FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2089

Date Filmed 6/11/86 Camera No. --- 2

Cameraman J. A. Q.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2089
Fund for a Conservative Majority, and	)	
Kenneth F. Boehm, as treasurer, *et al*.	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 29, 1986, the Commission decided by a vote of 5-0 to take the following actions in MUR 2089:

1. Accept the conciliation agreement submitted by counsel for the Fund for a Conservative Majority and Kenneth F. Boehm, as treasurer; Paul G. Dietrich; Robert C. Heckman; and Michael W. Thompson, as recommended in the General Counsel's Report signed May 22, 1986.

2. Approve and send the letter attached to the General Counsel's Report signed May 22, 1986.

3. Close the file.

Commissioners Elliott, Harris, Josefiak, McDonald and McGarry voted affirmatively for this decision; Commissioner Aikens did not cast a vote.

Attest:

5-29-86 — Date

Mary W. Dove for
Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary:	Fri.,	5-23-86,	11:18
Circulated on 48 hour tally basis:	Tues.,	5-27-86,	11:00
Deadline for vote:	Thurs.,	5-29-86,	11:00

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Fund for a Conservative Majority,	)	MUR 2089
and Kenneth F. Boehm, as	)	
treasurer, et al.	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 8, 1986, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 2089:

1. Enter into conciliation with Paul G. Dietrich prior to a finding of probable cause to believe.
2. Enter into conciliation with Robert C. Heckman prior to a finding of probable cause to believe.
3. Enter into conciliation with Michael W. Thompson prior to a finding of probable cause to believe.
4. Enter into conciliation with the Fund for a Conservative Majority and Kenneth F. Boehm, as treasurer.

(continued)

5. Approve and send the conciliation agreements attached to the General Counsel's report dated December 24, 1985,

6. Approve and send the letters attached to the General Counsel's report dated December 24, 1985.

Commissioners Aikens, Harris, Josefiak, McDonald, and McGarry voted affirmatively for the decision; Commissioner Elliott dissented.

Attest:

1-10-86
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

86040590568

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Fund for a Conservative Majority and Robert C. Heckman, as treasurer	)	MUR 2089
	)	
Paul G. Dietrich	)	
Robert C. Heckman	)	
Michael W. Thompson	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 21, 1985, the Commission decided by a vote of 6-0 to take the following actions in MUR 2089:

1. Open a MUR.

2. Find reason to believe that Robert C. Heckman violated 2 U.S.C. § 441a(a)(1)(C).

3. Find reason to believe that Paul G. Dietrich violated 2 U.S.C. § 441a(a)(1)(C).

4. Find reason to believe that Michael E. Thompson violated 2 U.S.C. § 441a(a)(1)(C).

5. Find reason to believe that the Fund for a Conservative Majority and Robert C. Heckman, as treasurer, violated 2 U.S.C. § 441a(f).

6. Approve and send the letter attached to the First General Counsel's Report signed October 15, 1985.

Commissioners Aikens, Elliott, Harris, Josefiak, McDonald and McGarry voted affirmatively for this decision.

Attest:

10-21-85   Marjorie W. Emmons

Date   Marjorie W. Emmons
Secretary of the Commission

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Interim Audit Report -)
Fund for a Conservative)
Majority)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on September 3, 1985, the Commission approved by a vote of 5-0 the Interim Audit Report of the Fund for a Conservative Majority, as submitted with the Audit Division's Memorandum to the Commissioners dated August 29, 1985.

Commissioners Aikens, Elliott, Josefiak, McDonald and McGarry voted affirmatively in this matter; Commissioner Harris did not cast a vote.

Attest:

9-4-85
Date

Marjorie W Emmons
Marjorie W. Emmons
Secretary of the Commission

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 30, 1986

Herge, Sparks, Christopher & Biondi
Attn: J. Curtis Herge, Esquire
8201 Greensboro Drive #200
McLean, VA 22102

RE: MUR 2089
In the Matter of
The Fund for a Conservative
Majority and Kenneth F. Boehm,
as treasurer;
Dietrich, Paul G.
Heckman, Robert C.
Thompson, Michael W.

Dear Mr. Herge:

On May 29, 1986, the Commission accepted the conciliation agreement signed by you and a civil penalty in settlement of violations of 2 U.S.C. §§ 441a(a)(1)(C) and 441a(f), provisions of the Federal Election Campaign Act of 1971, as amended. You have previously submitted a check for $2,000 in partial payment of the civil penalty. Pursuant to the agreement, the remaining $500 will be due thirty days from the date of execution of the agreement.

When the civil penalty has been paid, the file will be closed in this matter, and it will become a part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
The Fund for a Conservative Majority, and Kenneth F. Boehm, as treasurer, <u>et</u> <u>al</u>.	)))	MUR 2089

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Paul G. Dietrich, Robert C. Heckman, and Michael W. Thompson (hereinafter, "Dietrich","Heckman", and "Thompson", or "Respondents") each violated 2 U.S.C. § 441a(a)(1)(C) by making excessive contributions to the Fund for a Conservative Majority, a political committee. The Commission also found reason to believe that the Fund for a Conservative Majority and Robert C. Heckman, as treasurer (hereinafter, "FCM" or "Respondents") violated 2 U.S.C. § 441a(f) by knowingly accepting contributions prohibited by 2 U.S.C. § 441a(a)(1)(C).

NOW, THEREFORE, the Commission and Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

8 6 0 4 0 5 9 0 5 7 2

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this Agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent Fund for a Conservative Majority is a political committee within the meaning of 2 U.S.C. §§ 431 (4)(A) and 441a(a)(1)(C). Respondent Kenneth F. Boehm is the current treasurer of this committee.

2. Respondent Paul G. Dietrich was the Secretary of FCM during October and November, 1982. In his individual capacity, Respondent Dietrich signed a guaranty agreement dated October 1, 1982 with the Bank of Virginia of McLean, Virginia, as security for a $25,000 loan to FCM (hereinafter, "the loan").

3. Respondent Robert C. Heckman is the Chairman of FCM. Respondent Heckman also served as the treasurer of FCM in October and November, 1982. In his individual capacity, Respondent Heckman signed a guaranty agreement on October 1, 1982 for the loan to FCM.

4. Respondent Michael W. Thompson is an individual who signed a guaranty agreement on October 1, 1982 for the loan to FCM.

5. By signing the agreements described in paragraph IV, clauses 2, 3, and 4, supra, Respondents Dietrich, Heckman and Thompson each became liable for $8,333.33 in the event of non-repayment of the loan by FCM.

