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MASSEY & SHOWALTER

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

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518 SEVENTEENTH STREET
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TELEPHONE: (303) 592-1100
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MICHAEL C. MASSEY

August 1, 1991

VIA FEDERAL EXPRESS

Lawrence Noble, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: Advisory Opinion Request

Dear Mr. Noble:

This firm represents CEC, Inc. (the "Company"), a for profit corporation organized under Michigan law on May 10, 1991. The Company hereby submits this request for an advisory opinion of the Federal Election Commission (the "Commission") pursuant to Section 308 of the Federal Election Campaign Act of 1971, as amended (the "Act").

BACKGROUND INFORMATION

The Company was formed to provide a new approach to campaign fundraising and to focus on "grass roots" political organization. The Company plans to market its services to and possibly enter into contracts with a limited number of Congressional candidates (the "Selected Candidates") who meet the Company's candidate selection criteria.

The Donor List and Potential Contributors

The Company's approach to fundraising is to develop a list (the "Donor List") of persons (the "Potential Contributors") whom the Company's management believes have an interest in the political process, general agreement as to certain political issues and sufficient financial resources to make contributions to a number of Selected Candidates. The Company, using both internal and external resources, then will seek to identify candidates who share views similar to those of the Potential Contributors. In effect, the Company will attempt to match candidates with an identified donor base.

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To create the Donor List, Company representatives will communicate by letter, by telephone and in person with Potential Contributors. Through such communications, the Company will inform Potential Contributors that the Company is developing a Donor List of persons who have similar political perspectives; that the Company intends to identify potential candidates who share similar views; and that, once identified, the Company intends to offer to the Selected Candidates fundraising services, which will utilize the names on the Donor List, as well as "grass roots" organizational assistance. The Company will advise Potential Contributors that they may be solicited for funds on behalf of one or more of the Selected Candidates but that there is no obligation to make any contribution. The Company will ask each Potential Contributor for permission to include his or her name on the Donor List.

The Company will request that each Potential Contributor, on an optional basis, provide the Company with information as to either the approximate amount of aggregate contributions which might be made or the number of Selected Candidates (once determined) who might be supported. The Company will use such information to determine not only the number of Potential Contributors to be solicited for each Selected Candidate but also the frequency of solicitations.

Candidate Evaluation and Selection

To identify and evaluate potential candidates, the Company will consult with and seek recommendations from business leaders, political consultants and political activists throughout the country. These informal political advisors will not be affiliated with or compensated by the Company, although the Company will reimburse them for expenses incurred on the Company's behalf. The Company may ask such political advisors to interview potential candidates on behalf of the Company and otherwise provide the Company with necessary background information. The recommendations of the Company's informal political advisors will be given substantial consideration by the Company's board of directors in making final candidate selections.

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When the Company's board of directors has decided upon one or more Selected Candidates, the Company's management will market the Company's services to the Selected Candidates and their respective campaign organizations (the "Campaign Committee.") Such marketing efforts may include direct mail, telephone solicitation and personal contacts. The Company's informal political advisors also may assist with such marketing activities. In the event the Company's marketing efforts are successful, the Company and the Campaign Committee will enter into an agreement (the "Candidate Contract"), negotiated at arm's length, which will detail the Company's services, the compensation to be paid and the obligations of the Campaign Committee.

Compensation to the Company

The compensation to be paid to the Company by the Campaign Committee will consist of an initial payment (the "Advance Fee") and a percentage (the "Percentage") of the funds raised. The Advance Fee, estimated to be between \$5,000-\$10,000, is designed to provide the Company with sufficient funds to pay the costs of letterhead, printing and postage (the "Direct Expenses") related to the Company's fundraising activities as well as the out of pocket expenses for the Company's campaign school. The Advance Fee is to be paid upon execution of the Candidate Contract. The Company does not intend either to absorb or to advance costs associated with producing solicitation letters or involved in conducting a campaign school for organizational directors.

The Percentage, estimated to be between 5 to 7 percent, is intended to cover the Company's operational expenses and profit and will be paid to the Company by the Campaign Committee on a regular basis. The frequency of such payments will be set forth in the Candidate Contract.

The compensation charged by the Company is designed to ensure that the Campaign Committee does not receive any services for which the Company remains uncompensated. In connection therewith, the Company may adjust the amounts of the Advance Fee and the Percentage from year to year, depending upon such factors as the numbers of Selected Candidates, the Company's actual costs and a profit factor. The Advance Fee and the Percentage paid to the

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Company will constitute expenditures of the Campaign Committee which will be reported pursuant to Section 304(b) of the Act. The Company contemplates that reports regarding expenditures made to the Company will be made without further itemization consistent with Advisory Opinion 1983-25.

Fundraising Activities

Once a Candidate Contract has been executed, the Company will initiate its fundraising activities. The Company, in consultation with the Campaign Committee, will determine which persons on the Donor List will be solicited. It is unlikely that the entire Donor List will be solicited for each Selected Candidate. Instead, the Company will attempt to match the Selected Candidate with Potential Contributors on the Donor List, based upon geography, political interests and the information, if any, on the amount and number of possible contributions provided by the Potential Contributors. In effect, the Company will identify a donor base from within the Donor List for each Selected Candidate. The Company at all times will retain control over and access to the Donor List, and Company personnel will be responsible for all aspects of the Company's fundraising activities.

Generally, the Company's fundraising efforts will consist of mailing one or more solicitation letters (the "Candidate Solicitation Letter") on behalf of a Selected Candidate to a number of persons on the Donor List. The Candidate Solicitation Letter will be printed on the Company's letterhead; will be signed by an officer or director of the Company; will explain that the Company believes that the Selected Candidate's political perspective is similar to that of the persons on the Donor List; will include the disclaimer required by Section 318 of the Act; and will ask Potential Contributors to make campaign contributions to the Selected Candidate. In addition to the Candidate Solicitation Letter, Company personnel also may use the telephone and personal contacts to solicit campaign funds. As set forth above, the Company's Direct Expenses connected with fundraising solicitations will be included in the Advance Fee paid by the Selected Candidate.

Potential Contributors will be asked to send campaign contributions directly to the Campaign Committee of a Selected Candidate. The Company will not be a conduit for campaign contributions. The Candidate Committee will be required to provide an accounting to the Company of funds received and will be

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responsible for all filings with the Commission and other appropriate state and federal agencies. Contributions made by the Potential Contributors in response to the Company's solicitations will be subject to the contribution limitations of the Act.

Organizational Activities

The Company's organizational efforts will stress "grass roots" political organization and the recruitment and use of volunteers. Organizational activities will include developing a campaign school for organizational directors (the expenses of which are included in the Advance Fee), working with the Campaign Committee to develop an overall organizational plan and providing periodic organizational assistance during the course of the campaign. The Campaign Committee will be required to employ an organizational director who must attend one of the Company's campaign schools. In addition, the Company will require that a specified percentage of the funds raised by the Company on behalf of the Selected Candidate be used specifically for organizational activities, such as the printing of literature to be distributed door to door. The Company intends that the organizational plan will be fully integrated into the overall campaign plan of each Selected Candidate. The Company will communicate with each Campaign Committee on a regular basis to monitor organizational efforts and will conduct occasional, on site visits to ensure that organizational activities are being conducted. Additional services not included in the Candidate Contract may be provided by the Company, but a separate charge will be made therefor. After the election, the Company will conduct follow up research and analysis.

The Company's Operations

An officer, director and principal shareholder of the Company is also an officer, director and principal shareholder of other corporations (collectively referred to hereinafter as the "Affiliated Corporation"). The Company from time to time may utilize the services of certain employees of the Affiliated Corporation to assist the Company in limited operational matters, such as budgeting. Such employees will not provide services to Selected Candidates, and the Company will reimburse the Affiliated Corporation for the services provided pursuant to the terms of an agreement not negotiated at arm's length.

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The Affiliated Corporation also owns the building in which the Company's principal offices are located and an aircraft which the Company may use from time to time. The lease of the Company's office space, while not negotiated at arm's length, provides for rental payments at rates which constitute a usual and normal charge. Similarly, to the extent the Company uses an aircraft owned by the Affiliated Corporation, the Company will pay a charter rate comparable to rates charged by a non-affiliated rental carrier. From time to time, the Company and the Affiliated Corporation may combine business trips. In such event, the Company will reimburse the Affiliated Corporation for the usual and normal charges allocable to the Company's portion of such trip.

While the Company expects to generate profits from each campaign, it is likely that capital expenditures, marketing costs and other initial "start-up" expenses during the initial years of operation will result in corporate losses. To the extent additional operating funds are required, the Company's management believes that one or more of the officers and directors will make available sufficient debt or equity capital. Moreover, at least one of the Company's officers and directors intends to waive any salary or other remuneration.

To the extent reasonably possible, the Company intends to take advantage of economies of scale, offering its services to more candidates at a lower cost per candidate. Furthermore, the Company believes that a small number of solicitations directed to the persons on the Donor List who have been pre-selected for their ability to make multiple contributions (subject to the limitations of the Act) will generate considerable revenues for each Selected Candidate. As a result of such factors, the Company's management hopes to charge fees materially lower than those charged by consultants who offer similar services but who rely on large scale mailings which generate smaller contributions. The Company believes its ability to charge somewhat reduced fees and its approach to fundraising and organizational activities will give the Company a competitive edge.

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ISSUES PRESENTED

The Company anticipates that its business, like that of other political consultants, neither will require the Company to register pursuant to Section 303 of the Act nor will result in the Company making corporate contributions prohibited under Section 316 of the Act. Nonetheless, the Company's management believes it advisable to request an advisory opinion from the Commission with respect to certain matters. Therefore, based upon the background information provided herein, the Company requests that the Commission give its advisory opinion with respect to the following issues:

1. Activities related to the creation of the Donor List:

1.1. May the Company, in developing its Donor List, communicate by letter, by telephone or in person, or through any combination thereof, with Potential Contributors whom the Company's management believes are in agreement as to certain political issues, explaining the purposes of the Company and asking permission to include the names of Potential Contributors on the Company's Donor List, if such communications are not made on behalf of any specific candidate?

1.2. May the communications referenced in paragraph 2.1 above request, on an optional basis, that a Potential Contributor provide information as to the approximate amount of aggregate contributions a Potential Contributor might make, the number of candidates a Potential Contributor might support or similar information regarding possible contributions, assuming that such communications are not made on behalf of any specific candidate and that the Company does not act as a conduit for campaign funds?

2. Candidate recruitment and utilization of political advisors:

2.1. May the Company's representatives and informal political advisors recruit or help recruit potential candidates without violating provisions of the Act? If so, would funds expended by the Company in connection with such activities be deemed corporate contributions prohibited by Section 316 of the Act? Would funds expended by the Company in connection with such activities be deemed expenditures as defined in Section 301(9)(A) of the Act?

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2.2. Since the Company's informal political advisors will serve without compensation, would any recruitment and evaluation activities undertaken on behalf of the Company be deemed contributions (as defined in Section 301(8) of the Act) to the Selected Candidates and be subject to the contribution limitations of the Act?

2.3. If the Company reimburses its informal political advisors for expenses incurred on behalf of the Company in the recruitment and evaluation of potential candidates, would such reimbursement payments be deemed to be either corporate contributions (as defined in Section 301(8) of the Act) to the Selected Candidates or corporate expenditures as defined in Section 301(9)(A) of the Act?

3. The Company's candidate solicitation activities:

3.1. Assuming that the Advance Fee charged by the Company is sufficient to pay the Company's Direct Expenses, that campaign contributions are sent directly to the Campaign Committee of a Selected Candidate and that the Company does not act as a conduit for campaign funds, may the Company print Candidate Solicitation Letters on the Company's letterhead which are signed by an officer and director of the Company, and may the Company otherwise solicit campaign funds for Selected Candidates without violating Section 316 of the Act and without the costs of such solicitations being deemed expenditures under Section 301(9)(A) of the Act?

3.2. Is the Company's understanding that Section 318 of the Act requires the use of a disclaimer on Candidate Solicitation Letters correct?

4. Matters pertaining to the Company's Compensation:

Does the Company's compensation arrangement, i.e., the Advance Fee (which includes the Company's Direct Expenses and the costs of the campaign school but does not include all of the Company's operational costs) and the Percentage, violate any provisions of the Act?

