



**Federal Election Commission
Washington, DC 20463**

March 9, 2005

Donald McGahn, Esq.
320 First Street S.E.
Washington, DC 20003

Re: ADR 202
Friends of Mark Henry and Carol Claypool, Treasurer

Dear Mr. McGahn:

Enclosed is the signed copy of the agreement resolving the referral initiated on October 12, 2004 with the Federal Election Commission ("FEC/Commission") against Friends of Mark Henry and Carol Claypool, Treasurer ("Respondents"). The agreement for ADR 202 (RR 04L-12) was approved by the Commission on March 8, 2005 – the effective date of the agreement.

Note that paragraph 9 of the agreement specifies that Respondents shall comply with the terms of this settlement within thirty (30) days of the effective date of the agreement. Please forward to this office, a statement confirming Respondents' compliance with the terms listed in paragraph 6 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 6.

As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

This agreement resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. I appreciate your

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assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,

Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office
202-694-1665

Enclosure: Agreement

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**Federal Election Commission
Washington, DC 20463**

Case Number ADR 202
Source RR 04L-12
Case Name Friends of Mark Henry

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, ("FECA") and resolve this matter, the Federal Election Commission ("FEC" or "Commission") entered into negotiations with Donald McGahn, Esq. representing the Friends of Mark Henry and Carol Claypool, Treasurer ("the Committee" or "Respondents"). 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 Respondents addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures ("ADR") 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. Respondents voluntarily enter into this agreement with the Commission.
3. Respondents filed an amended 2004 April Quarterly Report that disclosed additional disbursements totaling \$95,401, a 100% increase over the financial activity reported in the original 2004 April Quarterly Report. In addition, the amended 2004 April Quarterly Report disclosed additional receipts totaling \$12,639.10, a 63% increase over the original report.
4. The statute and regulations require an authorized committee to disclose all receipts and all disbursements for the reporting period and for the election cycle. 2 U.S.C. § 434(b) and 11 C.F.R. §§ 104.3(a)-(b).

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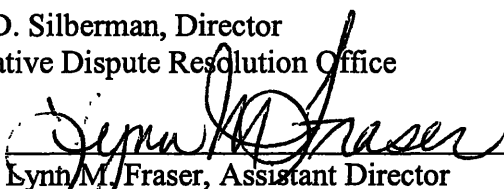
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5. Respondents acknowledge that a violation of the FECA occurred due to the inexperience of a temporary treasurer. Respondents contend that when they noted the omission of some receipts and all disbursements on the 2004 April Quarterly report, an amended report was filed. Respondents further acknowledge that no explanation as to the revised totals of receipts and disbursements was included with the amended report.
6. Respondents, in order to resolve this matter, agrees to a) take all necessary steps to terminate the Committee; and b) pay a civil penalty of \$4,500.
7. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
8. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty to the U.S. Treasury for collection or undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
9. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms of the settlement within thirty (30) days from the effective date of this agreement.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 202 (RAD 04L-12), and effectively resolves this matter. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

Allan D. Silberman, Director
Alternative Dispute Resolution Office

By:

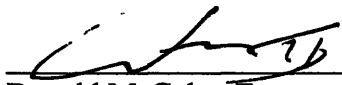


 Lynn M. Fraser, Assistant Director
 Alternative Dispute Resolution Office

3-8-05

 Date Signed

FOR THE RESPONDENTS:



 Donald McGahn, Esq.
 Counsel for Friends of Mark Henry

2-14-05

 Date Signed