6. FCM accepted the proceeds of the loan on October 1, 1982, and repaid the loan in full on November 1, 1982.

V. WHEREFORE, Respondents agree:

1. A "contribution" as defined by 2 U.S.C. § 431(8)(A)(i) includes a loan, advance, or deposit of money for the purpose of influencing a federal election.

2. Respondents Dietrich, Heckman, and Thompson each made a contribution of $8,333.33, which exceeded the contribution limitations of 2 U.S.C. § 441a(a)(1)(C) by $3,333.33, in violation of that section.

3. By accepting the loan, Respondent FCM accepted contributions which exceeded the limitations of 2 U.S.C. § 441a(a)(1)(C) in violation of 2 U.S.C. § 441a(f).

VI. Respondents will pay a civil penalty of Two Thousand Five Hundred ($2,500) Dollars to the Treasurer of the United States pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date all parties hereto have executed the same and the Commission has approved the entire agreement.

IX. Respondents will have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be valid.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY: ______________________ May 30, 1986
Kenneth A. Gross
Associate General Counsel
Date

FOR THE RESPONDENTS:

______________________ May 7, 1986
J. Curtis Herge, Esquire
Counsel for Respondents
Date

86 FEB 10 P2: 10

MUR 2089

HERGE, SPARKS, CHRISTOPHER & BIONDI
ATTORNEYS AT LAW
SUITE 200
8201 GREENSBORO DRIVE
McLEAN, VIRGINIA 22102

J. CURTIS HERGE
ROBERT R. SPARKS, JR.
A. MARK CHRISTOPHER
GEORGE V. BIONDI

DONNA LYNN MILLER

(703) 848-4700

February 7, 1986

Mr. Kenneth A. Gross
Associate General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D. C. 20463

Dear Ken:

My records show that Mr. Sparks and/or I are counsel of record in the following pending matters:

MUR 1424 (In litigation)
MUR 1792 (For Finkelstein & Associates only)
MUR 1835 (In litigation)
MUR 1860
MUR 2066
MUR 2089
MUR 2121

We would appreciate it, if it has not previously been done, if you would have notations placed in your files that we are now at the address shown on this letterhead.

We hope you are enjoying your new offices.

Sincerely,

Curt Herge

J. Curtis Herge

86 FEB 11 A11: 25

8 6 0 4 0 5 9 0 5 7 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 24, 1986

J. Curtis Herge, Esquire
Sedam & Herge, P.C.
8300 Greensboro Drive #1100
McLean, VA 22102

RE: MUR 2089
Fund for a Conservative Majority, and Kenneth F. Boehm, as treasurer.
Dietrich, Paul G.
Heckman, Robert C.
Thompson, Michael W.

Dear Mr. Herge:

On October 21, 1985, the Commission found reason to believe that the Fund for a Conservative Majority and Robert C. Heckman,*/ as treasurer violated 2 U.S.C. § 441a(f). On the same date, the Commission also found reason to believe that Paul G. Dietrich, Robert C. Heckman, and Michael W. Thompson violated 2 U.S.C. § 441a(a)(1)(C). At your request, the Commission determined on January 8, 1986, to enter into negotiations directed towards reaching conciliation agreements in settlement of this matter prior to a finding of probable cause to believe.

Enclosed are conciliation agreements which the Commission has approved in settlement of this matter. If your clients agree with the provisions of the enclosed agreements, please sign and return them, along with the civil penalties, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible. If you have any questions or suggestions for changes in the agreements, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement,

*/ The caption has been amended to reflect the fact that Kenneth F. Boehm is the current treasurer of FCM.

86040590577

please contact Laurence E. Tobey, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures
Conciliation Agreements (4)

8 5 0 4 0 5 9 0 5 7 8

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of Fund for a Conservative Majority, and Kenneth F. Boehm, as treasurer, et al.	)))))	MUR 2089

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 21, 1985, the Commission determined that there is reason to believe that the Fund for a Conservative Majority and Robert C. Heckman,[1/] as treasurer (hereinafter, "FCM") violated 2 U.S.C. § 441a(f). On the same date, the Commission also found reason to believe that Paul G. Dietrich, Robert C. Heckman, and Michael W. Thompson each violated 2 U.S.C. § 441a(a)(1)(C). By letter dated November 7, 1985, counsel for respondents has requested pre-probable cause conciliation. (See Attachment I.)

II. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

1/ Kenneth F. Boehm is the current treasurer of FCM. His name will appear in the caption from now on.

8 6 0 4 0 5 9 0 5 7 9

III. **RECOMMENDATIONS**

1. Enter into conciliation with Paul G. Dietrich prior to a finding of probable cause to believe.

2. Enter into conciliation with Robert C. Heckman prior to a finding of probable cause to believe.

3. Enter into conciliation with Michael W. Thompson prior to a finding of probable cause to believe.

4. Enter into conciliation with the Fund for a Conservative Majority and Kenneth F. Boehm, as treasurer.

5. Approve and send the attached conciliation agreements.

6. Approve and send the attached letters.

Charles N. Steele
General Counsel

December 24, 1985
Date

BY:
Kenneth A. Gross
Associate General Counsel

Attachments:
I. Letters from respondents (2)
II. Proposed conciliation agreements (4)
III. Proposed letter to respondents (1)

SEDAM & HERGE
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
SUITE 1100
8300 GREENSBORO DRIVE
MCLEAN, VIRGINIA 22102

(703) 821-1000

GLENN J. SEDAM, JR.
J. CURTIS HERGE
ROBERT R. SPARKS, JR.
A. MARK CHRISTOPHER
CHRISTOPHER S. MOFFITT
GEORGE V. BIONDI
PHILIP H. BANE
DONNA LYNN MILLER

OF COUNSEL
THOMAS J. FADOUL, JR.

SEDAM, HERGE & REED
SUITE 1000
1250 EYE STREET, N.W.
WASHINGTON, D. C. 20005
(202) 898-0200

CHARLES D. REED
RESIDENT PARTNER
JOHN D. HEFFNER

TELEX 710-831-0896

CABLE: SEDAMHERG

November 7, 1985

The Honorable John Warren McGarry,
Chairman
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Attention: Laurence E. Tobey, Esq.
Office of General Counsel

RE: MUR 2089

Dear Mr. Chairman:

On behalf of our clients, Fund for a Conservative Majority, Mr. Robert C. Heckman, Mr. Paul G. Dietrich and Mr. Michael W. Thompson, we are writing in reply to your letters, dated October 24, 1985, in which you reported the Federal Election Commission determined there is reason to believe our clients violated 2 U.S.C. 441a(a)(1)(c).

