

Caplin & Drysdale
ATTORNEYS

Caplin & Drysdale, Chartered
One Thomas Circle, NW, Suite 1100
Washington, DC 20005
202-862-5000 202-429-3301 Fax
www.caplindrysdale.com

April 24, 2014

VIA ELECTRONIC MAIL

Jeff S. Jordan
Supervisory Attorney
Federal Election Commission
999 E Street, NW
Washington, DC 20463

**Re: Response of Joe Kyrillos for U.S. Senate, Inc. (Ronald Gravino, Treasurer) to
Reports Analysis Division Referral 14L-03**

Dear Mr. Jordan:

Joe Kyrillos for U.S. Senate, Inc. ("the Committee"), the principal campaign committee of former U.S. Senate candidate Joseph M. Kyrillos during the 2012 election cycle, received a letter from your office inviting a response to a Reports Analysis Division Referral. The Referral mentioned that the Committee accepted excessive contributions. This letter briefly explains the circumstances relevant to this claim.

The Committee can confirm that it did accept \$134,450 in contributions that must be refunded.¹ The Committee's acceptance of nearly all these contributions is attributable to its staff's good-faith reading of the partnership attribution rule at 11 C.F.R. § 110.1(e). The Committee's staff mistakenly believed that a partnership contribution of over \$2,500 could be accepted, so long as the amount attributed to any single partner did not exceed \$2,500. The staff did not discover that this understanding of the legal rule was incorrect until July 2013, only after it had engaged in correspondence with Commission personnel about the underlying facts surrounding the contributions.²

Since discovering its inadvertent error, the Committee has worked diligently to disburse refunds that are due. Mr. Kyrillos has, in fact, lent the Committee \$35,000 from his personal

¹ Your letter states that the total to be refunded was \$138,950. In an email to the Committee's treasurer on July 2, 2013, Commission employee Natalya Ioffe stated, with documentation, that the total was \$134,450. The Committee was unable to determine which contributions account for the additional \$4,500 in contributions without documentation from the Commission. The Committee will expeditiously review any additional documentation the Commission sends, if the \$138,950 stated in your letter is indeed the accurate total to be refunded.

² Letters from the Committee's former counsel to the Commission are evidence of this good-faith misunderstanding by Committee staff. See, e.g., Letter from Brian M. Nelson to Carolina Cavano (June 26, 2013), available at http://docquery.fec.gov/cgi-bin/fecimg/?_13020270772%200 (stating that "it is the committee's position that none of the questioned contributions received are excessive" because the LLC contributors were treated as partnerships for tax purposes and because partner allocations were for \$2,500 or less).

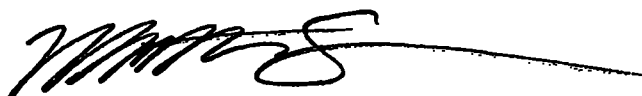
funds in order to expedite the refund issuances. The Committee has made significant progress, despite the fact that the unsuccessful end to Mr. Kyrillos' federal candidacy has made fundraising a challenge. The total amount due for refund now stands at only \$13,333.32, which means that over 90 percent of the required refunds have been distributed. The chart below illustrates the Committee's progress and efforts in this regard.

Contributor Name	Excessive Contributions	Refunded Q3 2013	Refunded Q4 2013	Refunded YTD 2014
CRYSTAL SPRINGS ACQUISITIONS LLC	\$2,500.00	\$2,500.00		
CRYSTAL SPRINGS ACQUISITIONS LLC	\$2,500.00	\$2,500.00		
FOX ROTHSCHILD LLP	\$2,500.00		\$2,500.00	
GLUCKWALRATH LLP	\$3,500.00	\$3,500.00		
LUM, DRASCO & POSITAN LLC	\$2,500.00	\$2,500.00		
MCELROY, DEUTSCH, MULVANEY & CARPENTER	\$40,833.32			\$27,500.00
MCELROY, DEUTSCH, MULVANEY & CARPENTER	\$36,666.68	\$36,666.68		
MCELROY, DEUTSCH, MULVANEY & CARPENTER	\$17,500.00	\$17,500.00		
NOUN, WISSAM	\$2,500.00			\$2,500.00
OTOOLE FERNANDEZ WEINER VAN LIEU LLC	\$7,500.00		\$7,500.00	
PUBLIC STRATEGIES IMPACT LLC	\$2,500.00	\$2,500.00		
SHORE POINT MEDICAL ASSOC., LLC	\$2,500.00			\$2,500.00
SHORE POINT MEDICAL ASSOC., LLC	\$10,950.00	\$10,950.00		
Total Remaining Refunds to Be Issued	\$134,450.00	\$55,833.32	\$45,833.32	\$13,333.32

The Committee is dedicated to sustaining its efforts until all required refunds have been issued. In light of the Committee's unintentional misreading of the partnership allocation rule and its substantial work in refunding contributions, the Committee asks the Office of General Counsel to recommend that the Commission decline to open a Matter Under Review here.

Thank you for your consideration. Please contact me (msanderson@capdale.com, 202-862-5046) if you have any questions about this matter.

Respectfully Submitted,



Matthew T. Sanderson
Caplin & Drysdale, Chartered

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