



FEDERAL ELECTION COMMISSION
Washington, DC 20463

July 16, 2014

Jason Torchinsky, Esq.
Michael Bayes, Esq.
45 North Hill Drive, Suite 100
Warrenton, VA 20186

Re: ADR 729 (RR 14L-06)
Liberty for All Action Fund and Christopher M. Marston, Treasurer

Dear Mr. Torchinsky and Mr. Bayes:

The Federal Election Commission (FEC or Commission) referred a compliance issue to the FEC's Alternative Dispute Resolution Office (ADR Office) for processing. The referral by the Reports Analysis Division (RAD) was based on a review of reports filed by Liberty for All Action Fund which reflect a possible failure to comply with the Federal Election Campaign Act of 1971, as amended.

The FEC established the ADR Program to provide an informal means for resolving matters that come before the Commission and to facilitate negotiations directly with Liberty for All Action Fund and Christopher M. Marston, Treasurer (Respondents or the Committee). The ADR Program provides Respondents with an opportunity to negotiate settlement of a matter that is mutually agreeable. The negotiations occur prior to any Commission consideration of whether there is reason to believe a violation has occurred. If negotiations are successful, the resulting settlement would conclude the matter.

The Commission, in referring the matter to the ADR Office, determined that the case is eligible for processing in the ADR program. If Respondents decide to participate in the ADR Program, you must: 1) indicate in writing a willingness to have your case submitted for ADR processing; 2) agree to participate in the bilateral interest based negotiations; and 3) waive the statute of limitations while the matter is being processed under the FEC's ADR program.

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

The Reports Analysis Division referred Liberty for All Action Fund and Chris Marston, Treasurer, (Respondents or the Committee) for failing to disclose all financial activity. The Committee amended its 2012 April Quarterly and 2012 July Quarterly Reports to disclose additional receipts of \$461,631.83 and additional disbursements of \$20,088.61, an aggregate increase in activity totaling \$481,720.44.

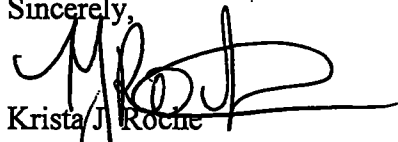
In addition, the Committee failed to timely file one 24-Hour Report totaling \$42,085.00 to support one independent expenditure disclosed on the 2012 September Monthly Report. The Committee filed the 24-Hour Report on September 19, 2012, disclosing an independent expenditure dated August 3, 2012, designated to the 2012 Primary Election in the state of Michigan, held on August 7, 2012.

In a Miscellaneous Electronic Submission (Form 99) filed on August 5, 2013, the Committee explains the circumstances surrounding the errors in reporting receipts and disbursements. The Committee stated that it began operations as a volunteer organization before transitioning to professional staff and vendors. Upon discovering errors, the Committee contends it made an exhaustive review of financial records and amended reports to voluntarily disclose any errors. The Committee further contends that the disbursements in question were not independent expenditures and the receipts were all on the same day from a single donor, who is well-established in his support for the Committee on the public record. The Committee contends that it took several remedial measures to ensure reporting errors do not occur in the future including centralizing operations, performing regular reviews and reconciliations, and implementing internal controls. With regard to the independent expenditure, the Committee filed a Form 99 on January 10, 2013 stating that it regretted the error and corrected it on its own initiative once discovered.

If after reviewing this letter and the enclosed ADR Frequently Asked Questions, which describe the ADR program, Respondent(s) would like to participate in ADR processing, you need to affirmatively indicate that on the enclosed Commitment to Submit Matter to ADR 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 sent to the FEC's Office of General Counsel for further processing, and the likelihood that the Committee will be audited during the next election cycle will increase.

This matter has been designated as **ADR 729**. Please refer to this number in future correspondence with the FEC. If you have questions about the ADR Program, please contact the ADRO at my direct dial as indicated below

Sincerely,



Krista J. Roche
Assistant Director

Alternative Dispute Resolution Office

Enclosures: ADR Frequently Asked Questions
Commitment to Participate in ADR & Designation of Representative/Counsel