Enclosed, for your records, are signed statements of designation of counsel, which authorize the undersigned to represent them in this matter.*

As noted in the General Counsel's Factual and Legal Analysis, the subject of this matter relates to a loan made by Bank of Virginia to Fund for a Conservative Majority on October 1, 1982, which was repaid in full on November 1, 1982. The proceeds of the loan were used by Fund for a Conservative Majority to purchase postage for use in connection with its direct mail program. Contributions received in response to the mailings were deposited in an account maintained by Fund for a Conservative Majority at Bank of Virginia. That account was automatically debited by Bank of Virginia on October 20,

*Mr. Dietrich's statement of designation of counsel will follow.

Attachment I

1982, October 25, 1982, October 28, 1982 and November 1, 1982, at which time the loan was paid in full. The loan was evidenced by a Commercial Loan Note, dated October 1, 1982, bearing interest at the rate of the Bank of Virginia prime rate plus 2%. It was secured with an assignment by Fund for a Conservative Majority to Bank of Virginia of a security interest in all accounts receivable, inventory, equipment, fixtures, general intangibles, documents and chattel paper of Fund for a Conservative Majority. In addition, the Note was guaranteed by Messrs. Dietrich, Heckman and Thompson, each such guarantee being expressly limited to the sum of $8,333.33. In summary, the transaction was a typical commercial loan transaction, the loan package consisting of a loan commitment letter, corporate borrowing resolutions (Fund for a Conservative Majority being a nonprofit Virginia corporation), a Security Agreement, a Certificate of Good Standing from the State Corporation Commission, a Uniform Commercial Code Financing Statement, the Commercial Loan Note, the automatic repayment authorization, financial statements of Fund for a Conservative Majority and the three personal guarantees.

In executing the various loan documents, neither Fund for a Conservative Majority nor the guarantors, Messrs. Dietrich, Heckman and Thompson, were aware of the technical provisions in the Act and regulations which equate a guarantee to a contribution; and, counsel was not consulted in connection with the transaction. The loan documents presented by Bank of Virginia were simply signed and returned in order to close the transaction.

Each of the guarantors of the loan was released from his obligation on November 1, 1982. See 11 CFR §100.7(a)(1)(i)(B) and (C). The consequence of the repayment of the loan in full on November 1, 1982 is that any violation of 2 U.S.C. 441a(a)(1)(c) terminated on November 1, 1982.

As a consequence of the foregoing, respondents are interested in pursuing pre-probable cause conciliation in this matter. See 11 CFR §111.18(d). It should be noted, however, that respondents shall expect that appropriate consideration will be given to the technical nature of the alleged violation, the brief period of time in which the guarantees were in effect, the fact that the guarantors never paid any sum in connection with the transaction, that the loan was repaid in full by Fund for a Conservative Majority and that the respondents did not know at the time that a loan guarantee was included in the definition of contribution.

Sincerely yours,

J. Curtis Herge

Enclosures

SEDAM & HERGE
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
SUITE 1100
8300 GREENSBORO DRIVE
MCLEAN, VIRGINIA 22102
(703) 821-1000

GLENN J. SEDAM, JR.
J. CURTIS HERGE
ROBERT R. SPARKS, JR.
A. MARK CHRISTOPHER
CHRISTOPHER S. MOFFITT
GEORGE V. BIONDI
PHILIP H. BANE
DONNA LYNN MILLER

OF COUNSEL
THOMAS J. FADOUL, JR.

SEDAM, HERGE & REED
SUITE 1000
1250 EYE STREET, N.W.
WASHINGTON, D. C. 20005
(202) 898-0200

CHARLES D. REED
RESIDENT PARTNER
JOHN D. HEFFNER

TELEX: 710-831-0896

CABLE: SEDAMHERG

November 22, 1985

8 6 0 4 0 5 4 0 5 3 5

Laurence E. Tobey, Esq.
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

RE: <u>MUR 2089</u>

Dear Mr. Tobey:

Enclosed is the Statement of Designation of Counsel of Mr. Paul Dietrich. You will recall that, by letter dated November 7, 1985, we submitted to you the signed statements of Fund for a Conservative Majority, Mr. Robert C. Heckman and Mr. Michael W. Thompson. Your file should now be complete.

Sincerely,

J. Curtis Herge

J. Curtis Herge

Enclosure

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2089

NAME OF COUNSEL: J. Curtis Herge, Esq.

ADDRESS: 8300 Greensboro Drive, Suite 1100
McLean, Virginia 22102

TELEPHONE: (703) 821-1000

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

Fund for a Conservative Majority

11/5/85
Date

By: Kenneth F. Boehm
Signature Treasurer

RESPONDENT'S NAME: Fund for a Conservative Majority

ADDRESS: 302 Fifth Street, N.E.
Washington, D. C. 20002

HOME PHONE:

BUSINESS PHONE: (202) 547-4700

85040370589

86040570587

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2089

NAME OF COUNSEL: J. Curtis Herge, Esq.

ADDRESS: 8300 Greensboro Drive, Suite 1100
McLean, Virginia 22102

TELEPHONE: (703) 821-1000

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

Nov 18, 1985
Date

Signature Paul G. Dietrich

RESPONDENT'S NAME: Paul G. Dietrich

ADDRESS: 214 Massachusetts Avenue, N.E.
Washington, D. C. 20002

HOME PHONE:

BUSINESS PHONE: (202) 547-1106

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2089

NAME OF COUNSEL: J. Curtis Herge, Esq.

ADDRESS: 8300 Greensboro Drive
Suite 1100
McLean, Virginia 22102

TELEPHONE: (703) 821-1000

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

11/5/85
Date

Signature Robert C. Heckman

RESPONDENT'S NAME: Robert C. Heckman

ADDRESS: 302 Fifth Street, N.E.
Washington, D. C. 20002

HOME PHONE:

BUSINESS PHONE: (202) 547-4700

To Curtis Herge

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2089

NAME OF COUNSEL: J. Curtis Herge, Esq.