5. Matters pertaining to the Company's operations:

5.1. To the extent that an officer, director and principal shareholder of the Company waives or otherwise declines a salary or other remuneration from the Company, will such officer

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and director be deemed to have made a contribution to one or more of the Selected Candidates which would be subject to the contribution limits of the Act? Would any such waived or declined salary constitute a contribution by the Company which is prohibited by Section 316 of the Act?

5.2. To the extent that any officer, director, shareholder or other person personally makes additional funds available to the Company in the form of debt or equity capital, will such funds be deemed political contributions to the Selected Candidates and be subject to the contribution limits of the Act? Would the opinion differ depending upon whether the funds represented debt or equity capital?

5.3. In the event the Company sustains a loss during any operating year (particularly in the initial years of operation), will the Company be subject to the determination that, because of any such loss, the Company charged less than the "usual and normal" compensation for its services and thereby contributed to a Selected Candidate something of value within the meaning of 11 CFR 100.7(a)(1) promulgated under the Act?

5.4. If the Company generates a net profit before taxes (except in the initial years of operations) but charges fees which are materially less than fees charged by other consultants providing similar services, will the Company be subject to a determination by the Commission that the Company's fees were less than those charged by other consultants and that, as a result, the Company contributed something of value to a Selected Candidate because its compensation was less than the usual and normal charge?

6. Matters pertaining to the Company's arrangements with the Affiliated Corporation:

6.1. Does the Company's plan to have limited financial services provided by employees of the Affiliated Corporation and to have the cost of such services reimbursed by the Company pursuant to an arrangement not negotiated at arm's length violate the provisions of the Act?

6.2. If the Affiliated Corporation charges the Company a "usual and normal" fee for the Company's office space and the use of the Affiliated Corporation's assets, such as an aircraft, the

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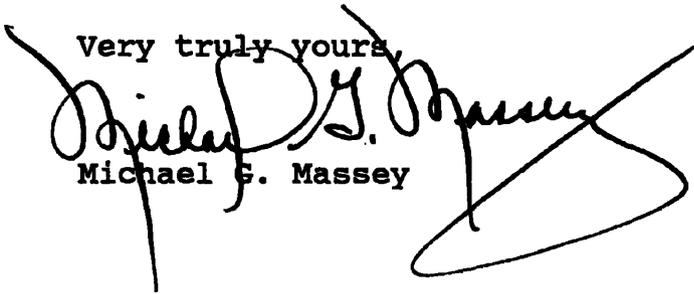
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Company understands that no contribution under Section 301(8) of the Act or expenditure under Section 301(9)(A) of the Act would be made by either the Company or the Affiliated Corporation. Is the Company's understanding correct? If the Company's understanding is incorrect, please advise as to the particular reasons the proposed relationship between the Company and the Affiliate Corporation might result in a contribution or an expenditure.

6.3. May the Company and the Affiliated Corporation combine business trips in connection with the use of an aircraft owned by the Affiliated Corporation without having either the Company or the Affiliated Corporation be deemed to have made either a contribution under Section 301(8) of the Act or an expenditure under Section 301(9)(A) of the Act, assuming that the Company pays a "usual and normal" fee for any use of the aircraft attributable to the Company?

If you have questions regarding the foregoing matters, please contact me at the telephone number and address set forth above. You also may contact Donald Lansky, Esq., P.O. Box 9057, Farmington Hills, Michigan 48331, (303) 489-8600, who represents the Affiliated Corporation. Mr. Lansky and I are amenable to meeting with you or other members of the Commission's staff, if such a meeting would be appropriate. I very much appreciate your cooperation with respect to these matters.

Very truly yours,



Michael G. Massey

MGM:dh

cc: CEC, Inc.
Donald Lansky, Esq.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 13, 1991

Michael G. Massey
Massey & Showalter, P.C.
1100 The Denver Club Building
518 17th Street
Denver, CO 80202

Dear Mr. Massey:

This refers to your letter dated August 1, 1991, concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations to the proposed activities of CEC, Inc. ("the Company"), a newly formed campaign fundraising and consulting group.

You state that the Company was formed to provide a new approach to campaign fundraising and to focus on grass roots political organization. The Company plans to market its services to and possibly enter into contracts with a limited number of Congressional candidates (the "Selected Candidates") who meet the Company's candidate selection criteria.

The Company intends to develop a list (the "Donor's List") of persons (the "Potential Contributors") whom the Company's management believes have an interest in the political process, general agreement as to certain issues, and the financial resources to make contributions to a number of Selected Candidates. This will be done by communications with Potential Contributors explaining the Company's plans and asking permission for inclusion on the Donor's List and consultation with business and political consultants to identify candidate clients. The Company will then market fundraising and consulting services packages to the candidates, including mailings on Company letterhead to appropriate Donor's List names. Other services include non-mail solicitations, campaign school instruction for each campaign's "organizational director," working with the campaign to develop an overall organizational plan, and monitoring by the Company. The services will be provided pursuant to a contract between the Company and the individual campaign.

Potential Contributors will send contributions directly to the campaigns. The Company will be paid an advance fee by the campaign and receive a payment equivalent to a percentage of the contributions raised in order to cover operational

expenses and profit. Utilizing "economies of scale" and taking into account the "pre-selected" nature of the list used, you hope to offer services at lower fees than those charged by consultants who offer similar services but rely on large scale mailings which generate smaller contributions. You also describe the operational assistance the Company will receive from the "Affiliated Corporation." Although the Company expects "to generate profits from each campaign," initial capital and marketing costs will result in corporate losses and the Company will rely on assistance from corporate officers or directors.

Based upon the background information presented by you, you ask questions pertaining to: (1) activities related to the creation of the Donor List; (2) candidate recruitment and utilization of political advisors; (3) solicitation activities on behalf of candidates; (4) compensation to the Company; (5) the Company's operations and funding; and (6) the Company's arrangements with the affiliated corporation.

The Act authorizes the Commission to issue an advisory opinion in response to a "complete written request" from any person with respect to a specific transaction or activity by the requesting person. 2 U.S.C. §437f(a). Commission regulations explain that such a request "shall include a complete description of all facts relevant to the specific transaction or activity with respect to which the request is made." 11 CFR 112.1(c).

In view of the cited requirements, you will need to provide information as to a number of relevant factors referred to in the questions set out below.

(1) Describe the structure of CEC, Inc. including its management, the number of employees, and the owners. Please provide explanatory documentation, such as a copy of the articles of incorporation and by-laws, or a prospectus.

(2) Describe the relationship of CEC to other companies, including the companies comprising the Affiliated Corporation. Your description should include, but not be limited to, the names of the other companies; the types of goods or services provided by these companies; whether the other companies are parents, subsidiaries, or commonly owned; and the number of employees in these companies. Please provide explanatory documentation, such as a prospectus or an annual report.

(3) Describe how the list of Potential Contributors, i.e., the persons who will be contacted, will be determined. State who will select them, from what sources the names will be chosen (e.g., directories); from what groups they will be selected (e.g., management, shareholders, or non-management employees of the Company or its affiliates, friends of the

selectors, persons known through the news media); and the approximate number of persons who will be called.

(4) Explain fully what you mean by the use of both "internal and external resources" to identify candidates. Your response should include, but not be limited to, an explanation of whose resources are being used and what these resources are.

(5) State more fully the contents of the proposed communications to the Prospective Contributors. Your answer should include, but not be limited to, a statement of whether you will refer to specific candidates; what will be said with respect to such candidates; what incentives, if any, will be offered to obtain the potential contributors' consent; and what will be said as to ideological or party preference.

(6) State the approximate anticipated size for the Donor's List and approximate anticipated size (or range of size) of a list derived for an individual campaign.

(7) Describe more fully the basis for the periodic percentage payments by the campaign to the Company. Your answer should include, but not be limited to, the costs to be covered by such payments (as compared to those covered by the advance fee); whether such costs will include any of the expenses incurred by the Company in its initial list development, marketing, and candidate recruitment efforts, or other start-up costs; which contributions will be used as a basis of the percentage; the itemization entailed in the billing; and the range of frequency of payments.

(8) Describe more fully the campaign school, including its purpose, structure, and what will be taught there.

(9) Describe more fully the contractual arrangement the Company will have with the Affiliated Corporation for services. Your response should include, but not be limited to, whether full payment will be made for such services and within what time frame; what is meant by "limited operational matters"; whether services will be provided to assist the Company with respect to specific campaigns; whether the Affiliated Corporation or any of its employees will know that it is providing services for specific campaigns.

(10) Describe more fully the arrangement by which the Company will be funded in the event of corporate losses. State whether such funding will come from the Company or the Affiliated Corporation. State whether and how the Company intends to factor in initial list and client development costs and other start-up costs into its charges to the campaigns.

In addition, please provide a sample copy of the

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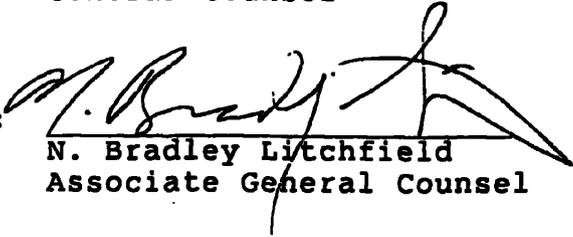
contract between the Company and the campaign.

For your information and review, I am enclosing copies of Advisory Opinions 1991-18, 1990-19, 1989-21, 1987-22, 1985-19, 1984-62, 1984-37, 1984-24, and 1984-13. Upon receiving your responses to the above questions, this office will evaluate whether your request is complete. If you have any questions concerning the advisory opinion process or this letter, please contact the undersigned.

Sincerely,

Lawrence M. Noble
General Counsel

BY:


N. Bradley Litchfield
Associate General Counsel

Enclosures

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MASSEY SHOWALTER & MARSH

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

1100 THE DENVER CLUB BUILDING
518 SEVENTEENTH STREET
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September 20, 1991

N. Bradley Litchfield, Esq.
Associate General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20643

Re: CEC, Inc.

VIA FEDERAL EXPRESS

Dear Mr. Litchfield:

AOR 1991-32

This letter and the exhibits thereto supplement the letter (the "August Letter") dated August 1, 1991 from CEC, Inc. (the "Company"), to the Federal Election Commission (the "Commission") and is in response to the Commission's comment letter dated August 13, 1991. Before responding to the Commission's specific comments, the Company believes that some additional background information may be helpful to the Commission.

Additional Background Information. Mr. Edgar Prince, president of the Company, was the prime architect of the Company's basic business strategy: (1) develop a list of Potential Contributors who share a similar political perspective and have the financial resources to provide substantial contributions to a number of candidates who share such perspective, thereby reducing the high cost of fundraising and increasing the amount of funds available to a candidate; and (2) use a portion of such additional funds to effect a well organized "grassroots" political campaign. The Company's management believes that candidates and their campaign committees will be willing to pay for the use of such a list and the services provided by the Company and that the Company's strategy, if successful, will permit the Company to generate a profit.

The Company's principal officers are well qualified to implement the Company's business plan. Mr. Prince has been the chief executive officer of a number of privately owned corporations for over 25 years. Much of his entrepreneurial success can be attributed to devising different, and less expensive, ways of providing products and services. Mr. Prince also has been involved in political fundraising for a number of years and is well aware of the expense generally associated with political fundraising activities. Mr. Prince is concerned that the costs associated with political fundraising are beginning to outweigh the benefits derived therefrom.

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Dr. Jack Holmes, the Company's vice-president and secretary, is the chairman of the Political Science Department at Hope College in Holland, Michigan. Early during his tenure at Hope College, Dr. Holmes took a two-year leave of absence to serve as district assistant to a member of Congress. Dr. Holmes has extensive campaign experience, primarily in "grassroots" political organizations. For the last 12 years, Dr. Holmes has directed the grassroots political campaign for the Republican Party in Michigan's tenth largest county.

The following comments are in response to the issues raised in the Commission's comment letter. The chronological sequence of the Company's response parallels the numerical order of the Commission's comments, and the terms defined in the August Letter are used herein:

1. The Company's management structure. The directors and officers of the Company are as follows:

<u>Name</u>	<u>Office</u>
Mr. Edgar D. Prince	President, Director
Dr. Jack Holmes	Vice-President - Secretary
Mr. Robert Haveman	Treasurer

Mr. Prince has primary responsibility for developing the Donor List and implementing the Company's fundraising efforts. Dr. Holmes is developing the agenda for the Company's campaign school and is supervising redistricting and incumbency research. Both Mr. Prince and Dr. Holmes will coordinate candidate recruitment. Mr. Prince and Dr. Holmes devote as much time as necessary to the Company's business. Mr. Haveman spends only limited time on the Company's affairs, primarily in the areas of budgets and finance.

