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registered. The Committee's first pre-primary report was due on April 18, also shortly after the committee formed.

This compressed timeframe meant that the Committee needed to engage several vendors simultaneously and the vendors quickly began working on independent expenditures on multiple fronts. Because the independent expenditure program here focused on person-to-person contact, it was organizationally more decentralized than a more traditional independent expenditure media campaign, which when combined with the compressed time period from start up to election, presented organizational challenges. While the Committee was aware of its vendors' general activities, the Committee did not always know the specific extent of the costs associated with these activities, or when and how the vendors would submit their invoices to the Committee. This was the Committee's first involvement in a federal election and while the initial push of independent expenditure activities was taking place, the Committee was seeking to establish the internal communication and control structure necessary to meet the Federal Election Commission ("FEC") reporting requirements.

The Committee filed nearly a dozen 24- and 48-hour independent expenditure reports—original and amendments—prior to the April 30 Special Primary election. *See* Ex. 2. In doing so, the public was made aware of the Committee's involvement in the election. The Committee then filed its pre-primary report on April 18. *See* Ex. 3. In its first set of federal filings, which are the subject of this referral, the Committee attempted to file the most accurate and complete reports possible based on the information received from vendors at that time.

After filing its reports related to the April 30 Special Primary, the Committee discovered that the invoices that it had received from its vendors did not capture all of the vendors' activities related to the Special Primary election. New vendor invoices arrived with expenses for activities that occurred during the previous reporting period. Upon discovering this, the Committee promptly and voluntarily amended its reports to reflect this new information. *See* Ex. 4. The amended reports contained updated information related to the two issues at the center of this referral:

- (1) additional expenses related to past independent expenditure activities; and
- (2) additional debt owed to vendors related to past activities.

These additions were the subject of a Request for Additional Information letter sent by the FEC on August 23, 2013. *See* Ex. 5. In its response, the Committee acknowledged its inadvertent reporting errors and detailed the reasons described above that led to these errors. *See* Ex. 6.

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II. The Commission Should Dismiss this Matter or Transfer it to Alternative Dispute Resolution

Though the Committee recognizes that it filed late independent expenditure reports and details of its debt related to those expenditures, any resulting harm to public disclosure was relatively slight. In addition, the reporting issues were entirely inadvertent and were only made apparent when the Committee voluntarily disclosed the omitted transactions as it sought to correct the public record. To avoid the expenditure of limited resources—by the Committee or the FEC—the Commission should dismiss this matter without further action or, because there are no disputed facts, send it to the Office of Alternative Dispute Resolution.

Any harm to public disclosure was relatively slight. As noted above, the Committee timely registered with the FEC and filed several independent expenditure reports prior to the April 30, 2013, Special Primary election. Through these reports, the public was aware that the Committee was active in the Special Primary, what types of activities the Committee engaged in, and which candidates it supported and opposed. While the exact extent of the Committee's expenditures was not included in the initial reports—which is also the case when committees permissibly report estimated costs—the additional information contained in the Committee's amended reports did not materially change the picture of the Committee's involvement in the Special Primary election.

The reporting issues were inadvertent. When the Committee filed its initial reports, it attempted to include all reportable expenses during the relevant period. As noted above, the fast pace and multi-faceted aspect of its first month engaged in a federal election meant that the Committee was not always aware if vendors had submitted invoices for all of the work they had done for the Committee. Any known Committee expense or debt was promptly reported to the FEC.

The Committee voluntarily and promptly corrected the public record. When the Committee learned of the existence of additional expenses and debt from its vendors, it promptly took steps to fix its prior reports. Counsel for the Committee contacted the FEC Reports Analysis Division ("RAD") to ask how best to report this new information about expenses. Following RAD's advice, the Committee amended the relevant independent expenditure and pre-primary reports. These actions demonstrate the Committee's commitment to transparency and compliance with reporting rules.

Further resources should not be spent to resolve this matter. This referral contains a detailed account from RAD of the timeline of the Committee's reports filed with the FEC. The Committee does not think it is necessary or beneficial to dispute this account at this point.²

² If, despite our arguments and requests contained in this letter, this matter ends up subject to an enforcement investigation at the FEC, the Committee reserves the right to dispute any factual claims contained in this referral.

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While the Committee requests that this matter be dismissed, if the Commission decides not to do so, this matter would be ideally suited for the Office of Alternative Dispute Resolution ("ADR"). The Committee has been and continues to be committed to adhering to the FEC's reporting requirements, and welcomes feedback that is available through the ADR process.

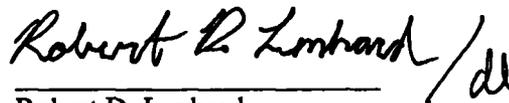
The Committee notes that Congress passed legislation recently that would pull common independent expenditure reporting issues, such as the ones involved in this referral, within the scope of the Commission's Administrative Fine Program. Pub. L. No. 113-72, 127 Stat. 1210 (2013). While this legislation has not yet been implemented by the FEC, this shows the desire of Congress to provide filers under similar circumstances as the Committee with an "inexpensive and efficient alternative to full investigations and enforcement proceedings to resolve very minor filing violations." See Ex. 7, 159 Cong. Rec. H7163 (statement of Rep. Miller on introduction of H.R. 3487).

Finally, as noted above, the Committee has suspended its activities to evaluate whether it will continue to operate or engage in future elections. The Committee only has a small amount of funds remaining in its account. The Committee is awaiting the outcome of its current matters pending before the Commission to decide on termination. We request that the Commission take these circumstances into consideration and decide not to take further action requiring the commitment of limited resources.

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For the reasons detailed above, we respectfully request that the Commission exercise its discretion to dismiss the referral of these claims without further action, or transfer this matter to the Office of Alternative Dispute Resolution.

Respectfully submitted,

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Enclosures