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SENSITIVE

MEMORANDUM

July 24, 2012

TO: The Commission

THROUGH: Alec Palmer *AP*
Staff Director

FROM: Patricia C. Orrock *PC for PO*
Chief Compliance Officer

Lynn M. Fraser *LMF/KP*
Director, ADR Office

SUBJECT: ADR 620 National Association of Professional Employer Organizations, National Association of Professional Employer Organizations PAC and Thom Stohler, Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Develop and certify implementation of a compliance operations manual which includes internal controls consistent with the Commission's Best Practices for Committee Management (2009 update) and a process to track receipt of, and response to, communications with the Commission; and certify that a representative of the Committee attended a FEC training conference.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 620 (Pre-MUR 541). The ADR Office received this referral on June 21, 2012.

SUMMARY: In this case, the National Association of Professional Employer Organizations, the National Association of Professional Employer Organizations PAC and Thom Stohler, Treasurer (Respondents or the Committee) filed a *sua sponte* submission on behalf of itself and its separate segregated fund that acknowledges that it failed to file an amended Statement of Organization after the departure of the PAC's treasurer; signed the former treasurer's name on its year-end report; and filed its 2011 year-end report two days late. NAPEO maintains that the violations resulted from extensive personnel turnover, including the resignation of the Committee's chairman and treasurer in August 2011.

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