The Company presently employs a full time office manager-research assistant, a part time fundraising coordinator and a part time computer programmer. The Company anticipates that, as the election cycle intensifies and clients are acquired, additional full and part time employees will be hired. Assuming that the Company enters into contracts with 20 Congressional candidates, the Company's management anticipates that Company personnel will aggregate approximately 10 full or part time employees.

The Company is authorized to issue 60,000 shares of no par value common stock, the Company's only authorized capital stock. All of the issued and outstanding shares of the Company's common stock are owned by Mr. Prince. Copies of the Company's Articles of Incorporation and Bylaws are attached hereto as Exhibit One.

2. Relationship of the Company to companies comprising the Affiliated Corporation. Mr. Prince is the principal shareholder of a corporation which is the sole shareholder of manufacturing and related companies (the "Prince Entities"), employing an aggregate of approximately 2,000 persons. None of the Prince Entities are publicly owned, and they are not subject to the reporting requirements of the Securities Exchange Act of 1934, as amended. Accordingly, no prospectuses or annual reports are available.

Only three of the Prince Entities provide or may provide services to the Company. The names of the Prince Entities and the services which are or may be provided are summarized in the following table:

<u>Prince Entity</u>	<u>Service Provided</u>
Lumir Corporation	Office space
Prince Management Corporation	Budget; bookkeeping; tax service
Wingspan Leasing, Inc.	Chartered aircraft

More particularized information with respect to each of the three Prince Entities which provide or may provide services to the Company is set forth hereinafter:

2.1. Lumir Corporation. Lumir Corporation ("Lumir") owns and manages real estate primarily in Holland, Michigan. Lumir owns the building in which the Company's principal offices are located and, accordingly, is the Company's landlord. The oral lease between the Company and Lumir is for a month to month tenancy at a rental rate which is based on Lumir's usual and normal charge. Rent is paid by the Company on a monthly basis. In consideration for the rent, Lumir provides the Company with such services as a landlord normally provides to a tenant, including, without limitation, utilities, signage and security.

2.2. Prince Management Corporation. Prince Management Corporation ("Prince") provides management services to the Prince Entities. Among the employees of Prince are persons who have considerable expertise in budgeting and bookkeeping and who are knowledgeable regarding the payment of local, state and federal income and other taxes. From time to time, employees of Prince may provide the Company with assistance in such areas. The Company will pay Prince for such contract services at rates which will be calculated on the basis of the contract employees' salaries and fringe benefits. Prince will invoice the Company for such contract services, and invoices will be due within 30 days.

2.3. Wingspan Leasing, Inc. Wingspan Leasing, Inc. ("Wingspan") owns several aircraft which are made available not only to the Prince Entities but also to non-affiliated third parties. To the extent that the Company uses an aircraft owned by Wingspan, the Company will be invoiced for such use or proportionate use at Wingspan's usual and normal charge. Invoices from Wingspan are due within 30 days as are other Wingspan billings to unaffiliated third parties.

3. Selection of Potential Contributors. The Company presently intends to send an initial mailing to several hundred persons, requesting permission to include the names of the recipients on the Company's Donor List. As additional names of possible donors become available to the Company, more mailings will be undertaken. The Company anticipates that the mailing lists for all initial mailings to prospective donors eventually will aggregate approximately 3,000 names. The names on the Company's mailing lists will be derived from business and political directories; suggestions made by community, business and political leaders; and other persons known to the Company's management. There will be no general solicitation of persons employed by the Prince Entities for inclusion on the Donor List. Some members of senior management of the Prince Entities may be included in such general solicitation inasmuch as their names appear in a variety of business and political directories. To the extent possible, Company personnel will attempt to ascertain that persons included on the Company's mailing lists meet the Company's guidelines as to compatibility of political interests and substantial financial resources. The final determination as to the names included on the Donor List will be made by the prospective donors themselves: a prospective donor may or may not consent to having his or her name included on the Company's Donor List. The Company anticipates that, as the Company's mailing lists expand, approximately 1,000-2,000 individuals who receive the Company's mailings will consent to being included on the Company's Donor List.

4. Explanation of the term "internal and external resources" in connection with candidate identification. The Company's "internal resources" used to identify candidates consist of the Company's personnel and computer hardware and software. Company personnel have researched extensively a number of target Congressional districts. For purposes of the Company's business strategy, target districts are Congressional districts which, after redistricting, may not have an incumbent or which may have an incumbent who, in the opinion of the Company's management, may be vulnerable. The Company's research includes demographic analyses, issue identification and tracking and incumbent voting history. The data compiled by the Company is stored in the Company's computer. Based upon such data, the Company will try to identify

candidates in such districts whose interests are more compatible with the Company's perception of the opinions of the district's voters and whose political perspectives are compatible with the views of the Potential Contributors on the Donor List. The "external resources" used by the Company in identifying potential candidates consist primarily of the Company's informal political advisors, business and community leaders known to the Company's management and political organizations which may share views similar to those of persons included on the Donor List.

5. Communications with prospective contributors. There will be two basic types of communications with prospective donors: The first type of communication (the "Informational Solicitation") will consist of written correspondence and, to the extent necessary, oral communication between the Company and a prospective donor, asking the prospective donor's consent to be included on the Company's Donor List. The Informational Solicitation will explain the concerns which prompted the formation of the Company; the concept of the Donor List and how the Donor List will be utilized; the general political perspectives and positions of candidates with whom the Company hopes to contract (without identifying specific candidates); the kind of fundraising and organizational assistance the Company can provide; and basic information on contribution limits imposed by the Act. The Informational Solicitation will be designed to obtain the consent of the prospective donor to be included on the Company's Donor List (thereby becoming what has been defined as a "Potential Contributor") and will not ask for contributions on behalf of a specific candidate.

The second kind of communication used by the Company will consist of the Candidate Solicitation Letter and, to the extent necessary, oral communications with Potential Contributors, those persons who have consented to the inclusion of their names on the Company's Donor List. Such communications will solicit campaign contributions on behalf of specific candidates. The Company contemplates that a Candidate Solicitation Letter will describe the Selected Candidate (including personal background and positions on certain issues), the Congressional district from which the Selected Candidate is seeking election and the Selected Candidate's opponent. In addition, the Candidate Solicitation Letter will explain the procedures to be followed if a Potential Contributor desires to make a contribution to the Selected Candidate and the limitations on contributions set forth under the Act. Candidate Solicitation Letters will state that contributions should be sent directly to the Campaign Committee and not to the Company and will specify that contributions must be accompanied by all information required under the Act. Each Potential Contributor will be asked, on an optional basis, to provide the Company with the name of any

Selected Candidate to whom a contribution is made and the amount of the contribution.

No financial or other "incentives" will be used by the Company to obtain the consent of prospective donors to be included on the Donor List. The Company's management, however, will explain in Informational Solicitations that the Company hopes to reduce the high cost of candidate fundraising, permitting more funds to be available to the candidate; that the Company's approach to fundraising on behalf of a Selected Candidate does not include inundating Potential Contributors with Candidate Solicitation Letters; that the Company's organizational efforts stress a "grassroots" approach to campaigning; and that the Company will endeavor to contract with candidates who generally have a political perspective similar to that of persons on the Donor List.

The Company will inform Potential Contributors that the Company generally will contract with and solicit funds for non-incumbent, conservative Congressional candidates.

6. The approximate size of the Donor List. The Company presently does not anticipate that the Donor List will exceed 2,000 names (excluding the names of spouses), although as many as 3,000 persons may be solicited for inclusion on the Donor List. Inasmuch as the Company has not initiated any Informational Solicitation with prospective donors pending either receipt of the Commission's advisory opinion or the informal agreement of the Commission's staff that such Informational Solicitations may be initiated, the Company offers no assurance that the Donor List either will reach the approximated size or will be maintained at such size. The Company presently has no intention of developing a Donor List that consists of tens of thousands of names.

The number of Potential Contributors on the Donor List solicited for each Selected Candidate will vary, depending upon the number of Selected Candidates and the aggregate number of names on the Donor List. The Company's management believes that between 250-500 names will be solicited on behalf of each Selected Candidate. The Company offers no assurance, however, that such a range will be maintained throughout a campaign cycle. In determining how many persons from the Donor List will be solicited for each Selected Candidate, the Company will consider such factors as geography, the number of times a Potential Contributor has made contributions, the Selected Candidate's campaign plan, contribution limits imposed by the Act and other variables.

7. Payments to the Company. Compensation to the Company is paid in two ways: the Advance Fee (estimated to be between \$5,000-

\$10,000) which is a specified amount paid at the time the Candidate Contract is executed. The Company's management, by design, established a relatively high Advance Fee so that a Campaign Committee would pay all Direct Expenses and would assume significant fundraising risk in accordance with regulations promulgated by the Commission.

The second type of compensation received by the Company is the Percentage (estimated to be between 5-7 percent of funds raised by the Company). The Percentage will be calculated by each Campaign Committee and will be paid to the Company semimonthly. The calculation of the Percentage is based on campaign contributions received by a Campaign Committee from Potential Contributors solicited by the Company on behalf of a Selected Candidate. The Percentage is not based on all campaign contributions received by a Selected Candidate from all sources. The Company will receive an accounting from the Campaign Committee, setting forth the names of Potential Contributors solicited by the Company and the respective amounts, if any, received by the Campaign Committee from such Potential Contributors.

The Percentage is designed to provide the Company with funds for operating expenses (such as marketing and candidate recruitment costs, salaries and similar operating expenses), working capital and profit. To the extent that the Direct Expenses and costs of the campaign school aggregate less than the Advance Fee (which is contemplated by the Company's management), the balance of the Advance Fee will be deemed additional compensation to the Company and will be used for operating expenses, working capital and profit.

As a practical matter, the Company's management does not anticipate that profits will be generated during the next few years. Indeed, the Company's management believes that the Company will sustain losses in the first years of business, not unlike losses incurred by most small businesses during the initial years of operation. The Company's management believes, however, that over a period of years the compensation received by the Company will recoup the Company's start-up expenses, although the Company offers no assurance that the Company's operations will be successful.

The Company's management does not contemplate sending itemized statements to a Campaign Committee. Since the Advance Fee is not refundable and is considered additional compensation to the Company if it exceeds the Company's Direct Expenses and since the Percentage payment schedule and a description of services provided by the Company are set forth in the Candidate Contract, the

Company's management does not believe that itemized billings are necessary.

8. Description of the campaign school. The Company's campaign school will teach strategies and techniques necessary for a successful "grassroots" political organization which relies on volunteer efforts and personal contact between the candidate and the electorate. The campaign school is a four day workshop. The first two days will consist of teaching strategies and techniques and acquainting participants with the basics of grassroots political organizing and campaigning. The remaining two days will be devoted to developing a comprehensive, customized grassroots campaign plan for each Campaign Committee in attendance. The Company intends to conduct several campaign schools in Grand Rapids, Michigan and Denver, Colorado. The Company may schedule campaign schools in other locations as the Company determines.

The Company's campaign school will be taught primarily by Dr. Holmes. The Company also will make use of videotapes and other audio-visual equipment and from time to time may invite guest lecturers.

The Company's management believes that recent political campaigns have devoted too much time and too much money to media campaigns that all but ignore the individual voter. Accordingly, the Company's campaign school will focus on walking precincts both with and without the candidate, distributing literature door-to-door, registering individual voters and getting each individual voter to the polls on election day. The Company believes that many of these basic, political techniques have not been effectively utilized in recent campaigns and that, in a close election, such techniques can be decisive. Since a successful grassroots campaign requires volunteers, participants at the Company's campaign school will learn how to recruit, motivate and retain volunteers.

9. The relationship between the Company and the Affiliated Corporation. The Company has entered or will enter into oral or written contracts with three of the Prince Entities which were identified in paragraph 2: The Company has entered into a lease with Lumir, the basic terms of which also are set forth in paragraph 2; the Company will arrange with Prince for contract budgeting, bookkeeping and tax services; and, from time to time, may charter an airplane owned by Wingspan. Rent is paid to Lumir on a monthly basis. Charges incurred by the Company with the other two Prince Entities will be invoiced to the Company when incurred in accordance with usual and normal billing procedures and will be due within 30 days. Fees charged to the Company by Lumir, Prince and Wingspan are based upon usual and normal fees.

