



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

Case Number: ADR 210  
Source: MUR 5508  
Case Name: Michael Jaliman for US  
House of Representatives

**NEGOTIATED SETTLEMENT**

This matter was initiated by a signed, sworn and notarized complaint filed by Michael J. Morey, on behalf of Friends of Selendy for Congress. Following a review of the matter and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended ("the FECA" or "Act"), and to resolve this matter, the Federal Election Commission (the "Commission") entered into negotiations with Michael Jaliman, on behalf of M. Jaliman for U.S. House of Representatives and M. Kathryn Jaliman, Treasurer, (the "Committee"), Innovations Consultants, and Michael Jaliman (collectively the "Respondents" or individual respondents as identified). 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 have addressed all the issues raised in this matter. The parties have agreed to resolve the matter according to the following terms:

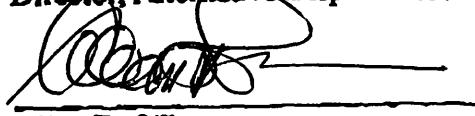
1. The Commission has entered into this agreement as part of its responsibility for administering the Federal Election Campaign Act and in an effort to promote compliance with the FECA on the part of the Respondents. The Commission's use of ADR procedures is authorized in "The Administrative Dispute Resolution Act of 1996", 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. Respondents have voluntarily entered into this agreement with the Commission.
3. The complaint alleged that the Committee failed to register with the Commission when they exceeded \$5,000 in expenditures. Complainant further contends that the Committee accepted in-kind contributions from Respondent Innovations when they mailed campaign literature soliciting support on the corporation's letterhead. In addition, the Complainant argues that Respondent Innovations made illegal, in-kind corporate contributions when they permitted their letterhead to be used to solicit support for the candidacy of Michael Jaliman.
4. The term "candidate" is defined in the Act as an individual who seeks nomination for election, or election, to Federal office and that individual shall be deemed to seek nomination for election, or election, if such individual has received contributions aggregating in excess of \$5,000 or has made expenditures aggregating in excess of \$5,000. 2 U.S.C. § 431(2) and 11 C.F.R. § 100.3(a). Each candidate for Federal office shall designate in writing a political committee in accordance with the provisions of the

Act to serve as the principal campaign committee of such candidate. Such designation shall be made no later than 15 days after becoming a candidate. 2 U.S.C. § 432(e)(1) and 11 C.F.R. § 101.1(a). Each authorized campaign committee shall file a statement of organization no later than 10 days after designation. 2 U.S.C. § 433(a) and 11 C.F.R. § 102.1(a).

5. It is unlawful for any corporation whatever to make a contribution or expenditure in connection with any election at which a Representative in Congress is to be voted for or in connection with any primary election or for any candidate to accept or receive any contribution prohibited by this section of the Act. 2 U.S.C. § 441b and 11 C.F.R. § 114.2(b)(1).
6. Each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of the Act. 2 U.S.C. § 434(a) and 11 C.F.R. § 104.1(a).
7. The term "contribution" is defined in the Act as including any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(8)(A)(i) and 11 C.F.R. § 100.51. The amount of an in-kind contribution shall be equal to the usual and normal value on the date received. Each in-kind contribution shall be reported as a contribution in accordance with the provisions of the regulations. 11 C.F.R. § 104.13(a)(1).
8. Respondent Jaliman explained that Innovations Consultants is his personal consulting firm listed as a sole proprietorship rather than a corporation. Respondent Jaliman acknowledged that the letters cited in the complaint were sent out on the firm's stationery to a few hundred persons, however, before the candidate had definitively decided to run and before he had declared his candidacy. The Committee reimbursed Innovations for the mailing and stationery and reported the expenditures on their third quarter 2004 report filed with the Commission. The Committee explained that they did not exceed the \$5,000 threshold until September 2004, more than a month after the complaint was filed. The Committee, however, filed the Statement of Organization prior to the date the complaint was filed. Respondent Jaliman also noted that the expenditures cited in the complaint including the mailing of campaign material, local travel and expenses while attending the Democratic National Convention were modest.
9. After a review of the complaint, the response, the documents on file, and the lack of evidence to the contrary, the Alternative Dispute Resolution Office concludes that the alleged violations of the FECA are unsubstantiated. The Commission concurs by dismissing this matter.
10. This agreement will become effective on the date signed by all the parties and approved by the Commission.
11. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 210/MUR 5508 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



Allan D. Silberman

March 4, 2005

Date

FOR THE RESPONDENT:

Michael Jaliman  
M. Jaliman on behalf of M. Jaliman  
for U.S. House of Representatives and  
M. Kathryn Jaliman, Treasurer

Feb 25, 2005

Date