



FEDERAL ELECTION COMMISSION
Washington, DC 20463

March 3, 2008

Bill Combs
1731 Connecticut Avenue, NW,
2nd Floor
Washington, DC 20009

Re: ADR 443 (RAD 08L-03)
21st Century Democrats and Bill Combs, Treasurer

Dear Mr. Combs:

The Reports Analysis Division of the Federal Election Commission (FEC/Commission) determined that matters arising from its recent review of reports filed by 21st Century Democrats warranted further examination for possible violation of the Federal Election Campaign Act of 1971, as amended. The Commission referred this matter to the Alternative Dispute Resolution (ADR) program.

The FEC established the ADR Program to provide an informal means for resolving matters that come before the Commission and to facilitate negotiations directly with 21st Century Democrats and Bill Combs, Treasurer (Respondents or Committee). The ADR Program provides Respondents with an opportunity to negotiate, and if appropriate, mediate settlement of a matter that is mutually agreeable. The negotiations occur prior to any Commission consideration of whether there is reason to believe a violation has occurred. If negotiations and/or mediation are successful, the resulting settlement would conclude the matter.

This case is eligible for processing in the ADR program. If Respondents decide to participate in the Program, i.e., negotiation and/or mediation, you must: 1) indicate in writing a willingness to have your case submitted to the ADR process; 2) agree to participate in the bilateral negotiations and if appropriate, mediation; and 3) waive the statute of limitations while the matter is being processed under the FEC's ADR program.

The issues referred to the ADR Office, and the focus of our subsequent negotiations are summarized as follows:

SUMMARY: Treasurers of political committees are required to report all financial activity. The Reports Analysis Division referred the 21st Century Democrats and Bill Combs, Treasurer (Respondents or the Committee) for a series of errors during the

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2005-2006 election cycle. While many of the errors involved mathematical discrepancies, Respondents' reports also included: the disclosure of excessive contributions and/or otherwise prohibited contributions or transfers; a failure to provide accurate or appropriate supporting schedules; a failure to properly itemize contributions from individuals; a failure to properly allocate between federal and non-federal activity; and a failure to clarify public communication expenses and possible candidate fundraising expenses.

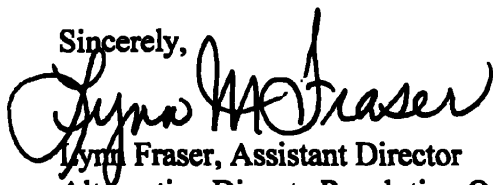
We have attached a list of the relevant errors in each report for your convenience.

If after reviewing this letter and the enclosed brochure, which describes the ADR program, Respondents would like this case selected for ADR processing, you need to affirmatively indicate that on the enclosed Commitment to Submit Matter to ADR Program form. **Failure to respond affirmatively within fifteen (15) business days of receipt of this letter will be taken as a notice of disinterest in the program and your case will be dropped from further consideration for ADR.** In that event, your case will be sent to the FEC's Office of General Counsel for further processing, and the likelihood that the Committee will be audited may increase.

If you decide to participate in the ADR Program, please provide any additional responses Respondents would like to make, including proposed stipulations or terms to resolve the matter. **Please also provide some dates and times when you'd be available to discuss this matter in detail on a separate sheet of paper.** I will then review my calendar, so that a time can be scheduled.

This matter has been designated as ADR 443. Please refer to this number in future correspondence with the FEC. If you have any questions about the ADR Program, please contact me directly at the number given below.

Sincerely,



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

Enclosures: Brochure
Commitment to Submit Matter to ADR
Designation of Representative/Counsel

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