Lumir and Prince and their respective employees will not provide political services either to the Company or to specific candidates who are clients of the Company. Wingspan and Wingspan pilots may provide transportation for representatives of the Company to meetings with candidates who are or may become clients of the Company. The same situation would occur if the Company used an unaffiliated aircraft charter company or a commercial carrier.

10. Capital for the Company. In the event the Company incurs an operating loss, additional working capital may be required. In such event, the Company's management believes that at least one of the Company's officers personally either will make additional contributions to the Company's capital or will loan funds to the Company for operating expenses. Such additional capital will not come from the Affiliated Corporation. The Company offers no assurance that additional funds will be available. In the event such funds are not available, the Company will terminate its operations.

The Company intends to amortize its start up expenses over the first few years of operation. Accordingly, a portion of the Company's costs related to the development of the Donor List, initial marketing expenses, organizational expenses and similar start up fees and costs have been included in the Company's budgetary projections for the first election cycle (two fiscal years). The compensation charged by the Company to Campaign Committees is based upon such projections. If the assumptions contained in the Company's initial election cycle budget (two fiscal years) are realized, a portion of the Company's start up expenses will be recouped. If the Company's budgetary assumptions are not realized for any reason, such portion of start up expenses will not be recouped, and the Company, in all likelihood, will increase its fees for the next election cycle.

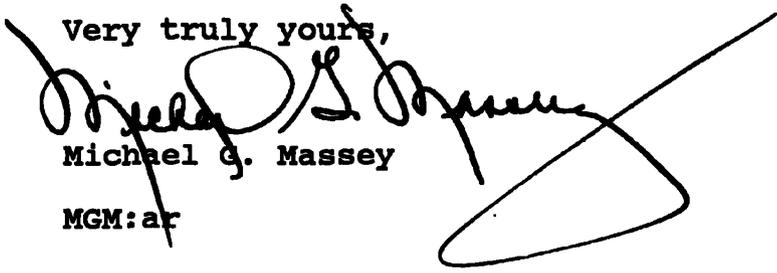
Pursuant to the Commission's request, I have enclosed as Exhibit Two a preliminary draft of a Candidate Contract. The Company contemplates that substantial modifications will be made to such preliminary draft, including a final determination of compensation to be charged. Moreover, the Company has not yet attempted to negotiate the proposed Candidate Contract with any Campaign Committee. Accordingly, the Company reserves the right to make such changes to the Candidate Contract as may be required. The Company is willing to provide to the Commission as supplemental information a copy of the final form of Candidate Contract, subject to any modifications which might be negotiated on an individual basis with Campaign Committees.

MASSEY SHOWALTER & MARSH

Letter To N. Bradley Litchfield, Esq.
Page 10
Date September 20, 1991

I trust that this letter is responsive to the questions raised in the Commission's comment letter and that the Company's request set forth in the August Letter as supplemented hereby is now complete. If you have questions or need additional information, please do not hesitate to telephone me at your convenience.

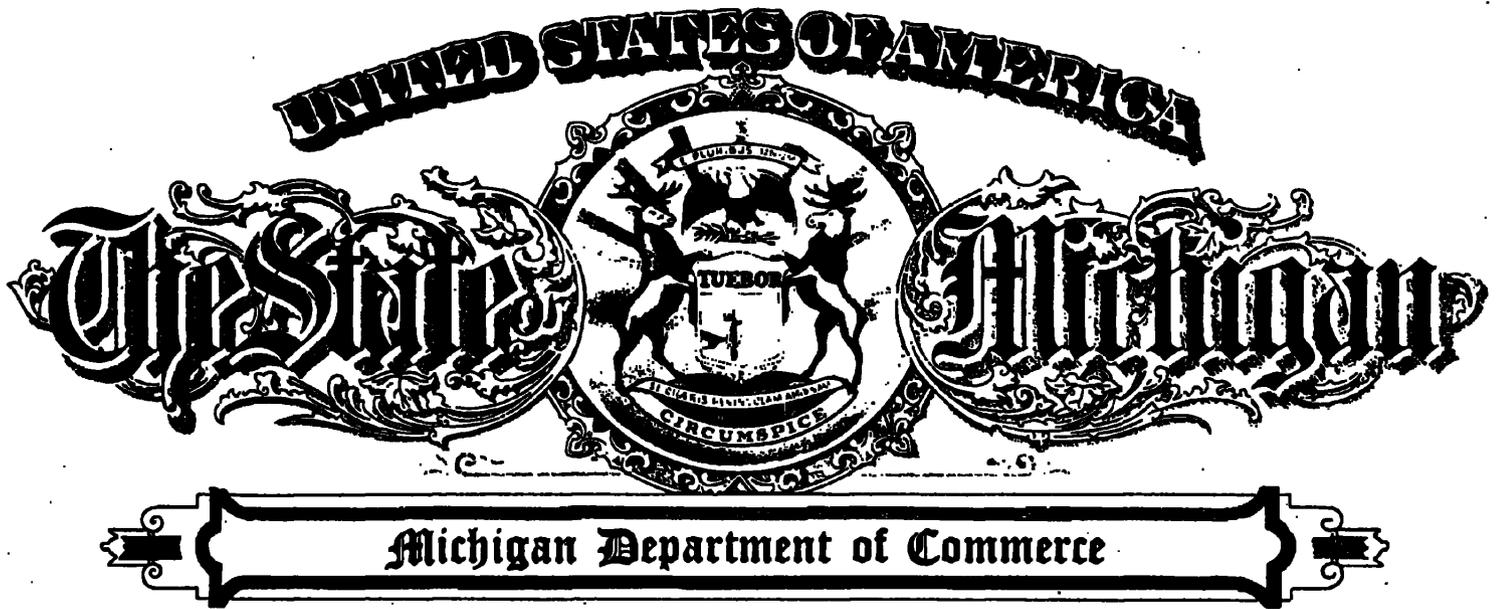
Very truly yours,


Michael G. Massey

MGM:ar

cc: CEC, Inc.
Donald Lansky, Esq.

Exhibit 1.



Lansing, Michigan

This is to Certify That Articles of Incorporation of

CEC, INC.

were duly filed in this office on the 10TH day of MAY, 19 91,
in conformity with Act 284, Public Acts of 1972, as amended.

*In testimony whereof, I have hereunto set my
hand and affixed the Seal of the Department,
in the City of Lansing, this 13TH day
of MAY, 19 91*

Director

MICHIGAN DEPARTMENT OF COMMERCE — CORPORATION AND SECURITIES BUREAU						
FILED MAY 10 1991 Administrator MICHIGAN DEPARTMENT OF COMMERCE Corporation & Securities Bureau						Date Received MAY 10 1991
(FOR BUREAU USE ONLY) EFFECTIVE DATE:						
CORPORATION IDENTIFICATION NUMBER			5	2	1	- 8 4 6

ARTICLES OF INCORPORATION

For use by Domestic Profit Corporations

(Please read information and instructions on last page)

Pursuant to the provisions of Act 284, Public Acts of 1972, the undersigned corporation executes the following Articles:

Article I

The name of the corporation is: **CEC, Inc.**

Article II

The purpose or purposes for which the corporation is formed is to engage in any activity within the purposes for which corporations may be formed under the Business Corporation Act of Michigan.

Article III

The total authorized shares:

1. Common Shares 60,000

Preferred Shares _____

2. A statement of all or any of the relative rights, preferences and limitations of the shares of each class is as follows:

20

Article IV

1. The address of the registered office is:

1057 South Shore Drive

(Street Address)

Holland

(City)

, Michigan

48423

(ZIP Code)

2. The mailing address of the registered office if different from the registered office address:

(P.O. Box)

(City)

, Michigan

(ZIP Code)

3. The name of the resident agent at the registered office is: Edgar D. Prince

Article V

The name(s) and address(es) of the incorporator(s) is (are) as follows:

Name

Residence or Business Address

Donald M. Lansky, 33533 West Twelve Mile Road, Suite 150, Farmington Hills, MI 48331

Article VI (Optional. Delete if not applicable)

When a compromise or arrangement or a plan of reorganization of this corporation is proposed between this corporation and its creditors or any class of them or between this corporation and its shareholders or any class of them, a court of equity jurisdiction within the state, on application of this corporation or of a creditor or shareholder thereof, or on application of a receiver appointed for the corporation, may order a meeting of the creditors or class of creditors or of the shareholders or class of shareholders to be affected by the proposed compromise or arrangement or reorganization, to be summoned in such manner as the court directs. If a majority in number representing $\frac{3}{4}$ in value of the creditors or class of creditors, or of the shareholders or class of shareholders to be affected by the proposed compromise or arrangement or a reorganization, agree to a compromise or arrangement or a reorganization of this corporation as a consequence of the compromise or arrangement, the compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, or on all the shareholders or class of shareholders and also on this corporation.

Article VII (Optional. Delete if not applicable)

Any action required or permitted by the Act to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice and without a vote, if consents in writing, setting forth the action so taken, are signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted. The written consents shall bear the date of signature of each shareholder who signs the consent. No written consents shall be effective to take the corporate action referred to unless, within 60 days after the record date for determining shareholders entitled to express consent to or to dissent from a proposal without a meeting, written consents signed by a sufficient number of shareholders to take the action are

ATTACHMENT A
to the Articles of Incorporation of
CEC, Inc.

ARTICLE VIII

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) for violations of Section 551 (1) of the Michigan Business Corporation Act, or (iv) for any transaction from which the director derived any improper personal benefit. If the Michigan Business Corporation Act is amended after this provision is included in the Articles of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Michigan Business Corporation Act, as so amended.

Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE VII (CONTINUED)

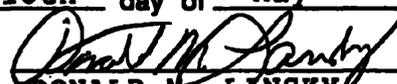
delivered to the corporation. Delivery shall be to the corporation's registered office, its principal place of business, or an officer or agent of the corporation having custody of the minutes of the proceedings of its shareholders. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to shareholders who have not consented in writing.

Use space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added. Attach additional pages if needed.

Article VIII See Attachment A

I ~~(We)~~, the incorporator~~(s)~~ sign my ~~(our)~~ name~~(s)~~ this 10th day of May, 19 91.


DONALD M. LANSKY

DOCUMENT WILL BE RETURNED TO NAME AND MAILING ADDRESS INDICATED IN THE BOX BELOW. Include name, street and number (or P.O. box), city, state and ZIP code.

Name of person or organization remitting fees:

Couzens, Lansky, Fealk,
Ellis, Roeder & Lazar, P.C.

Preparer's name and business telephone number:

Maureen MacDonald

(313) 489-8600

Donald M. Lansky, Esq.
Couzens, Lansky, Fealk, Ellis, Roeder & Lazar, P.C.
33533 West Twelve Mile Road
Suite 150
Farmington Hills, Michigan 48331

INFORMATION AND INSTRUCTIONS

1. The articles of incorporation cannot be filed until this form, or a comparable document, is submitted.
2. Submit one original copy of this document. Upon filing, a microfilm copy will be prepared for the records of the Corporation and Securities Bureau. The original copy will be returned to the address appearing in the box above as evidence of filing.
Since this document must be microfilmed, it is important that the filing be legible. Documents with poor black and white contrast, or otherwise illegible, will be rejected.
3. This document is to be used pursuant to the provisions of Act 284, P.A. of 1972, by one or more persons for the purpose of forming a domestic profit corporation.
4. Article I — The corporate name of a domestic profit corporation is required to contain one of the following words or abbreviations: "Corporation", "Company", "Incorporated", "Limited", "Corp.", "Co.", "Inc.", or "Ltd."
5. Article II — State, in general terms, the character of the particular business to be carried on. Under section 202(b) of the Act, it is sufficient to state substantially, alone or without specifically enumerated purposes, that the corporation may engage in any activity within the purposes for which corporations may be formed under the Act. The Act requires, however, that educational corporations state their specific purposes.
6. Article IV — A post office box may not be designated as the address of the registered office.
7. Article V — The Act requires one or more incorporators. Educational corporations are required to have three (3) incorporators. The address(es) should include a street number and name (or other designation), city and state.
8. The duration of the corporation should be stated in the articles only if the duration is not perpetual.
9. This document is effective on the date approved and filed by the Bureau. A later effective date, no more than 90 days after the date of delivery, may be stated as an additional article.
10. The articles must be signed in ink by each incorporator. The names of the incorporators as set out in article V should correspond with the signatures.