ADDRESS: 8300 Greensboro Drive
Suite 1100
McLean, Virginia 22102

TELEPHONE: (703) 821-1000

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

Nov. 4, 1985
Date

Michael Thompson
Signature Michael W. Thompson

RESPONDENT'S NAME: Michael W. Thompson

ADDRESS: 7015 Old Keene Mill Road
Springfield, Virginia 22150

HOME PHONE:

BUSINESS PHONE: (703) 451-6943

8 5 0 4 0 7 9 0 5 8 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 24, 1985

The Fund for a
Conservative Majority
Attn: Robert C. Heckman,
Treasurer
302 5th Street, N.E.
Washington, D.C. 20002

RE: MUR 2089
The Fund for a Conservative
Majority and Robert C. Heckman
Treasurer

Dear Mr. Heckman:

On October 21, 1985, the Federal Election Commission determined that there is reason to believe that the Fund for a Conservative Majority and you as treasurer violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed questions, within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. <u>See</u> 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Laurence E. Tobey, the attorney assigned to this matter, at (202) 423-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosures
- General Counsel's Factual and Legal Analysis
- Procedures
- Designation of Counsel Statement

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 2089
STAFF MEMBER & TEL. NO.
Laurence E. Tobey
(202) 523-4143

RESPONDENT: The Fund for a Conservative Majority and Robert C. Heckman, as treasurer

<u>SUMMARY OF ALLEGATIONS</u>

On October 1, 1982, the Fund for a Conservative Majority (hereinafter "FCM") received a bank loan of $25,000 from the Bank of Virginia of McLean, VA. The loan was payable on November 1, 1982, and was secured by FCM assets and guaranteed by three individuals. The guarantors were: Robert C. Heckman, Chairman and Treasurer of FCM; Paul G. Dietrich, Secretary of FCM; and Michael W. Thompson. Each of the three guarantors signed a "guaranty" agreement with the Bank of Virginia agreeing to be liable for $8,333.33. The loan was repaid in full on November 1, 1982.

<u>FACTUAL BASIS AND LEGAL ANALYSIS</u>

The Federal Election Campaign Act of 1971 as amended (hereinafter, "the Act") provides that no political committee shall knowingly accept a contribution which is prohibited by 2 U.S.C. § 441a. 2 U.S.C. § 441a(f). The Act also provides that no person shall make contributions to any multicandidate political committee in any calendar year greater than $5,000. 2 U.S.C. § 441a(a)(1)(C). The term "contribution" includes any loan, advance, or deposit of money by any person for the purpose of influencing any election for federal office. 2 U.S.C. § 431(8)(A)(i).

Because each guarantor was liable for $8,333.33, each has made a loan or advance of money greater than $5,000, which is a prohibited contribution under 2 U.S.C. § 441a(a)(1)(C). By knowingly accepting three contributions which violated 2 U.S.C. § 441a(a)(1)(C), FCM violated 2 U.S.C. § 441a(f).

RECOMMENDATIONS

1. Find reason to believe that the Fund for a Conservative Majority and Robert C. Heckman, as treasurer violated 2 U.S.C. § 441a(f).

FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

October 24, 1985

Paul G., Dietrich
c/o The Fund for a
Conservative Majority
302 5th Street, N.E.
Washington, D.C. 20002

RE: MUR 2089
Paul G. Dietrich

Dear Mr. Dietrich:

On October 21 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed questions, within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Laurence E. Tobey, the attorney assigned to this matter, at (202) 423-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosures
- General Counsel's Factual and Legal Analysis
- Procedures
- Designation of Counsel Statement

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 2089
STAFF MEMBER & TEL. NO.
Laurence E. Tobey
(202) 523-4143

RESPONDENT: **Paul G. Dietrich**

SUMMARY OF ALLEGATIONS

On October 1, 1982, the Fund for a Conservative Majority (hereinafter "FCM") received a bank loan of $25,000 from the Bank of Virginia of McLean, VA. The loan was payable on November 1, 1982, and was secured by FCM assets and guaranteed by three individuals. The guarantors were: Paul G. Dietrich, Robert C. Heckman, and Michael W. Thompson. Each of the three guarantors signed a "guaranty" agreement with the Bank of Virginia agreeing to be liable for $8,333.33. The loan was repaid in full on November 1, 1982.

FACTUAL BASIS AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971 as amended limits the maximum contribution to any multicandidate political committee in any calendar year to $5,000. 2 U.S.C. § 441a(a)(1)(C). The term "contribution" includes any loan, advance, or deposit of money by any person for the purpose of influencing any election for federal office. 2 U.S.C. § 431(8)(A)(i).

Because Paul G. Dietrich was liable for $8,333.33, he has made a loan or advance of money which exceeded the $5,000 limitation of 2 U.S.C. § 441a(a)(1)(C) by $3,333.33. Therefore, Paul G. Dietrich has violated 2 U.S.C. § 441a(a)(1)(C).

RECOMMENDATIONS

1. Find reason to believe that Paul G. Dietrich violated 2 U.S.C. § 441a(a)(a)(C).

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 24, 1985

Robert C. Heckman
c/o The Fund for a
Conservative Majority
302 5th Street, N.E.
Washington, D.C. 20002

RE: MUR 2089
Robert C. Heckman

Dear Mr. Heckman:

On October 21 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed questions, within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. <u>See</u> 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Laurence E. Tobey, the attorney assigned to this matter, at (202) 423-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 2089
STAFF MEMBER & TEL. NO.
Laurence E. Tobey
(202) 523-4143

RESPONDENT: **Robert C. Heckman**

SUMMARY OF ALLEGATIONS

On October 1, 1982, the Fund for a Conservative Majority (hereinafter "FCM") received a bank loan of $25,000 from the Bank of Virginia of McLean, VA. The loan was payable on November 1, 1982, and was secured by FCM assets and guaranteed by three individuals. The guarantors were: Robert C. Heckman, Chairman and Treasurer of FCM; Paul G. Dietrich, Secretary of FCM; and Michael W. Thompson. Each of the three guarantors signed a "guaranty" agreement with the Bank of Virginia agreeing to be liable for $8,333.33. The loan was repaid in full on November 1, 1982.

FACTUAL BASIS AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971 as amended limits the maximum contribution to any multicandidate political committee in any calendar to $5,000. 2 U.S.C. § 441a(a)(1)(C). The term "contribution" includes any loan, advance, or deposit of money by any person for the purpose of influencing any election for federal office. 2 U.S.C. § 431(8)(A)(i).

Because Robert C. Heckman was liable for $8,333.33, he has made a loan or advance of money which exceeded the $5,000 limitation of 2 U.S.C. § 441a(a)(1)(C) by $3,333.33. Therefore, Robert C. Heckman has violated 2 U.S.C. § 441a(a)(1)(C).

