



Federal Election Commission  
Washington, DC 20463

October 29, 2014

Scott Cross  
Temperature Control Systems, Inc.  
P.O. Box 550249  
Dallas, TX 75355-0249

Re: ADR 712 (MUR 6787)  
John Stacy for US Congress and Ella Parker, Treasurer, John Stacy, Walter  
Parker and Temperature Control Systems, Inc.

Dear Mr. Cross:

Enclosed is the signed copy of the agreement resolving the complaint initiated on February 21, 2014 by the Federal Election Commission ("FEC/Commission") involving John Stacy for US Congress and Ella Parker, Treasurer, John Stacy, Walter Parker and Temperature Control Systems, Inc ("Respondents"). The agreement for **ADR 712 (MUR 6787) was approved by the Commission on October 27, 2014** – 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 certifying 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 payments should be sent to the attention of the Accounting/Finance Office of the FEC. The civil penalty payments under the agreement are due on or before November 27, 2014.<sup>1</sup> Please put the ADR case number on the civil penalty checks 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, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared for the Commission by this

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<sup>1</sup> Please note, if the Commission refers an unpaid civil penalty to the US Treasury or third party collection agent, additional costs and fees will be assessed.

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 brought to the attention of the FEC by Louis P. Gigliotti regarding an alleged violation of the 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 and Adam Liu, Finance and Accounting Office  
Room 819



**Federal Election Commission  
Washington, DC 20463**

Case Number: ADR 712  
Source: MUR 6787  
Case Name: John Stacy for U.S. Congress

### **NEGOTIATED SETTLEMENT**

This matter was initiated by a signed, sworn and notarized complaint filed by Louis P. Gigliotti (Complainant). 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 Federal Election Commission (Commission) entered into negotiations with John Stacy representing John Stacy, John Stacy for U.S. Congress and Ella Parker, in her official capacity as Treasurer (the Committee), and Scott Cross, CEO, representing Temperature Control Systems, Inc. (Respondent TCS) (collectively 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 complaint. 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 Complainant alleges that the Committee accepted a prohibited corporate contribution from Respondent TCS in the amount of \$5,000. In addition, the complaint alleges that the Committee accepted an excessive contribution in the amount of \$5,000 from Walter Parker, and failed to timely file a Statement of Candidacy (FEC Form 2).
4. It is unlawful for any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, including local, State or Federal offices. 2 U.S.C. §441b(a), 11 C.F.R. §114.2(a). No person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$2,600. 2 U.S.C. §441a(a), 11 C.F.R. §110.1(b) (2013-2014). No candidate or political committee shall knowingly accept any contributions prohibited by the FECA. 2 U.S.C. §441a(f), 11 C.F.R. §114.2(d). The FECA requires that within fifteen (15) days after an individual becomes a candidate, he or she must designate a

principal campaign committee by filing either a Statement of Candidacy (FEC Form 2) or a letter with the same information. 11 C.F.R. §101.1.

5. The Committee contends it made an error due to inexperience in accepting the contribution from Respondent TCS on December 23, 2013. The Committee asserts that it refunded the contribution on March 3, 2014. The Committee also contends that Walter Parker's contribution of \$5,000 was not excessive, but an incorrectly attributed joint contribution by Walter and Ella Parker, both named on the check. The Committee filed an Amended 2013 Year End Report to correct the record on March 6, 2014. In addition, the former candidate contends that he submitted the Statement of Candidacy to the FEC on November 1, 2013, and has no explanation as to why it did not arrive at the Commission timely. The Statement of Candidacy was resubmitted and received by the Commission on March 13, 2014.
6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) Respondent TCS will certify that it developed and circulated a corporate policy on political contributions within thirty (30) days of the effective date of this agreement; (b) Respondent TCS will pay a civil penalty of \$750 within thirty (30) days of the effective date of this agreement; (c) the Committee will develop and certify implementation of a compliance operations manual which includes internal controls consistent with those described in the Commission's Internal Controls and Political Committees advisory document (2007) and the Best Practices for Committee Management (published in the April 2009 Record, available at [www.fec.gov/pages/brochures/bestpractices.shtml](http://www.fec.gov/pages/brochures/bestpractices.shtml)), as well as a process to track receipt of, and response to, communications with the Commission within sixty (60) days of the effective date of this agreement; and (d) the Committee will pay a civil penalty of \$750 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, and shall certify compliance with the above settlement terms in writing to the Alternative Dispute Resolution Office on or before the date each term becomes due.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 712 (MUR 6787), 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.