11. FEES: NONREFUNDABLE FEES (Make remittance payable to the State of Michigan.)

Include corporation name and CID Number on check or money order	\$10.00
Franchise fee: first 60,000 authorized shares or portion thereof	\$50.00
each additional 20,000 authorized shares or portion thereof	\$30.00
Total minimum fees	\$60.00

12. Mail form and fee to:
- Michigan Department of Commerce
Corporation and Securities Bureau
Corporation Division
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909
Telephone: (517) 334-6302

BY-LAWS

OF

CEC, INC.

ARTICLE I

OFFICES

SECTION 1.1. REGISTERED OFFICE. The registered office shall be in the City of Holland, County of Ottawa, State of Michigan.

SECTION 1.2. OTHER OFFICES. The Corporation may also have offices at such other places both within or without the State of Michigan as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF SHAREHOLDERS

SECTION 2.1. ANNUAL MEETINGS. The date of the annual meeting of the shareholders for the election of directors and for the transaction of such other business as properly may come before such meeting shall be determined by resolution of the Board of Directors to be a specific day in each year, if not a legal holiday, and, if a legal holiday, on the next succeeding business day, at the time as may be designated by the Board of Directors and set forth in the notice of the meeting or a duly executed waiver of notice thereof. The place of any such meeting shall be the registered office of the Corporation in the State of Michigan, unless the shareholders agree in advance to hold such meeting at another location, within or without the State of Michigan.

SECTION 2.2. SPECIAL MEETINGS. Special meetings of the shareholders for any proper purpose or purposes may be called at any time by the Board of Directors, the Chairman of the Board, the President or Secretary to be held on the date and time as the Board of Directors, the Chairman of the Board, the President or Secretary, whichever has called the meeting, shall direct. A special meeting of the shareholders shall be called by the Chairman of the Board, the President or the Secretary whenever shareholders owning ten percent (10%) or more of the voting power of shares of the Corporation then issued and outstanding and entitled to vote on any of the matters to be submitted to shareholders of the Corporation at such special meeting shall make written application to the Chairman of the Board, the President or the Secretary. Any such written request shall state a proper purpose or purposes of the meeting and shall be delivered to the Chairman of the Board, the President or the Secretary. The place of any such meeting shall be the registered office of the Corporation in the State of

Michigan, unless the shareholders agree in advance to hold such meeting at another location, within or without the State of Michigan.

Business transacted at any meeting of shareholders, other than by waiver of notice and consent, shall be limited to the purpose or purposes stated in the notice, unless all of the shareholders agree to do otherwise.

Attendance of a person at a meeting of shareholders, in person or by proxy, constitutes a waiver of notice of the meeting, except when the shareholder attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and, at the beginning of the meeting, objects accordingly.

A shareholder may participate in a meeting of shareholders by a conference telephone or similar communications equipment by which all persons participating in the meeting may hear each other if all participants are advised of the communications equipment and the names of the participants in the conference are divulged to all participants. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

SECTION 2.3. NOTICE OF MEETING. Written notice, signed by the Chairman of the Board, the President, the Secretary or an Assistant Secretary, of every annual or special meeting of shareholders stating the purpose or purposes for which the meeting is called, and the date and time when, and the place where, it is to be held, shall be prepared in writing and personally delivered or mailed, postage prepaid, to each shareholder entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the meeting, except as otherwise provided by statute. If mailed, such notice shall be directed to a shareholder at such shareholder's address as it shall appear on the stock record book of the Corporation, unless the shareholder shall have filed with the Secretary a written request that notices intended for such shareholder be mailed to some other address, in which case it shall be mailed to the address designated in such request. Except as otherwise provided by statute, notice shall be deemed given when personally delivered or deposited, with postage thereon prepaid, in a post office or official depository under the exclusive care and custody of the United States postal service, as the case may be; provided, however, that such notice may also be given by telegram, cablegram, radiogram or electronic means (such as facsimile) and in such case shall be deemed given when ordered or transmitted, as the case may be, or, if a delayed delivery is ordered, as of such delayed delivery time. All mailings shall be registered, certified or other first class mail except as otherwise provided by statute.

SECTION 2.4. LIST OF SHAREHOLDERS. The Secretary or other agent having charge of the stock transfer books for shares of the Corporation shall make and certify a complete list of the shareholders entitled to vote at each meeting of shareholders or any adjournment thereof, arranged in alphabetical order by class and series, and showing the address of each such shareholder and the number of shares registered in the name of each such shareholder, shall be open to the examination of any shareholder, for any purpose germane to such meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of such meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting and during the whole time thereof, and may be inspected by any shareholder who is present.

SECTION 2.5. ADJOURNMENTS. In the absence of a quorum (as defined in Section 2.6.B.), the shareholders representing a majority of the shares entitled to vote at such meeting, present in person or by proxy, or, if no shareholder entitled to vote is present in person or by proxy, any officer entitled to preside at or act as secretary of such meeting, may adjourn the meeting from time to time without notice (other than announcement at the meeting) to another place, time and date. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally noticed. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to shareholders of record entitled to vote at the meeting.

SECTION 2.6. VOTING RIGHTS.

A. **Voting.** Each Shareholder shall be entitled to one (1) vote in person or by proxy for each share of capital stock having voting power held by such Shareholder.

B. **Quorum.** The presence at any meeting, in person or by proxy, of the holders of record of a majority (or more if required by statute) of the voting power of all stock, then issued and outstanding and entitled to vote shall be necessary and sufficient to constitute a quorum for the transaction of business of the Shareholders.

C. **Shareholder Voting - Generally.** When a quorum is present at any meeting of shareholders, the holders of record of a majority (or more if required by statute) of the shares of stock then issued and outstanding and entitled to vote, present in person or by proxy, shall decide any question brought before the shareholders meeting.

SECTION 2.7. PROXIES. Any shareholders entitled to vote at a meeting of shareholders or to express consent or dissent without a meeting may vote by proxy, provided that the instrument authorizing such proxy to act shall have been executed in writing (which shall include telegraphing, cabling or other means of electronically transmitted written copy) by the shareholder or by the shareholder's duly authorized attorney-in-fact. No proxy shall be voted or acted upon after one (1) year from its date, unless the proxy provides for a longer or shorter period.

SECTION 2.8. INSPECTORS. The Board, in advance of a shareholders' meeting, may appoint one (1) or more inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at a shareholders' meeting may, and on request of a shareholder entitled to vote thereat shall, appoint one (1) or more inspectors. In case a person appointed fails to appear or act, the vacancy may be filled by appointment made by the Board in advance of the meeting or at the meeting by the person presiding thereat.

The inspectors shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine challenges and questions arising in connection with the right to vote, count and tabulate votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all shareholders. On request of the person presiding at the meeting or a shareholder entitled to vote thereat, the inspectors shall make and execute a written report to the person presiding at the meeting of any of the facts found by them and matters determined by them. The report is prima facie evidence of the facts stated and of the vote as certified by the inspectors.

SECTION 2.9. WRITTEN CONSENT. Any action required or permitted by the Michigan Business Corporation Act, the Articles of Incorporation, these By-laws or otherwise to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice and without a vote, if consents in writing, setting forth the action so taken, are signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted. The written consents shall bear the date of signature of each shareholder who signs the consent. No written consents shall be effective to take the corporate action referred to unless, within sixty (60) days after the record date for determining shareholders entitled to express consent to or to dissent from a proposal without a meeting, written consents signed by a sufficient number of shareholders to take the action are

delivered to the corporation. Delivery shall be to the corporation's registered office, its principal place of business, or an officer or agent of the corporation having custody of the minutes of the proceedings of its shareholders. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to shareholders who have not consented in writing.

ARTICLE III

BOARD OF DIRECTORS

SECTION 3.1. NUMBER. The number of directors which shall constitute the whole Board of Directors shall be up to ten (10). Any change in the number of directors which shall constitute the whole Board of Directors may be fixed from time to time by resolution of the holders of record of a majority of the shares then issued and outstanding and entitled to vote, present in person or by proxy, at the annual meeting or any special meeting called for that purpose.

SECTION 3.2. ELECTION, TERM OF OFFICE AND QUALIFICATION. Directors shall be elected at the annual meeting of the shareholders except as otherwise provided in these By-Laws and the Articles of Incorporation. Notwithstanding anything to the contrary in these By-Laws, the Articles of Incorporation shall control voting with respect to Directors, to the extent these By-Laws are inconsistent with the Articles of Incorporation. Each director (whether elected at an annual meeting or to fill a vacancy or otherwise) shall continue in office until a successor shall have been elected and qualified or until his or her death, resignation or removal in the manner hereinafter provided, whichever shall first occur. A director need not be a shareholder of the Corporation. A vote may be cast either orally or in writing.

SECTION 3.3. VACANCIES AND ADDITIONAL DIRECTORSHIPS. If any vacancy shall occur among the directors by reason of death, resignation, or removal, or as a result of an increase in the number of directorships, the remaining members of the Board may elect a successor director by the affirmative vote of a majority of the remaining directors then in office, at the annual meeting or any special meeting called for that purpose. Each director so chosen shall hold office until the next annual election of directors and until his or her successor shall be duly elected and shall qualify or until his or her earlier death, resignation or removal.

SECTION 3.4. POWERS. The business and affairs of the Corporation shall be managed by or under the direction of its Board of Directors, which may exercise all powers of the Corporation and do all lawful acts and things as are not by law or by the Articles of Incorporation or these By-Laws reserved to the shareholders.

SECTION 3.5. RESIGNATION OF DIRECTORS. Any director may resign at any time by giving written notice of such resignation to the Board of Directors, the Chairman of the Board, the President, any Vice President or the Secretary. Any such resignation shall take effect at the time specified therein or, if no time be specified, upon receipt thereof by the Board of Directors or one (1) of the above named officers; and, unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 3.6. REMOVAL OF DIRECTORS. At the annual meeting or any special meeting of the shareholders, duly called as provided in these By-Laws, all or any of the directors may, by the affirmative vote of the holders of a majority of the shares then issued and outstanding and entitled to vote, present in person or by proxy, be removed from office, either with or without cause. At such meeting a successor or successor may be elected as provided herein.

SECTION 3.7. COMPENSATION OF DIRECTORS. Directors shall receive such reasonable compensation for their services as such, whether in the form of salary or a fixed fee for attendance at meetings, with expenses, if any, as the shareholders may from time to time determine. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV

MEETINGS OF THE BOARD OF DIRECTORS

SECTION 4.1. PLACE. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Michigan.

SECTION 4.2. REGULAR MEETINGS. The Board of Directors by resolution may provide for the holding of regular meetings and may fix the times and places at which such meetings shall be held. Notice of regular meetings shall not be required to be given, provided that whenever the time or place of regular meetings shall be fixed or changed, notice of such action shall be mailed promptly to each director who shall not have been present at the meeting at which such action was taken; addressed to him or her at his or her residence or usual place of business, unless he or she shall have

filed with the Secretary a written request that notices intended for him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request.

SECTION 4.3. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the Chairman of the Board or the President, and shall be called by the President or Secretary at the written request of any one (1) director. Except as otherwise required by statute, notice of each special meeting shall be given to each director, by mail, when addressed to him or her at his or her residence or usual place of business, unless he or she shall have filed with the Secretary a written request that notices intended for him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request, on ten (10) days notice, or shall be sent to him or her at such place by telegram, radiogram or cablegram, or telephone or other electronic means (such as facsimile), or delivered to him or her personally, not later than three (3) days before the day on which the meeting is to be held. Such notice shall state the time and place of such meeting, but need not state the purposes thereof, unless otherwise required by statute, the Articles of Incorporation or these By-laws.

SECTION 4.4. QUORUM. At any meeting of the Board of Directors, a majority of the whole Board of Directors shall constitute a quorum for the transaction of business, and the act of a majority of the directors, present in person or represented by proxy, at a meeting at which a quorum is present shall be required to authorize an act of the Board of Directors, except as may be otherwise specifically provided by statute or the Articles of Incorporation.