RECOMMENDATIONS

1. Find reason to believe that Robert C. Heckman violated 2 U.S.C. § 441a(a)(a)(C).

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 24, 1985

Michael W. Thompson
c/o The Fund for a
Conservative Majority
302 5th Street, N.E.
Washington, D.C. 20002

RE: MUR 2089
Michael W. Thompson

Dear Mr. Thompson:

On October 21 , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed questions, within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Laurence E. Tobey, the attorney assigned to this matter, at (202) 423-4143.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 2089
STAFF MEMBER & TEL. NO.
Laurence E. Tobey
(202) 523-4143

RESPONDENT: **Michael W. Thompson**

SUMMARY OF ALLEGATIONS

On October 1, 1982, the Fund for a Conservative Majority (hereinafter "FCM") received a bank loan of $25,000 from the Bank of Virginia of McLean, VA. The loan was payable on November 1, 1982, and was secured by FCM assets and guaranteed by three individuals. The guarantors were: Michael W. Thompson, Paul G. Dietrich, and Robert C. Heckman. Each of the three guarantors signed a "guaranty" agreement with the Bank of Virginia agreeing to be liable for $8,333.33. The loan was repaid in full on November 1, 1982.

FACTUAL BASIS AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971 as amended limits the maximum contribution to any multicandidate political committee in any calendar year to $5,000. 2 U.S.C. § 441a(a)(1)(C). The term "contribution" includes any loan, advance, or deposit of money by any person for the purpose of influencing any election for federal office. 2 U.S.C. § 431(8)(A)(i).

Because Michael W. Thompson was liable for $8,333.33, he has made a loan or advance of money which exceeded the $5,000 limitation of 2 U.S.C. § 441a(a)(1)(C) by $3,333.33. Therefore, Michael W. Thompson has violated 2 U.S.C. § 441a(a)(1)(C).

RECOMMENDATIONS

1. Find reason to believe that Michael W. Thompson violated 2 U.S.C. § 441a(a)(a)(C).

SENSITIVE

FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

85 OCT 17 A10:00

DATE AND TIME OF TRANSMITTAL BY OGC TO THE COMMISSION: ______

MUR NO. 2089
STAFF MEMBER: Laurence E. Tobey

SOURCE OF MUR: I N T E R N A L L Y   G E N E R A T E D

RESPONDENTS' NAMES: Fund for a Conservative Majority and Robert C. Heckman, as treasurer

Paul G. Dietrich
Robert C. Heckman
Michael W. Thompson

RELEVANT STATUTES: 2 U.S.C. § 431(8)(A)(i)
2 U.S.C. § 441a(a)(1)(C)
2 U.S.C. § 441a(f)

INTERNAL REPORTS CHECKED: Audit Report # AR 85-26
Audit Report # AR 85-33

GENERATION OF MATTER

This matter was referred to the Office of General Counsel by the Audit Division (hereinafter, "Audit"), which conducted an audit of respondent Fund for A Conservative Majority (hereinafter, "FCM") pursuant to 2 U.S.C. § 438(b). The audit covered the period January 1, 1981 to December 31, 1982. The Commission approved the Interim Audit Report on September 3, 1985.

SUMMARY OF ALLEGATIONS

On October 1, 1982, FCM received a bank loan in the amount of $25,000 from the Bank of Virginia of McLean, VA. The loan was payable on November 1, 1982, and was secured by FCM assets and guaranteed by three individuals. The guarantors were: Robert C.

85040570506

Heckman, Chairman and Treasurer of FCM; Paul G. Dietrich, Secretary of FCM; and Michael W. Thompson. Each of the three guarantors signed a "guaranty" agreement with the Bank of Virginia agreeing to be liable for $8,333.33. Paul G. Dietrich and Robert C. Heckman also signed a statement to the effect that Michael W. Thompson was to be released from the loan obligation when the proceeds of the mailings financed by the loan repaid the first $8,333.33. Committee records did not indicate that any of the three guarantors had made any other contributions. The loan was repaid in full on November 1, 1982.

FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended (hereinafter, "the Act") limits the maximum contribution to any multicandidate political committee in any calendar year to $5,000. 2 U.S.C. § 441a(a)(1)(C). The term "contribution" includes any loan, advance, or deposit of money by any person for the purpose of influencing any election for federal office. 2 U.S.C. § 431(8)(A)(i). In addition, the Act also provides that no political committee shall knowingly accept a contribution which is prohibited by 2 U.S.C. § 441a. 2 U.S.C. § 441a(f).

Because each guarantor was liable for $8,333.33, each has made a loan or advance of money which exceeded the $5,000 limitation of 2 U.S.C. § 441a(a)(1)(C) by $3,333.33. Therefore, Robert C. Heckman, Paul G. Dietrich, and Michael W. Thompson have each violated 2 U.S.C. § 441a(a)(1)(C).

Accordingly, by knowingly accepting the three contributions which violated 2 U.S.C. § 441a(a)(1)(A), FCM as violated 2 U.S.C. § 441a(f).

RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe that Robert C. Heckman violated 2 U.S.C. § 441a(a)(1)(C).
3. Find reason to believe that Paul G. Dietrich violated 2 U.S.C. § 441a(a)(1)(C).
4. Find reason to believe that Michael W. Thompson violated 2 U.S.C. § 441a(a)(1)(C).
5. Find reason to believe that the Fund for a Conservative Majority and Robert C. Heckman, as treasurer, violated 2 U.S.C. § 441a(f).
6. Approve and send the attached letters.

Charles N. Steele
General Counsel

Oct. 15, 1985
Date

BY: Kenneth A. Gross
Associate General Counsel

Attachments
Audit referral
Letters to respondents(4)
General Counsel's Factual & Legal Analyses (4)

AR-85-33

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 5, 1985

MEMORANDUM

TO: CHARLES STEELE/LAWRENCE TOBEY
GENERAL COUNSEL

THROUGH: JOHN C. SURINA /S/
STAFF DIRECTOR

FROM: ROBERT J. COSTA RJC
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: REFERRAL OF A MATTER TO THE OFFICE OF GENERAL COUNSEL RE FUND FOR A CONSERVATIVE MAJORITY

Attached is a finding from the interim audit report on the above committee. On September 3, 1985, consistent with the Audit staff recommendation, the Commission approved the referral of this matter to your office.

If you have any questions, please call Joe Stoltz at 523-4155.

Attachment as stated

Exhibit 1

A. Limitation on Contributions

Section 441a(a)(1)(C) of Title 2 of the United States Code limits the maximum contributions by persons to any multicandidate political committee in any calendar year to $5,000. Section 431(8)(A)(i) of Title 2 of the United States Code states, in part, that the term "contribution" includes any gift, loan, advance or deposit of money by any person for the purpose of influencing any election for Federal office.

