



Federal Election Commission
Washington, DC 20463

October 27, 2015

Sean Cairncross and Chris Winkelman
Holtzman Vogel Josefiak
45 North Hill Drive, Suite 100
Warrenton, VA 20186

Re: ADR 765
Texans for a Conservative Majority and Randy Cubriel, Treasurer

Dear Mr. Cairncross and Mr. Winkelman:

Enclosed is the signed copy of the Negotiated Settlement resolving the referral initiated on November 25, 2014, by the Federal Election Commission ("FEC/Commission") involving the above-shown Respondents. The Negotiated Settlement was approved by the Commission on October 22, 2015 – the effective date of the agreement.

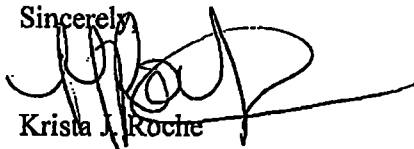
Note the specific time frames for compliance in Paragraph 6 of the agreement. Please forward to this office, a statement confirming Respondent's compliance with the terms listed in the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in 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 21, 2015.¹ 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: ADR 765

Source: RR 14L-39

Case Name: Texans for a Conservative Majority

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 Sean Cairncross, Esq., representing the Texans for a Conservative Majority and Randy Cubriel, 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.

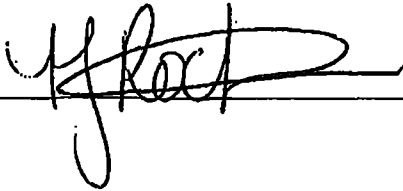
Negotiations between the Commission and Respondents addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

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 52 U.S.C. § 30109.
2. Respondents voluntarily enter into this agreement with the Commission.
3. The Reports Analysis Division (RAD) referred Respondents for two reporting issues. The Committee failed to timely file one (1) 48-Hour Report totaling \$74,235.36 to support one (1) independent expenditure disclosed on the Amended 2014 12 Day Pre-Primary Report. The Committee also failed to disclose all financial activity on its 2013 Year-End Report, originally filed on January 31, 2014. On February 20, 2014, the Committee filed an Amended 2013 Year-End Report disclosing additional receipts of \$180,000.
4. Treasurers of political committees are required to report all financial activity, including all receipts, pursuant to the FECA. 52 U.S.C. §§ 30104(a)(1), 30104(b)(2), 11 C.F.R. §§ 104.1, 104.3(a). A person, including a political committee, that makes or contracts to make independent expenditures aggregating \$10,000 or more at any time up to and including the 20th day before the date of an election shall file a report describing the expenditures within 48 hours. 52 U.S.C. § 30104(g) (2)(A), 11 C.F.R. § 104.4(b).

5. The Committee contends that the errors were inadvertent and voluntarily disclosed to the Commission promptly upon their discovery. In a Miscellaneous Electronic Submission (Form 99) filed on May 7, 2014, the Committee states that the 48-Hour Report was omitted because the Committee expended two identical sums to the same recipient, leading to confusion and the reporting of only one payment. Regarding the omissions on the 2013 Year-End Report, the Committee indicates that during a regular review of previously-filed reports, it became aware that donations made to a "non-contribution account" were not reflected in the original report. The Committee states in Form 99 dated May 1, 2014, that it amended the report as soon as it became aware of the omission.
6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) circulate a written policy and procedure document detailing the proper reporting of independent expenditures and regular reports of activity within thirty (30) days of the effective date of this agreement; (b) certify that the Committee performed a reconciliation of the Committee's accounts for each required FEC report for one year from the effective date of this agreement, providing certification within thirty (30) days of the expiration of that one year period; and (c) pay a civil penalty of \$6,150.00 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 765 (RR 14L-39), 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.

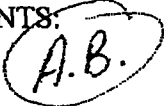

FOR THE COMMISSION:

Krista J. Roche, Assistant Director
Alternative Dispute Resolution Office



10/22/15
Date Signed

FOR THE RESPONDENTS:



Sean Cairncross, Esq.
Representing Texans for a Conservative
Majority and Randy Cubriel, Treasurer

10/7/15
Date Signed