SECTION 4.5. ADJOURNED MEETINGS. If a quorum shall not be present at a meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, until a quorum shall be present. Three (3) days notice of any such adjournment shall be given personally or by mail, telegram, cablegram or radiogram or other means of electronically transmitted written copy to each director who was not present at the meeting at which such adjournment was taken and, unless announced at the meeting, to the other directors; provided, that ten (10) days notice shall be given if notice is given by mail.

SECTION 4.6. WRITTEN CONSENT. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if, before or after the action, all members of the Board consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of the Board of Directors.

SECTION 4.7. COMMUNICATIONS EQUIPMENT. Any one or more members of the Board of Directors may participate in any meeting of the Board by means of conference telephone or similar com-

munications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall be deemed to constitute presence in person at such meeting.

SECTION 4.8. WAIVER OF NOTICE AND ATTENDANCE. Notice of any meeting need not be given to any director who shall attend such meeting in person or shall waive notice thereof, before or after such meeting, in writing or by telegram, radiogram or cablegram or other means of electronically transmitted written copy.

ARTICLE V

COMMITTEES OF THE BOARD

SECTION 5.1. DESIGNATION, POWER, ALTERNATE MEMBERS AND TERM OF OFFICE. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one (1) or more committees. Each such committee shall consist of one (1) or more of the directors of the Corporation. Any such committee, to the extent provided in such resolution, shall have and may exercise the powers set forth by the Board of Directors and may authorize the seal of the Corporation to be affixed to all papers which may require it. The Board of Directors may designate one (1) or more directors as alternate members of any committee who, in the order specified by the Board of Directors, may replace any absent or disqualified member at any meeting of the committee. If at a meeting of any committee one (1) or more of the members thereof should be absent or disqualified, and if either the Board of Directors has not so designated any alternate member or members, or the number of absent or disqualified member exceeds the number of alternate member who are present at such meeting, then the member or members of such committee (including alternates) present at any meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may unanimously appoint another director to act at the meetings in the place of any such absent or disqualified member. The term of office of the members of each committee shall be as fixed from time to time by the Board of Directors, subject to the term of office of the directors and the provisions of these Bylaws; provided, however that any committee member who ceases to be a member of the Board of Directors shall ipso facto cease to be a committee member. Each committee shall appoint a secretary, who may be the Secretary or an Assistant Secretary of the Corporation.

SECTION 5.2. MEETINGS, NOTICES AND RECORDS. Each committee may provide for the holding of regular meetings, with notice, and a majority of the members of any such committee may fix the time, place and procedure for any such meeting. Special meetings of each committee shall be held upon call by or at the direction of its chairman or, if there be no chairman, by or at the direction of any one (1) of its members, at the time and place specified in the

respective notices or waivers of notice thereof. Notice of each special meeting of a committee shall be mailed to each member of such committee, addressed to him or her at his or her residence or usual place of business, unless he or she shall have filed with the Secretary a written request that notices intended for him or her be mailed to some other address, in which case it shall be mailed to the address, in which case it shall be mailed to the address designated in such request, at least ten (10) days before the day on which the meeting is to be held, or shall be sent by telegram, radiogram or cablegram, or other means of electronically transmitted written copy, addressed to him or her at such place, or telephoned or delivered to him or her personally, not later than the three (3) days before the day on which the meeting is to be held. Notice of any meeting of a committee need not be given to any member thereof who shall attend the meeting in person or who shall waive notice thereof by telegram, radiogram, cablegram or other means of electronically transmitted written copy. Notice of any adjourned meeting need not be given. Each committee shall keep a record of its proceedings.

Each committee may meet and transact any and all business delegated to that committee by the Board of Directors by means of a conference telephone or similar communications equipment, provided that all persons participating in the meeting are able to hear and communicate with each other. Participation in a meeting by means of conference telephone or similar communication equipment shall constitute presence in person at such meeting.

SECTION 5.3. QUORUM AND MANNER OF ACTING. At each meeting of any committee, the presence of a majority of its members then in office shall be necessary and sufficient to constitute a quorum for the transaction of business; and, the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee. In the absence of a quorum, a majority of the members present at the time and place of any meeting may adjourn the meeting from time to time until a quorum shall be present. Subject to the foregoing and other provisions of these Bylaws and except as otherwise determined by the Board of Directors, each committee may make rules for the conduct of its business. Any determination made in writing and signed by all the members of such committee shall be as effective as if made by such committee at a meeting.

SECTION 5.4. RESIGNATIONS. Any member of a committee may resign at any time by giving written notice of such resignation to the Board of Directors, the Chairman of the Board, the President, any Vice President or the Secretary. Unless otherwise specified in such notice, such resignation shall take effect upon receipt thereof by the Board of Directors or any such officer.

SECTION 5.5. REMOVAL. Any member of any committee may be removed at any time by the affirmative vote of a majority of the whole Board of Directors with or without cause.

SECTION 5.6. VACANCIES. If any vacancy shall occur in any committee by reason of death, resignation, disqualification, removal or otherwise, the remaining members of such committee, though less than a quorum, shall continue to act until such vacancy is filled by the Board of Directors.

SECTION 5.7. COMPENSATION. Committee members shall receive such reasonable compensation for their services as such, whether in the form of salary or a fixed fee for attendance at meetings, with reasonable expenses, if any, as the Board of Directors may from time to time determine. Nothing herein contained shall be construed to preclude any committee member from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE VI

OFFICERS

SECTION 6.1. OFFICERS. The officers of the Corporation shall be a President, a Treasurer and a Secretary, and may also include a Chairman of the Board, one or more Vice-Chairmen, a Chairman of the Executive Committee, one or more Vice Presidents, Assistant Secretaries or Assistant Treasurers, each of whom shall be elected by the directors, and shall hold office until his or her successor is duly elected and qualified or until his or her earlier resignation or removal. None of the officers of the Corporation except the Chairman or any Vice Chairman of the Board or the Chairman of the Executive Committee need be directors. Any number of offices may be held by the same person; but an officer shall not execute, acknowledge or verify an instrument in more than one capacity if the instrument is required by law or the Articles of Incorporation or By-laws to be executed, acknowledged or verified by two (2) or more officers.

SECTION 6.2. DUTIES. All officers, as between themselves and the Corporation, shall have such authority and shall perform duties in the management of the Corporation as may be provided in these By-Laws, or, to the extent not so provided, as may be provided by resolution of the Board of Directors not inconsistent with these By-Laws or, as to all other officers except the Chairman of the Board, by the President.

SECTION 6.3. RESIGNATIONS. Any officer may resign at any time by giving written notice of such resignation to the Board of Directors, the Chairman of the Board, the President, a Vice President or the Secretary. Such resignation shall take effect

upon receipt thereof by the Board of Directors or any such officer or at a subsequent time specified in the notice of resignation.

SECTION 6.4. REMOVAL. Any officer may be removed at any time either with or without cause, by the vote of a majority of the whole Board of Directors then in office. Such power of removal from office shall not be abridged by any employment contract or other agreement.

SECTION 6.5. VACANCIES. A vacancy in any office by reason of death, resignation, removal, disqualification or any other cause shall be filled for the unexpired portion of the term in the manner prescribed by these By-Laws for regular election or appointment to such office.

SECTION 6.6. CHAIRMAN OF THE BOARD. The Chairman of the Board of Directors, if there be one, shall be the chief executive officer of the Corporation and shall perform such duties as from time to time may be assigned to him or her by the Board of Directors.

SECTION 6.7. CHAIRMAN OF THE EXECUTIVE COMMITTEE. The Chairman of the Executive Committee, if there be one, shall perform such duties as from time to time may be assigned to him or her by the Board of Directors.

SECTION 6.8. PRESIDENT. The President shall be the chief operating officer of the Corporation in the event there is a Chairman of the Board. In the absence of a Chairman of the Board, the President shall be the chief executive officer of the Corporation. Subject to the direction of the Board of Directors, he or she shall supervise and direct the daily management of the business, affairs and property of the Corporation. In the absence or disability of the Chairman of the Board, or if there be none, the President shall preside at all meetings of the shareholders. The Chairman of the Board, if any, and the President shall each be charged with seeing that all orders and resolutions of the Board of Directors are carried into effect. The President may sign certificates of stock of the Corporation the issuance of which shall have been duly authorized (the signature to which may be facsimile signature), and may sign and execute in the name of the Corporation, deeds, mortgages, bonds, contracts, agreements, and other instruments duly authorized by the Board of Directors. From time to time, he or she shall report to the Board of Directors all matters within his or her knowledge which the interests of the Corporation may require to be brought to its attention. The President shall also perform such other duties as are assigned by these By-Laws or as from time to time may be assigned to him or her by the Board.

SECTION 6.9. VICE PRESIDENT. In the absence or disability of the President, the Vice President, or if there be more than one,

the Vice Presidents in the order of priority determined by the Board of Directors, shall perform all the duties of the President and, when so acting, shall have all the powers of and be subject to all restrictions upon the President. Any Vice President may also sign certificates of stock of the Corporation the issuance of which shall have been duly authorized (the signature to which may be a facsimile signature), and may sign and execute in the name of the Corporation deeds, mortgages, bonds and other instruments duly authorized by the Board of Directors, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent. Each Vice President shall perform such other duties as are assigned by these By-Laws or as from time to time may be assigned by the Board of Directors, the Chairman of the Board or the President.

SECTION 6.10. SECRETARY. The Secretary shall: (i) record all the proceedings of the meetings of the shareholders, the Board of Directors, and all committees of the Board of Directors in a book or books to be kept for that purpose; (ii) cause all notices to be duly given in accordance with the provisions of these By-Laws as required by statute; (iii) whenever any committee shall be appointed in pursuance of a resolution of the Board of Directors, furnish the chairman of such committee with a copy of such resolution; (iv) be custodian of the records and of the seal of the Corporation, if any, and may cause such seal, if any, to be affixed to certificates representing capital stock of the Corporation prior to the issuance thereof and to all instruments the execution of which on behalf of the Corporation under its seal shall have been duly authorized; (v) see that the lists, books, reports, statements, certificates and other documents and records required by statute are properly kept and filed; (vi) have charge of the stock record and stock transfer books of the Corporation, and exhibit such stock books at all reasonable times to such persons as are entitled by statute to have access thereto; (vii) sign (unless the Treasurer or an Assistant Secretary or an Assistant Treasurer shall sign) certificates representing capital stock of the Corporation the issuance of which shall have been duly authorized (the signature to which may be a facsimile signature); and (viii) in general, perform all duties incident to the office of Secretary and such other duties as are given to him or her by these By-Laws or as from time to time may be assigned to him or her by the Board of Directors, the Chairman of the Board or the President.

SECTION 6.11. ASSISTANT SECRETARIES. At the request of the Secretary or in his or her absence or disability, the Assistant Secretary designated by him or her (or in the absence of such designation, the Assistant Secretary designated by the Board of Directors or the President) shall perform all the duties of the Secretary, and, when so acting, shall have all the powers of and be subject to all restrictions upon the Secretary. The Assistant Secretaries shall perform such other duties as from time to time

may be assigned to them by the Board of Directors, the Chairman of the Board, the President or the Secretary.

SECTION 6.12. TREASURER. The Treasurer shall: (i) have charge of and supervision over and be responsible for the funds, securities, receipts and disbursements of the Corporation; (ii) cause the monies and other valuable effects of the Corporation to be deposited in the name and to the credit of the Corporation in such banks or trust companies or with such bankers or other depositories as shall be selected by the Board of Directors or to be otherwise dealt with in such manner as the Board of Directors may direct; (iii) cause the funds of the Corporation to be disbursed by checks or drafts upon the authorized depositories of the Corporation, and cause to be taken and preserved proper vouchers for all monies disbursed; (iv) render to the Board of Directors or the President, whenever requested, a statement of the financial condition of the Corporation and of all his or her transactions as Treasurer; (v) cause to be kept at the Corporation's principal office correct books of account of all its business and transactions and such duplicate books of account as he or she shall determine and upon application cause such books or duplicates thereof to be exhibited to any director; (vi) be empowered, from time to time, to require from the officers or agents of the Corporation reports or statements giving such information as he or she may desire with respect to any and all financial transactions of the Corporation; (vii) sign (unless the Secretary or an Assistant Secretary or Assistant Treasurer shall sign) certificates representing stock of the Corporation the issuance of which shall have been duly authorized (the signature to which may be a facsimile signature); and (viii) in general, perform all duties incident to the office of Treasurer and such other duties as are given to him or her by these By-Laws or as from time to time may be assigned to him by the Board of Directors, the Chairman of the Board or the President.

