



Federal Election Commission  
Washington, DC 20463

November 28, 2011

Keith A. Davis  
Huckaby Davis Lisker  
228 South Washington Street, Suite 115  
Alexandria, VA 22314

**Re: ADR 580 (RAD 11L-17)**  
Rock City PAC and Kim Kaegi, Treasurer

Dear Mr. Davis:

Enclosed is the signed copy of the agreement resolving the referral initiated on June 30, 2011 by the Federal Election Commission (“FEC/Commission”) involving Rock City PAC and Kim Kaegi, Treasurer. The agreement for ADR 580 (RAD 11L-17) was approved by the Commission on November 15, 2011 – the effective date of the agreement.

Note the specific time frames for compliance in paragraph 6 of the agreement. Please forward to this office, a statement confirming Respondent's compliance with the terms listed in the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 6, and contain the ADR caption and case number. The civil penalty payment should be sent to the attention of the Accounting/Finance Office of the FEC. The civil penalty under the agreement is due on or before December 15, 2011. Please put the ADR case number on the civil penalty check as well, to ensure crediting to the correct case.

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

Sincerely,

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

Enclosure: Agreement

cc: Gwen Holmes, Finance and Accounting Office  
Room 819

111190291859



**Federal Election Commission  
Washington, DC 20463**

Case Number: ADR 580

Source: RAD 11L-17

Case Name: Rock City PAC

**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 Commission entered into negotiations with Keith Davis representing the Rock City PAC and Kim Kaegi, in her official capacity as 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 guided by "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. The Reports Analysis Division (RAD) referred Respondents for failing to disclose all financial activity on their 2010 October Quarterly Report. Respondents filed the original 2010 October Quarterly Report on October 15, 2010. On October 27, 2010, the Committee filed an amended report that disclosed additional receipts totaling \$70,000 and additional disbursements totaling \$53,638.15.
4. Treasurers of political committees are required to report all financial activity, including all receipts, pursuant to the FECA. 2 U.S.C. §§ 434(a)(1), 434(b)(2), 434(b)(4), 11 C.F.R. §§ 104.1, 104.3(a)-(b).
5. Respondents acknowledge inadvertent omissions due to a coding error after they changed software. In addition, Respondents contend they found the error and filed the amended reports before the election. The Committee also made changes to its financial procedures, hired an external compliance specialist to review reports before they are filed, and is conducting more frequent reconciliations of its financial activity to its reports.

6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) develop and implement a compliance operations manual which includes internal controls consistent with the Commission's Internal Controls Policy (2007) and a process to track receipt of, and response to, communications with the Commission within sixty (60) days of the effective date of this agreement; (b) send a representative to a FEC conference within twelve (12) months of the effective date of this agreement; and (c) pay a civil penalty of \$3,500 within thirty (30) days of the effective date of this agreement.
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 this agreement as set out in paragraph 6 above.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 580 (RAD 11L-17), and resolves those issues identified in paragraph 3 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

**FOR THE COMMISSION:**

**Lynn M. Fraser, Director  
Alternative Dispute Resolution Office**

Suzanne M. Fraser

Nov. 15, 2011  
Date Signed

## FOR THE RESPONDENTS:

*Keith A. Davis*  
Keith Davis  
Representing Rock City PAC

9/22/11