On October 1, 1982, the Committee received a bank loan in the amount of $25,000.00. The loan was payable on November 1, 1982 and was secured by Committee assets and three guarantors. The guarantors were jointly and severally liable for up to $8,333.33 each; except that one of the guarantors was to be released upon the payment of the first $8,333.33. Committee records did not indicate that any of the three guarantors had made any additional contributions. Therefore, each of the guarantors exceeded the $5,000 contribution limitation by $3,333.33, or a total of $9,999.99. In addition to the guarantor whose liability was canceled by the first payment, the guarantors were the Committee Treasurer and the President/Secretary of FCM, Inc.

The loan documentation also authorized the bank to periodically debit a Committee account for all deposits made which bore certain codes. These debits were to occur on October 20, 25, and 28, and on November 1, 1982. A review of Committee bank records and reports indicate that the debits to the account were made as follows:

10/20/82	$ 6,717.50
10/26/82	4,814.00
10/28/82	5,107.50
11/1/82	3,668.00
11/1/82	5,015.55
	$25,322.55

Therefore, the first guarantor's $3,333.33 excessive contribution remained until the loan payment of October 20, 1982. The excessive contributions of the remaining two guarantors remained until a total of $14,999.99 had been paid on the loan ($8,333.33 representing the first guarantors entire liability plus the $3,333.33 excessive amount for each of the other guarantors). Payments on the loan totalled in excess of $14,999.99 as of October 28, 1982.

The loan was paid in full on November 1, 1982.

Recommendation

The Audit staff recommends that these excessive contributions be referred to the Office of the General Counsel.

15 1/1

Bank of Virginia

1710 Goodridge Drive
McLean, Virginia 22102

October 1, 1982

Robert Heckman
Chairman
The Fund for a Conservative
 Majority
302 5th Street, NE
Washington, D.C. 20002

Dear Bob:

Enclosed please find the loan documents for the second $25,000.00 loan, which is structured the same as the first.

Account #651-7374457 will be debited October 20th, October 25th, October 28th and November 1 for total proceeds received against specific codes.

In addition we will need a letter from the guarantors agreeing to Michael Thompson's stipulation, otherwise the liability is jointly and severally and limited to $8,333.33 per individual.

If you have any questions on the above please call.

Sincerely,

Darylene

Darylene R. Harris
Commercial Loan Officer

DRH/sc
Enclosure

Bank of Virginia

October 1, 198[illegible]

Acct. No. ______________ COMMERCIAL LOAN NOTE McLean, V

Note No. ______________ ☐ Unsecured ☒ Secured $ 25,000.00

FOR VALUE RECEIVED, the undersigned (the Maker, whether one or more) jointly and severally promise to pay to the order of BA VIRGINIA (the Holder) at any of the offices of the Holder the sum of Twenty-five Thousand and 00/100---

including or plus interest as shown in the following Schedule of Payments and Interest:

SCHEDULE OF PAYMENTS AND INTEREST

☐ On demand (principal and interest);

☒ One payment in full due 31 days after the date shown above (Due November 1, 19 82);

☐ In consecutive monthly/quarterly instalments of $ ______ each on the ______ day of each month/quarter beginni ______, 19 ______, and, if applicable, one final payment of $ ______ on ______, 19 ____

☐ As follows: ______________

Interest will be ☒ accrued, ☐ discounted, ☐ added on at a per annum rate of BOVA P + 2% or will be computed as follows: ______________

If accrued, interest will be payable ☐ monthly, ☐ quarterly, ☒ as follows at maturity on the ______ day of each ______________. A fee of ______________ ______ will be payat as follows: ______________

Collateral. If this Note is marked above as "Unsecured", the references herein to "Collateral" and "security" do not apply, but all other p visions hereof are applicable. If this Note is marked above as "Secured", the Maker has either (i) executed a security agreement giving to Holder a security interest in the property described below, or (ii) deposited with, and does hereby assign and pledge to the Holder hereo collateral the property described below. In either event such property and the proceeds thereof constitute collateral for the payment of t and any other liability, contingent or otherwise (including overdrafts and future advances), of the Maker to the Holder, now due or to come due or which may hereafter be contracted. The property constituting the collateral security for this Note (the Collateral) is descrit as follows:

All accounts, inventory, equipment, fixtures, general intangibles, instruments, documents and chattel paper, including, without linitation, all goods represented thereby and all goods that may be reclaimed or repossessed from or returned by account debtors and all proceeds and products thereof (as all such terms are defined in the Uniform Commercial Code), now owned or hereafter acquired by Debtor.

Change of Rate. The Maker agrees that, with respect to any loan on which interest is accrued (other than loans where rate fluctuates acco ing to the Holder's announced prime rate), the Holder at its option may change the interest rate shown above at any time. Upon making a such change, the Holder will send notice thereof to the Maker at the address shown on the Holder's records.

Default Charges. The Maker agrees to pay a late charge of 5% of the amount of any payment which is 10 days or more past due. After ma rity or in event of default, the Maker agrees to pay interest on all outstanding amounts at the interest rate then being charged on this Nc and all collection costs and expenses, including attorney's fees.

REFERENCE IS MADE SPECIFICALLY TO THE PROVISIONS APPEARING ON THE REVERSE SIDE HEREOF, ALL OF WHIC ARE EXPRESSLY MADE PARTS, TERMS AND CONDITIONS OF THIS NOTE.

Witness the following signatures and seals as of the date first above written. THE FUND FOR A CONSERVATIVE MAJORITY

[signature] (SEA

5

Bank of Virginia

GUARANTY

The undersigned (if more than one, each of them, jointly and severally) hereby guarantees payment of all Indebtedness o
The Fund for A Conservative Majority ____________________ (the Borrower) to
____________________ (the Bank)

The word "Indebtedness" as used in this guaranty shall mean all amounts due from the Borrower to the Bank, whether such Indebt edness be direct, indirect, fixed or contingent, liquidated or unliquidated, including, without limitation, principal, interest, service charges, costs of collection, attorney's fees and expenses and other expenses of the Bank which the Borrower is obligated to pay and amounts advanced by the Bank in discharge of obligations of the Borrower, whether such amounts are from time to time reduced thereafter increased or entirely extinguished and thereafter reincurred. This is a guaranty of payment and not of collection. The Bank may collect such Indebtedness, or any part thereof, from the undersigned (or any one or more of them) without first exercising its rights against the Borrower or any collateral, the undersigned waiving any right to require the Bank to pursue the Borrower or any collateral before enforcing the obligations of the undersigned hereunder. Until all Indebtedness covered hereby has been paid in full the undersigned shall not be subrogated to any right of the Bank against the Borrower or any collateral, and any funds or other property at any time received by the undersigned from the Borrower shall be held in trust for and shall be paid or transferred to the Bank upon demand therefor. The undersigned (and each of them) waives notice of acceptance of this guaranty; waives presentment, demand, notice of dishonor, protest and notice of protest; agrees that all Indebtedness guaranteed hereby may be renewed, extended accelerated, modified, or compromised, and that any collateral or other security held therefor may be released, exchanged, sold applied, or otherwise dealt with by the Bank without notice to the undersigned and without thereby releasing the undersigned from any obligations under this guaranty; and waives notice of the financial condition or other status of the Borrower and any other party obligated for the Indebtedness covered hereby. The Bank shall have the right to waive its rights against and to release any guarantor without thereby affecting the enforceability of this guaranty against any of the undersigned not expressly released.

