



**Federal Election Commission
Washington, DC 20463**

October 20, 2014

Michael Bayes, Esq.
Holtzman Vogel Josefiak PLLC
45 North Hill Drive, Suite 100
Warrenton, VA 20186

14-1930200-020
Re: ADR 729 (RR 14L-06)
Liberty for All Action Fund and Chris Marston, Treasurer

Dear Mr. Bayes:

Enclosed is the signed copy of the Negotiated Settlement resolving the referral initiated in a referral dated March 28, 2014 by the Federal Election Commission ("FEC/Commission") involving the above-show Respondents. The Negotiated Settlement was approved by the Commission on October 15, 2014—the effective date of the agreement.

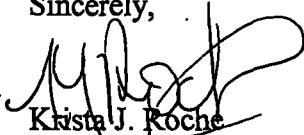
Note the specific time frames for compliance in Paragraph 6 of the agreement. **Please forward to this office, a statement confirming Respondent's compliance with the terms listed in the aforementioned agreement.** The letter should note the dates on which Respondents satisfied each of the terms listed 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 November 14, 2014.¹ **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 Negotiated Settlement 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 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.

¹ 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.

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,



Krista J. Roche
Assistant Director
Alternative Dispute Resolution Office

Enc: Negotiated Settlement

cc: Gwendolyn Holmes, Finance and Accounting Office



**Federal Election Commission
Washington, DC 20463**

Case Number: 729

Source: RR 14L-06

Case Name: Liberty for All Action Fund

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 Michael Bayes, Esq., representing Liberty for All Action Fund and Christopher M. Marston, in his 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 referred Respondents 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 filed on September 20, 2012. 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.
4. Treasurers of political committees are required to report all financial activity, including all receipts and disbursements, pursuant to the FECA. 2 U.S.C. §§ 434(b)(2) and (4), 11 C.F.R. §§ 104.3(a) and (b). A person, including a political committee, that makes or contracts to make independent expenditures aggregating \$1,000 or more after the 20th day, but more than 24 hours, before the date of an

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election shall file a report describing the expenditures within 24 hours. 2 U.S.C. § 434(g), 11 C.F.R. § 104.4(c).

5. 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 in early 2012 as a volunteer organization with young inexperienced staff 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 consisted mostly of small individual expenditures, none of which were independent expenditures, and the receipts consisted of two contributions received 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 and performing regular reviews and reconciliations. With regard to the independent expenditure, the Committee filed an Amended 2012 September Monthly Report on January 10, 2013 which included memo text stating that it regretted the error and corrected it on its own initiative once discovered.
6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) certify that procedures whereby bank statements are reconciled with the accounting system on a monthly basis and that all FEC reports are reconciled with bank statements prior to filing have been followed without exception and will continue as Committee procedure one (1) year from the effective date of this agreement; and (b) pay a civil penalty of \$10,000 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 729 (RR 14L-06), 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:

Krista J. Roche, Assistant Director
Alternative Dispute Resolution Office



10/16/14

Date Signed

FOR THE RESPONDENTS:


Michael Bayes, Esq.
Representing Liberty for All Action Fund and
Christopher M. Marston, Treasurer

8/28/2014

Date Signed