SECTION 6.13. ASSISTANT TREASURERS. At the request of the Treasurer or in his or her absence or disability, the Assistant Treasurer designated by him or her (or in the absence of such designation, the Assistant Treasurer designated by the Board of Directors or the President) shall perform all the duties of the Treasurer, and, when so acting, shall have all the powers of and be subject to all restrictions upon the Treasurer. The Assistant Treasurers shall perform such other duties as from time to time may be assigned by the Board of Directors, the Chairman of the Board, the President or the Treasurer.

SECTION 6.14. SALARIES. The salaries of the officers of the Corporation shall be fixed from time to time by the Board of Directors. No officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the Corporation.

ARTICLE VII

CERTIFICATES OF STOCK

SECTION 7.1. STOCK CERTIFICATES. Every holder of capital stock of the Corporation shall be entitled to have a certificate or certificates in such form as shall be approved by the Board of Directors, certifying the number of shares of capital stock of the Corporation owned by such shareholder. The certificates representing shares of capital stock shall be signed in the name of the Corporation by the Chairman of the Board, Vice-Chairman of the Board, the President, a Vice-President or by another officer of the Corporation and may, but need not, be sealed, with the seal of the Corporation (which seal may be a facsimile). In case any officer, transfer agent or registrar who shall have signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer, transfer agent or registrar before such certificates are issued, they may nevertheless be issued by the Corporation with the same effect as if such officer, transfer agent, or registrar were still such at the date of their issue.

SECTION 7.2. BOOKS OF ACCOUNT AND RECORD OF SHAREHOLDERS. The books and records of the Corporation may be kept at such places, within or without the State of Michigan, as the Board of Directors may from time to time determine. The stock record books and the blank stock certificate books shall be kept by the Secretary or by any other officer or by the transfer agent or registrar, if any, designated by the Board of Directors. There shall be entered on the stock books of the Corporation the number of each certificate issued, the number of shares represented thereby, the name of the person to whom such certificate was issued and the date of issuance thereof.

SECTION 7.3. TRANSFERS OF SHARES. Transfers of shares of capital stock of the Corporation shall be made on the stock records of the Corporation only upon authorization by the registered holder thereof, or by such shareholder's attorney authorized by power of attorney duly executed and filed with the Secretary or with the transfer agent, and on surrender of the certificate or certificates for such shares properly endorsed and/or accompanied by a duly executed stock transfer power and the payment of all taxes thereon, if any. Except as otherwise provided by law, the Corporation shall be entitled to recognize the exclusive right of a person in whose name any share or shares stand on the record of shareholders as the owner of such share or shares for all purposes, including, without limitation, the rights to receive dividends or other distributions, and to vote as such owner, and the Corporation shall not be bound to recognize any equitable or legal claim to or interest in any such share or shares on the part of any other person whether or not the Corporation shall have express or other notice thereof.

SECTION 7.4. REGULATIONS. The Board of Directors may make such additional rules and regulations, not inconsistent with these By-Laws, the Articles of Incorporation or statute, as it may deem expedient concerning the issue, transfer and registration of certificates for shares of the capital stock of the Corporation. It may appoint, or authorize any officer or officers to appoint, one (1) or more transfer agents or one (1) or more registrars and may further provide that no stock certificate shall be valid until countersigned by one (1) of such transfer agents and registered by one (1) of such registrars. Nothing herein shall be construed to prohibit the Corporation from acting as its own transfer agent or registrar.

SECTION 7.5. LOST, STOLEN OR DESTROYED CERTIFICATES. The holder of any certificate representing any share or shares of the capital stock of the Corporation shall immediately notify the Corporation of any loss, theft, or destruction of such certificate. The Board of Directors may direct that a new certificate or certificates be issued in the place of any certificate or certificates issued by it which the owner thereof shall allege to have been lost, stolen or destroyed upon the furnishing to the Corporation of an affidavit to that effect by the person claiming that the certificate has been lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion, require such owner or such owner's legal representatives to give to the Corporation and its transfer agent(s) and registrar(s) a bond in such sum, limited or unlimited, and in such form and with such surety or sureties as the Board of Directors in its absolute discretion shall determine, sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate, or the issuance of a new certificate.

SECTION 7.6. SHAREHOLDER'S RIGHT OF INSPECTION. Upon written request of a shareholder, the Corporation shall mail to the shareholder its balance sheet as at the end of the preceding fiscal year; its statement of income for such fiscal year; and, if prepared by the Corporation, its statement of source and application of funds for such fiscal year. A person who is a shareholder of record of a corporation, upon at least ten (10) days written demand, may examine for any proper purpose in person or by agent or attorney, during usual business hours, its minutes of shareholders' meetings and record of shareholders and make extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a shareholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorized the attorney or other agent to so act on behalf of the shareholder. The demand under oath shall be directed to the

Corporation at its registered office in Michigan or at its principal place of business.

SECTION 7.7. CONSIDERATION FOR SHARES. Shares of stock may be issued for consideration consisting of any tangible or intangible property or benefit to the Corporation, including but not limited to cash, promissory notes, services performed, or contracts for services to be performed.

ARTICLE VIII

INDEMNIFICATION

SECTION 8.1. INDEMNIFICATION IN ACTION BY THIRD PARTY. To the extent permitted by Michigan law from time to time in effect and subject to the provisions of Section 8.3. of this Article, the Corporation shall indemnify a person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not against expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit, or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, or its shareholders, and, with respect to a criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to a criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

SECTION 8.2. INDEMNIFICATION IN ACTION BY OR IN RIGHT OF THE CORPORATION. To the extent permitted by Michigan law, from time to time in effect and subject to the provisions of Section 8.3. of this Article, the Corporation shall indemnify a person who was or is a party to or is threatened to be made a party to a threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or

agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses, including actual and reasonable attorneys' fees, and amounts paid in settlement incurred by the person in connection with the action or suit, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation or its shareholders. However, indemnification shall not be made for a claim, issue, or matter in which the person has been found liable to the Corporation unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses which the court shall consider proper.

SECTION 8.3. PROPRIETY OF INDEMNIFICATION. An indemnification under Section 8.1. or 8.2. of this Article, unless ordered by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in said Sections 8.1. or 8.2. This determination shall be made in any of the following ways: (A) by a majority vote of a quorum of the Board consisting of directors who are not parties or are not threatened to be made parties to the action, suit, or proceeding; (B) if the quorum described in subdivision (A) is not obtainable then a majority vote of a committee of directors who are not parties or are not threatened to be made parties to the action; (C) by independent legal counsel in a written opinion; or (D) by the shareholders, other than those shareholders who are directors, officers, employees or agents and who are parties or are threatened to be made parties to the action. For these purposes, a committee shall consist of not less than two (2) disinterested directors.

If a person is entitled to indemnification under Section 561 or 562 of the Michigan Business Corporation Act, as set forth in these By-Laws, for a portion of expenses including reasonable attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the Corporation may indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

SECTION 8.4. INDEMNIFICATION AGAINST EXPENSES IN CERTAIN CASES. To the extent that a director, officer, employee, or agent of the Corporation has been successful on the merits or otherwise in defense of an action, suit, or proceedings referred to in Section 8.1. or 8.2. of this Article, or in defense of a claim,

issue, or matter in the action, suit or proceeding, he or she shall be indemnified against actual and reasonable expenses, including attorneys' fees, incurred by him or her in connection with the action, suit, or proceeding and an action, suit, or proceeding brought to enforce mandatory indemnification provided in this Section 8.4.

SECTION 8.5. PAYMENT OF DEFENSE EXPENSES IN ADVANCE. Expenses incurred in defending a civil or criminal action, suit or proceeding described in Sections 8.1. or 8.2. of this ARTICLE, may be paid by the Corporation in advance of the final disposition of the action, suit, or proceeding upon receipt of the following: (A) a written affirmation by the director, officer, employee or agent of his or her good faith belief that he or she has met the applicable standard of conduct set forth in Sections 8.1. or 8.2.; (B) a determination that the facts then known to those making the determination would not preclude indemnification; and (C) a written undertaking by or on behalf of the director, officer, employee, or agent to repay the expenses if it is ultimately determined that the person is not entitled to be indemnified by the Corporation. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.

SECTION 8.6. JUDICIALLY IMPOSED INDEMNIFICATION. A director, officer, agent or employee of the Corporation who is a party or is threatened to be made a party to an action, suit or proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction, regardless of whether he or she has not met the applicable standard of conduct set forth in Sections 8.1. or 8.2.

SECTION 8.7. INDEMNITY NOT EXCLUSIVE. The indemnification or advancement of expenses provided under Sections 561 to 564c of the Michigan Business Corporation Act, as set forth in these By-Laws, is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation, By-laws, or a contractual agreement. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

The indemnification provided for in Sections 561 to 565 of the Michigan Business Corporation Act continues as to a person who ceases to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of the person.

SECTION 8.8. LIABILITY INSURANCE. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director,

officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article or of Sections 561 to 565 of the Michigan Business Corporation Law, as set forth in these By-Laws.

SECTION 8.9. INDEMNITY DEFINITIONS. For purposes of Sections 561 to 567 of the Michigan Business Corporation Act and these By-Laws, "corporation" includes all constituent corporations absorbed in a consolidation or merger and the resulting or surviving corporation, so that a person who is or was a director, officer, employee, or agent of the constituent corporation or is or was serving at the request of the constituent corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise whether for profit or not shall stand in the same position under the provisions of this Section with respect to the resulting or surviving corporation as the person would if he or she had served the resulting or surviving corporation in the same capacity.

ARTICLE IX

RECORD DATES

SECTION 9.1. RECORD DATES.

- (A) **Voting.** For the purpose of determining shareholders entitled to notice of and to vote at a meeting of shareholders or an adjournment of a meeting, the Board of Directors may fix a record date (concurrent with or subsequent to the date of the Board's resolution adopting said record date), which shall not be more than sixty (60) nor less than ten (10) days before the date of the meeting.
- (B) **Consent Resolutions.** For the purpose of determining shareholders entitled to express consent to or to dissent from a proposal without a meeting, the Board of Directors may fix a record date (concurrent with or subsequent to the date of the Board's resolution adopting said record date), which shall not be more than ten (10) days after the Board's resolution.
- (C) **Distributions and Other Actions.** For the purpose of determining shareholders entitled to receive payment of a share dividend or distribution, or allotment of a right, or for the purpose of any other action, the Board of Directors may fix a record date (concurrent with or

subsequent to the date of the Board's resolution adopting said record date), which shall not be more than sixty (60) days before the payment of the share dividend or distribution, or allotment or right of other action.

When a determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders has been made as provided in this section, the determination applies to any adjournment of the meeting, unless the Board fixes a new record date under this Section for the adjourned meeting.

ARTICLE X

DIVIDENDS

SECTION 10.1. DIVIDENDS. Subject to the Articles of Incorporation, applicable statutes and any agreement to which the Corporation is a party or by which it is bound, the Board of Directors may declare to be payable, in cash, in other property or in stock of the Corporation of any class or series, out of funds legally available therefor in accordance with the Articles of Incorporation and the Michigan Business Corporation Act, such dividends in respect of outstanding stock of the Corporation of any class or series as the Board of Directors may at any time deem to be advisable. Before declaring any such dividend, the Board of Directors may cause to be set aside any funds or other property or assets of the Corporation legally available for the payment of dividends.

ARTICLE XI

FISCAL YEAR

SECTION 11.1. FISCAL YEAR. The fiscal year of the Corporation shall end on the last day of December of each year unless another date shall be fixed by resolution of the Board of Directors. After such date is fixed, it may be changed for future fiscal years, if legally permissible, at any time by further resolution of the Board of Directors.

ARTICLE XII

CORPORATE SEAL

SECTION 12.1. CORPORATE SEAL. The Corporation may, but need not, have a Corporate Seal which, if there is a Corporate Seal, shall be circular in form and shall bear the name of the Corporation and the words and figures denoting its organization under the laws of the State of Michigan and the year thereof and otherwise

shall be in such form as shall be approved from time to time by the Board of Directors.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

SECTION 13.1. CONDITION OF CORPORATION. When called for by a vote of the shareholders, the Board of Directors shall present to the shareholders a full and clear statement of the business and condition of the Corporation.