The undersigned (and each of them) hereby agrees to pay to the Bank all costs and expenses, including reasonable attorney's fees and expenses, incurred by the Bank in seeking to enforce any of the liabilities or obligations of the undersigned.

In the event any part of the Indebtedness of the Borrower is collected by the Bank and because of bankruptcy or other laws relating to creditors' rights the Bank repays any amounts to the Borrower or to any trustee, receiver or otherwise, then the amounts so repaid shall again become part of the Indebtedness guaranteed hereby.

This guaranty may be withdrawn as to future advances and any other Indebtedness related thereto by notice from the undersigned mailed by registered or certified mail to the Bank, addressed to the attention of an appropriate officer. This guaranty shall not apply to any such future advances or any other Indebtedness related thereto arising after receipt of such notice and the elapse of a reasonable period of time to act thereon, but it shall remain in full force and effect with respect to all other Indebtedness covered hereby. The total aggregate liability of the undersigned hereunder (excluding any direct liability of the undersigned other than as a guarantor) shall be limited to the principal sum of $ 8,333.33 ____________ plus any other Indebtedness related thereto and any costs and expenses, including reasonable attorney's fees and expenses, incurred by the Bank in seeking to enforce this guaranty against the undersigned. The obligation of the undersigned to pay up to such limit shall continue without regard to the amount of advances to the Borrower (which may exceed such limit) or to amounts repaid by or for the account of the Borrower. **If the foregoing blank is not filled in, the liability of the undersigned hereunder shall be unlimited.**

This guaranty and the rights and obligations of the Bank and the undersigned created hereby shall be governed and construed in accordance with the laws of the State of Virginia and shall be binding upon the heirs, executors, administrators and representatives, successors, and assigns of each of the undersigned and shall inure to the benefit of the Bank, its successors and assigns.

Witness the following signature(s) and seal(s)

Made this 1 day of October, 1982

Witness:

Signature(s) of Guarantor(s) and Home Address If Individual

x Michael W. Thompson (SEAL)
Michael W. Thompson
____________________ (SEAL)
____________________ (SEAL)
____________________ (SEAL)

Bank of Virginia

GUARANTY

The undersigned (if more than one, each of them, jointly and severally) hereby guarantees payment of all Indebtedness c
The Fund for A Conservative Majority (the Borrower) t
(the Bank.
The word "Indebtedness" as used in this guaranty shall mean all amounts due from the Borrower to the Bank, whether such Indebtedness be direct, indirect, fixed or contingent, liquidated or unliquidated, including without limitation, principal, interest, service charges, costs of collection, attorney's fees and expenses and other expenses of the Bank which the Borrower is obligated to pay an amounts advanced by the Bank in discharge of obligations of the Borrower, whether such amounts are from time to time reduced thereafter increased or entirely extinguished and thereafter reincurred. This is a guaranty of payment and not of collection. The Bank may collect such Indebtedness, or any part thereof, from the undersigned (or any one or more of them) without first exercising it rights against the Borrower or any collateral, the undersigned waiving any right to require the Bank to pursue the Borrower or an collateral before enforcing the obligations of the undersigned hereunder. Until all Indebtedness covered hereby has been paid in ful the undersigned shall not be subrogated to any right of the Bank against the Borrower or any collateral, and any funds or other property at any time received by the undersigned from the Borrower shall be held in trust for and shall be paid or transferred to the Bank upon demand therefor. The undersigned (and each of them) waives notice of acceptance of this guaranty; waives presentment, demand, notice of dishonor, protest and notice of protest; agrees that all Indebtedness guaranteed hereby may be renewed, extended accelerated, modified, or compromised, and that any collateral or other security held therefor may be released, exchanged, sold applied, or otherwise dealt with by the Bank without notice to the undersigned and without thereby releasing the undersigned from any obligations under this guaranty; and waives notice of the financial condition or other status of the Borrower and any other party obligated for the Indebtedness covered hereby. The Bank shall have the right to waive its rights against and to release any guaranto without thereby affecting the enforceability of this guaranty against any of the undersigned not expressly released.

The undersigned (and each of them) hereby agrees to pay to the Bank all costs and expenses, including reasonable attorney' fees and expenses, incurred by the Bank in seeking to enforce any of the liabilities or obligations of the undersigned.

In the event any part of the Indebtedness of the Borrower is collected by the Bank and because of bankruptcy or other laws relating to creditors' rights the Bank repays any amounts to the Borrower or to any trustee, receiver or otherwise, then the amounts so repaid shall again become part of the Indebtedness guaranteed hereby.

This guaranty may be withdrawn as to future advances and any other Indebtedness related thereto by notice from the undersigned mailed by registered or certified mail to the Bank, addressed to the attention of an appropriate officer. This guaranty shall not apply to any such future advances or any other Indebtedness related thereto arising after receipt of such notice and the elapse of a reasonable period of time to act thereon, but it shall remain in full force and effect with respect to all other Indebtedness covered hereby. The total aggregate liability of the undersigned hereunder (excluding any direct liability of the undersigned other than as a guarantor) shall be limited to the principal sum of $ 8,333.33 plus any other Indebtedness related thereto and any costs and expenses, including reasonable attorney's fees and expenses, incurred by the Bank in seeking to enforce this guaranty against the undersigned. The obligation of the undersigned to pay up to such limit shall continue without regard to the amount of advances to the Borrower (which may exceed such limit) or to amounts repaid by or for the account of the Borrower. **If the foregoing blank is not filled in, the liability of the undersigned hereunder shall be unlimited.**

This guaranty and the rights and obligations of the Bank and the undersigned created hereby shall be governed and construed in accordance with the laws of the State of Virginia and shall be binding upon the heirs, executors, administrators and representatives, successors, and assigns of each of the undersigned and shall inure to the benefit of the Bank, its successors and assigns.

