the aforementioned events the Respondent agrees to: (1) adopt and distribute within ninety (90) days, following the effective date of this agreement, a corporate policy advising Bank personnel that it is illegal for any national bank or corporation to make a contribution or expenditure in connection with any election to any political office or any officer or director of a national bank or corporation to consent to any contribution or expenditure by the national bank or corporation to election campaigns, and (2) pay a civil penalty of five hundred (500) dollars to conclude this matter.
7. The parties agree that if the Respondent fails to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
8. This agreement will become effective on the date signed by the parties and approved by the Commission. The Respondent shall have no more than twenty (20) days from the effective date of this agreement to comply with the terms set forth herein except as noted in part one of paragraph six (6) above.
9. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 008/PMUR 387 and effectively resolves this matter. No other statement, promise or agreement, either written or oral, made by either party, not included in herein, shall be enforceable.

FOR THE COMMISSION:


Allan D. Silberman,
Director Alternative Dispute Resolution Office



Allan D. Silberman

6/26/01
Date

FOR THE RESPONDENT:



(Name) Ernest Hodwin
(Position) S.T. U.P.

5/29/01
Date