SECTION 13.2. SIGNATURES. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

SECTION 13.3. LOANS - APPROVAL. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 13.4. LOANS TO OFFICERS OR EMPLOYEES. The Corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the Corporation or of its subsidiary, including any officer or employee who is a director of the Corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the Corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the Corporation. Nothing in this section contained shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the Corporation at common law or under any statute.

SECTION 13.5. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

No contract or transaction between a corporation and one or more of its directors or officers, or between a corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the

board or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

(A) The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or

(B) The material facts as to his relationship interest and as to the contract or transaction are disclosed or are known to the shareholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the shareholders; or

(C) The contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the shareholders.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

SECTION 13.6. ARTICLES OF INCORPORATION. Certain capitalized terms have the meaning set forth in the Corporation's Articles of Incorporation, as amended or restated (the "Articles"). To the extent of any inconsistency between the terms hereof and those of the Articles, the terms of the Articles shall control.

ARTICLE XIV

AMENDMENTS

SECTION 14.1. AMENDMENTS. These By-Laws may be altered, amended or repealed or new By-Laws may be adopted by the Shareholders or by the Board of Directors, unless such power is reserved exclusively to the Shareholders by the Articles of Incorporation, at any regular meeting of the Shareholders or of the Board of Directors or at any special meeting of the Shareholders or of Board of Directors if notice of such alteration, amendment, repeal or adoption of new By-Laws be contained in the notice of such special meeting.

Exhibit 2

DRAFT

CONSULTING AGREEMENT

THIS AGREEMENT is made this ___ day of _____, 199__, by and among

CEC, Inc. ("CEC")
36 West 8th Street, Suite 300
Holland, Michigan 49423
Telefax:

and

(the "Committee")
Telefax:

and

(the "Candidate")
Telefax:

1. Recitals.

1.1. CEC provides consulting services, primarily in the areas of fundraising and organizational activities, to candidates seeking election to Congress.

1.2. CEC has developed a list (the "Donor List") of persons ("Potential Contributors") who share similar political perspectives, who have considerable financial resources and who have evidenced an interest in contributing to Congressional candidates.

1.3. The Committee has been organized to elect the Candidate to the United States Congress.

1.4. The Candidate and the Committee desire to retain the services of CEC, and CEC has agreed to provide consulting services to the Committee as more particularly described herein.

1.5. The Candidate has met with representatives of CEC, and the Candidate and CEC believe that the Candidate's political perspectives are compatible with the perspectives of Potential Contributors on the Donor List.

2. Consulting Services Provided by CEC. For the compensation more particularly described hereinafter, CEC agrees to provide the Committee with the following services:

2.1. Fundraising Activities: CEC shall solicit Potential Contributors from the Donor List on behalf of the Candidate and the Committee. The number of Potential Contributors solicited on behalf of the Candidate shall not be less than 250, although the actual number of Potential Contributors solicited shall be determined by CEC after consultation with the Committee. All solicitations made to Potential Contributors shall be coordinated by CEC personnel, and the Committee shall provide such assistance as CEC reasonably may request.

2.1.1. Solicitations made by CEC on behalf of the Candidate and the Committee shall consist one or more written solicitations. The number of written solicitations shall be determined by CEC after consultation with the Committee. Written solicitations shall be produced on CEC stationery and signed by an officer of CEC. The content of any written solicitation shall be determined jointly by CEC and the Committee, but all such solicitations shall comply with any applicable provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"), including the use of the disclaimer required by the Act. To the extent CEC deems necessary, written solicitations may be supplemented by telephone solicitations made by CEC to Potential Contributors.

2.1.2. To the extent reasonably possible, the solicitations made by CEC shall be undertaken over a several month period. Absent unusual circumstances, CEC will plan solicitations so that approximately one-third of any funds from Potential Contributors are received by the Committee prior to the primary election date and the balance received after the primary election date. CEC will consult with the Committee regarding the timing of solicitations.

2.1.3. Solely for accounting purposes, CEC shall provide the Committee with a list (the "Solicited Names") of Potential Contributors solicited by CEC on behalf of the Candidate and the Committee. The Candidate and the Committee agree that the Solicited Names will not become a part of the Committee's list of donors; that neither the Candidate nor the Committee will use the Solicited Names for any purpose whatsoever during or subsequent to the campaign; that the Solicited Names shall remain the property of CEC; and that the Candidate and the Committee shall take such

measures as may be appropriate to protect the confidentiality of the Solicited Names. The Candidate and the Committee agree that the Solicited Names are trade secrets of CEC.

2.1.4. CEC shall advise Potential Contributors to make contributions directly to the Committee. The contribution form shall request that Potential Contributor making contributions provide the Committee with all information necessary to comply with the Act's reporting requirements.

2.2. Organizational Activities: CEC intends to provide workshops on political organization. The time, date and location of such workshops will be provided to the Committee as soon as reasonably possible. The Committee agrees that the Committee's organization director (the "OD"), employed by the Committee pursuant to paragraph 4.1., will attend one workshop as soon as reasonably possible after the execution of this agreement. The cost of the workshop, including the airfare, for the OD is included in the Advance Fee paid by the Committee.

2.2.1. During the workshop, the OD and CEC personnel will develop a detailed organizational campaign plan (the "Organizational Plan") for the Committee. To the extent necessary, the Committee agrees to make available to CEC the Committee's general campaign plan so that the Organizational Plan is complementary to the general campaign plan. CEC agrees to take such measures as are appropriate to protect the confidentiality of the Committee's general campaign plan.

2.2.2. Subsequent to the workshop, CEC representatives and the OD will consult from time to time either in person or by telephone to monitor the progress made pursuant to the Organizational Plan; to make any modifications to the Organizational Plan which may be necessary; and to respond to questions or concerns which may occur during the implementation of the Organizational Plan. The parties agree to make their respective representatives available for such consultations upon request during normal business hours.

2.2.3. After the general election and upon request from CEC, the Committee and the Candidate agree to discuss with CEC representatives the consulting services provided by CEC. Any such discussion shall be held at a mutually convenient date and time.

3. Compensation. For the consulting services provided hereunder, the Candidate and the Committee agree to pay CEC the following amounts:

3.1. Advance Fee: A fee (the "Advance Fee") in the amount of \$_____ payable upon execution of this agreement. The

amount of the Advance Fee includes all costs anticipated to be incurred by CEC in connection with the written solicitations, including printing and postage, and the costs of the workshop, including airfare for the OD. To the extent such costs are less than the amount of the Advance Fee, the Advance Fee may be considered additional compensation. The Advance Fee is not refundable, notwithstanding early termination of the agreement in accordance with the provisions of paragraph 6.

3.2. The Percentage: In addition to the Advance Fee, the Committee shall pay CEC ___ percent (the "Percentage") of all amounts received from the Solicited Names.

3.2.1. The Percentage shall be paid on the 15th and last day of each month in which the Committee receives contributions from the Solicited Names. Such payments shall be made to CEC at the address set forth above.

3.2.2. The payments described in paragraph 3.2.1 shall be accompanied by an accounting of funds received by the Committee from the Solicited Names during the applicable period. The Committee understands that CEC may request that each Potential Contributor solicited by CEC provide CEC, on an optional basis, with the name of any candidate to whom a contribution is made and the amount of the contribution.

4. Additional Agreements of the Candidate and the Committee. In addition to the obligations set forth above, the Candidate and the Committee agree as follows:

4.1. Within 45 days from the date of this agreement, the Committee shall hire an OD who shall be responsible for coordinating the Organizational Plan with the Committee and CEC. The OD shall have no other campaign responsibilities without the consent of CEC.

4.2. The Committee shall allocate 25 percent of the net funds received from the Solicited Names to implementation of the Organizational Plan. All compensation paid to CEC hereunder and the OD's salary may be included in such percentage. The amount allocated to implementation of the Organizational Plan may be reduced only with the written consent of CEC.

4.3. All contributions received by the Committee from the Solicited Names and all required information related thereto shall be reported on a timely basis to the Federal Election Commission pursuant to applicable provisions of the Act.

4.4. Neither the Candidate nor the Committee will make any unauthorized use of the Solicited Names, the Potential Contributors or the Donor List.

4.5. CEC shall have the right, at CEC's expense, to examine the books and records of the Committee upon five days written notice to the Committee for the purposes of reviewing the accounting required by paragraph 3.2 and the funds allocation required by paragraph 4.2.

4.6. The Committee agrees to implement the Organizational Plan, as it may be amended from time to time.

5. Understandings of the Candidate and the Committee. The Candidate and the Committee understand as follows:

5.1. CEC will use reasonable efforts to raise funds for the Candidate and the Committee from such Potential Contributors as CEC may determine, but CEC offers no assurance that funds from Potential Contributors will be generated. It is unlikely that all names on the Donor List will be solicited on behalf of the Candidate and the Committee.

5.2. The Candidate and the Committee understand that CEC will work with other candidates and campaigns, all of which will utilize the Donor List in the same manner as set forth in this agreement.

5.3. The Candidate and the Committee understand that funds raised may vary from candidate to candidate and that CEC has no obligation to raise the same amount for each candidate and committee represented by CEC.

5.4. To the extent the Candidate and the Committee request services from CEC that are not described herein, additional fees will be payable in an amount to be negotiated by the parties.

5.5. The Committee may engage in fundraising activities in addition to those implemented by CEC; provided that the Percentage shall be paid on any contribution from a Solicited Name which is received by the Committee from and after the date of this agreement.

6. Termination. Unless sooner terminated as provided herein, this agreement shall terminate 30 days from the date of the general election; provided that the Committee shall pay the Percentage on any funds received by the Committee from Solicited Names for a period of six months from the date of the general election. This agreement may be terminated prior to the date set forth herein in accordance with the following:

6.1. Any party may terminate this agreement for breach of any provision hereof upon written notice to the other parties.

Such notice shall name the breaching party and specify the nature of the breach.

6.2. CEC in its absolute discretion may terminate this agreement upon written notice to the other parties if CEC believes that the Candidate no longer shares the political perspectives of the Potential Contributors on the Donor List. In such event, CEC shall have the right to notify the Solicited Names of such termination, and the Committee, upon written request received from any Solicited Name after the termination date, shall return any contribution received from any Solicited Name subsequent to the termination date. The Percentage shall be paid by the Committee on all contributions from Solicited Names not returned by the Committee.

6.3. The Committee in its absolute discretion may terminate this agreement upon written notice to the other parties if the Committee believes that CEC has not raised sufficient funds for the Committee; provided that CEC shall have the right to notify the Solicited Names of such termination and shall be entitled to receive the Percentage from all contributions received by the Committee from the Solicited Names.

6.4. The notice required by this paragraph 6 shall be 30 days if given prior to August 1 of the election year and 10 days if given August 1 or subsequent thereto of the election year. The termination date shall be the 30th or 10th day, as the case may be, from the date of the notice. Notices shall be deemed to have been given if deposited with the United States Postal Service, first class postage prepaid, addressed to the parties at their respective addresses set forth herein or, if telefax numbers are set forth herein, when telefaxed to the respective parties at such numbers. Any party may change the address or the telefax number to which notices may be sent upon written notice to all other parties.

7. General Provisions.

7.1. This agreement is the sole agreement among the parties relating to the subject matter hereof and supersedes all prior understandings, writings, proposals, representations or communications, oral or written, of any party. This agreement may be amended only by a writing executed by all parties.

7.2. This agreement may not be assigned by any party.

7.3. In the event of any litigation arising from the terms of this agreement, the court shall award costs and fees, including reasonable attorneys' fees, to the prevailing party.

7.4. This agreement shall be construed with the laws of the state of Michigan.

7.5. The execution of this agreement by the representatives of CEC and the Committee has been authorized by all necessary corporate or other action.

7.6. This agreement shall not be deemed to designate CEC as the agent or legal representative of either the Candidate or the Committee or to create any fiduciary relationship between CEC and either the Candidate or the Committee. The status of CEC at all times pertinent to this agreement shall be that of an independent contractor.

IN WITNESS WHEREOF, the undersigned have executed this agreement on the date first above written.

CEC, Inc. ("CEC")

By: _____

_____ (the "Committee")

By: _____

_____ (the "Candidate")