

Firebaugh for Congress Committee

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

SEP 4 1 13 PM '97

August 29, 1997

Federal Election Commission
Office of General Counsel
999 E. Street, N.W.
Washington, DC 20463

AOR 1997-21

Dear Sirs:

I am writing on behalf of Emily Firebaugh and the Firebaugh For Congress Committee (C00317982) to request an advisory opinion.

Emily Firebaugh was a first time candidate for the House of Representatives in the 8th District, from the State of Missouri, during the November 1996 election. The Firebaugh for Congress Committee was her principal campaign committee for that election. I was the treasurer of that committee. It was my first time to hold that type of position.

On June 25, 1996 the committee borrowed \$100,000.00 from First State Bank of Farmington, with Ms Firebaugh the personal guarantor. She pledged personal securities as collateral for this loan. This loan was originally reported on the July 15, 1996 quarterly campaign report and continuously reported thereafter.

The loan came due in November 1996 and the principal, as well as interest of \$3,499.99, was paid by the committee with funds advanced by Ms. Firebaugh on November 20, 1996. The loan repayment was reported on the 30 day post election report, December 5, 1996.

Ms Firebaugh advanced \$125,000.00 of her personal funds on November 20, 1996 in order for the committee to pay off the loan as well as several other obligations. There were no other funds available to pay off these obligations. There was no expectation of additional funds coming into the campaign treasury.

Due to the fact that the campaign committee did not have the funds to repay this loan, nor was it anticipated that any additional funds would be forthcoming in the future, the advancement of personal funds by Ms Firebaugh was reported as an in-kind contribution from the candidate.

During the first half of 1997, the campaign paid all of its debts in preparation for terminating the committee. Ms Firebaugh once again advanced her own funds in order to meet the committee obligations. On January 27, 1997, she loaned the committee \$7723.41 of her personal funds for this purpose. This transaction was reported on the July 31 mid year report as a loan from the candidate.

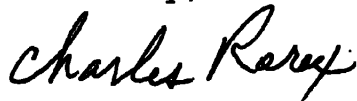
On or about March 20, 1997, the committee received a refund check from its media firm, Fenn, King and Murphy Communications of \$46,131.26, for prepaid advertising that was not run. This refund was completely unanticipated.

It is our intention to refund this money in its entirety, along with any remaining balance in the committee fund, to Ms Firebaugh in repayment of her advance of \$132,723.41 to the campaign from her personal funds. This refund will be reported on the committee's termination report.

We understand that regulations prohibit us from amending the post election report to change the way the November 20, 1996, \$125,000.00 advance from Ms Firebaugh was reported. However, we do not feel that Ms Firebaugh should be penalized for what now appears to be a reporting error on the part of the committee. The funds were provided by her in order to ethically handle the obligations of the Committee, and also in the case of the bank loan payoff, to protect her personal credit reputation and to protect her assets pledged as security for the loan. Had the committee been aware of the future refund, it would have renewed the bank loan and repaid it with the refund money.

We request that you review this situation and advise us how to proceed in this matter.

Sincerely,



Charles Rorex, Treasurer
Firebaugh For Congress Committee