



Federal Election Commission
Washington, DC 20463

April 13, 2010

Deborah J. Livesay
Taylor English Duma LLP
1600 Parkwood Circle, Suite 400
Atlanta, GA 30039

Re: ADR 538 (PMUR 496)

Dear Ms. Livesay:

The Federal Election Commission (FEC/Commission) received your submission regarding Nantahala Outdoor Center and Sutton Bacon, President (Respondents). The Commission reviewed your reply and voted to refer the matter to the Alternative Dispute Resolution Office (ADR Office). This case has been designated as ADR 538. Please refer to this number in all future correspondence.

The FEC established the ADR Program to provide an informal means for resolving complaints. The ADR program provides Respondents with an opportunity to negotiate, and if necessary, mediate settlement of a complaint that is mutually agreeable. The negotiations occur prior to any Commission consideration of whether there is reason to believe a violation has occurred. If the negotiations and/or mediation are successful, the resulting settlement concludes the matter.

The Commission, in referring the matter to the ADR Office, determined that your case is eligible for processing in that program. To be considered for ADR processing; i.e., negotiation and/or mediation, you must: 1) indicate a willingness to have your case submitted to the ADR process; 2) agree to participate in the bilateral negotiations, and, if necessary, mediation; and 3) waive the statute of limitations while the matter is being processed under the Commission's ADR program. Additional information about the ADR program is provided in the enclosed material.

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

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SUMMARY: The Nantahala Outdoor Center (Respondent NOC) filed a *sua sponte* submission admitting that the Respondent NOC's President, Sutton Bacon (Respondent Bacon) made two contributions and received reimbursement from Respondent NOC in violation of the FECA. Specifically, Respondent Bacon made two contributions to Heath Shuler for Congress in the amounts of \$1,000 each, and a \$250 contribution to the Outdoor Industry Association PAC and authorized reimbursement to himself for these contributions. Respondent NOC reimbursed Respondent Bacon for each of these contributions. Respondent Bacon said that although he knew that corporations could not contribute to federal campaigns, he thought it was acceptable for corporations to reimburse their employees for making such contributions. Respondent NOC contends that their investigation concluded that Respondent Sutton did not knowingly or willfully violate the FECA, but issued a written warning to Respondent Bacon, required him to refund Respondent NOC and instituted modifications to the corporation's Business Code of Conduct, including a comprehensive disbursements policy.

If, after reviewing the material, you would like your case to be identified for ADR processing, you need to affirmatively indicate that desire on the enclosed 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 returned to the Commission's Office of General Counsel for further processing.

If you decide to participate in the ADR Program, please provide any additional response 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.

If you have any questions about the ADR Program, please contact me directly at the number given below.

Sincerely,

Lynn Fraser, Director
Alternative Dispute Resolution Office
202-694-1661/1665

Enclosures:

1. ADR Frequently Asked Questions
2. ADR Commitment Statement
3. Designation of Counsel/Representative