Witness the following signature(s) and seal(s):

Made this 1 day of October, 1982

Witness:

Signature(s) of Guarantor(s) and Home Address If Individual

X Paul Dietrich (SEAL)

(SEAL)

(SEAL)

(SEAL)

2-66969 000-032/3 REV 6/77

Bank of Virginia

1

GUARANTY

The undersigned (if more than one, each of them, jointly and severally) hereby guarantees payment of all Indebtednes
The Fund for A Conservative Majority
(the Borrower
(the Ba

The word "Indebtedness" as used in this guaranty shall mean all amounts due from the Borrower to the Bank, whether such Ind edness be direct, indirect, fixed or contingent, liquidated or unliquidated, including, without limitation, principal, interest, ser charges, costs of collection, attorney's fees and expenses and other expenses of the Bank which the Borrower is obligated to pay amounts advanced by the Bank in discharge of obligations of the Borrower, whether such amounts are from time to time reduc thereafter increased or entirely extinguished and thereafter reincurred. This is a guaranty of payment and not of collection. The B may collect such Indebtedness, or any part thereof, from the undersigned (or any one or more of them) without first exercising rights against the Borrower or any collateral, the undersigned waiving any right to require the Bank to pursue the Borrower or a collateral before enforcing the obligations of the undersigned hereunder. Until all Indebtedness covered hereby has been paid in f the undersigned shall not be subrogated to any right of the Bank against the Borrower or any collateral, and any funds or other p perty at any time received by the undersigned from the Borrower shall be held in trust for and shall be paid or transferred to the Ba upon demand therefor. The undersigned (and each of them) waives notice of acceptance of this guaranty; waives presentment, mand, notice of dishonor, protest and notice of protest; agrees that all Indebtedness guaranteed hereby may be renewed, extend accelerated, modified, or compromised, and that any collateral or other security held therefor may be released, exchanged, so applied, or otherwise dealt with by the Bank without notice to the undersigned and without thereby releasing the undersigned fr any obligations under this guaranty; and waives notice of the financial condition or other status of the Borrower and any other par obligated for the Indebtedness covered hereby. The Bank shall have the right to waive its rights against and to release any guarant without thereby affecting the enforceability of this guaranty against any of the undersigned not expressly released.

The undersigned (and each of them) hereby agrees to pay to the Bank all costs and expenses, including reasonable attorne fees and expenses, incurred by the Bank in seeking to enforce any of the liabilities or obligations of the undersigned.

In the event any part of the Indebtedness of the Borrower is collected by the Bank and because of bankruptcy or other la relating to creditors' rights the Bank repays any amounts to the Borrower or to any trustee, receiver or otherwise, then the amoun so repaid shall again become part of the Indebtedness guaranteed hereby.

This guaranty may be withdrawn as to future advances and any other Indebtedness related thereto by notice from the unde signed mailed by registered or certified mail to the Bank, addressed to the attention of an appropriate officer. This guaranty shall n apply to any such future advances or any other Indebtedness related thereto arising after receipt of such notice and the elapse of reasonable period of time to act thereon, but it shall remain in full force and effect with respect to all other Indebtedness covere hereby. The total aggregate liability of the undersigned hereunder (including any direct liability of the undersigned other than as guarantor) shall be limited to the principal sum of $ 8,333.33 plus any other Indebtednes related thereto and any costs and expenses, including reasonable attorney's fees and expenses, incurred by the Bank in seeking t enforce this guaranty against the undersigned. The obligation of the undersigned to pay up to such limit shall continue without regar to the amount of advances to the Borrower (which may exceed such limit) or to amounts repaid by or for the account of the Bor rower. **If the foregoing blank is not filled in, the liability of the undersigned hereunder shall be unlimited.**

This guaranty and the rights and obligations of the Bank and the undersigned created hereby shall be governed and construe in accordance with the laws of the State of Virginia and shall be binding upon the heirs, executors, administrators and representa tives, successors, and assigns of each of the undersigned and shall inure to the benefit of the Bank, its successors and assigns.

Witness the following signature(s) and seal(s):

Made this 1 day of October, 1982

Witness	Signature(s) of Guarantor(s) and Home Address If Individual
	X Robert Heckman (SEAL)
	(SEAL)
	(SEAL)
	(SEAL)

8

8 5 0 4 0 5 9 0 5 1 5

GENERAL CORPORATE RESOLUTION

I, Paul G. Dietrich, Secretary of Fund for a Conservative Majority a corporation organized and existing under the laws of the State of Virginia, hereby certify that at a meeting of the Board of Directors of the corporation duly called and held on September 18, 19 82, at which a quorum was present and acting throughout, the following resolutions were adopted and are now in full force and effect:

1. "RESOLVED, That an account or accounts be opened and maintained with Bank of Virginia (the Bank), subject to the Bank's present and future regulations, in which funds of this corporation may be deposited subject to withdrawal or charge at any time, or in the case of time or savings accounts, subject to the withdrawal restrictions of applicable state or federal law and regulations; all withdrawals from demand, time and savings accounts to be upon instruments or orders for the payment of money when made, drawn or accepted by any (two) (INSERT NO. REQUIRED TO SIGN) of the following officers or employees of this corporation: Secretary, Chairman, Bookkeeper and Treasurer (LIST TITLES OF PERSONS AUTHORIZED) that the Bank need not inquire into the circumstances of issuance of such instruments or orders or the disposition of proceeds, even if such instruments or orders are drawn or endorsed to the order of any person who made or accepted them or to bearer or cash or payable to the Bank or others for such person's account; that endorsement of deposited items or instruments may be made in writing or by stamp without designation of the person so endorsing, and that anyone affixing the corporation's endorsement may also waive demand, protest and notice of protest or dishonor.

2. "RESOLVED, That any (two) (INSERT NUMBER REQUIRED TO SIGN) of the following officers of this corporation Secretary, Chairman, Bookkeeper and Treasurer (LIST TITLES OF OFFICERS AUTHORIZED) are authorized on behalf of this corporation to borrow money from time to time from the Bank or to discount any assets with the Bank, in such amounts and upon such terms as may be agreed to by the Bank, to guarantee unconditionally the debts of others to the Bank, provided that such debts shall be reasonably incidental to the accomplishment of a purpose within the legitimate power of this corporation, to pledge assets of this corporation to secure liability of the corporation or others to the Bank, and to sign and deliver any notes, agreements or other documents required by the Bank in connection with any of the above; that all past transactions of a nature set forth above are hereby ratified; and so long as this corporation is indebted to the Bank, the Bank shall have the right to inspect and audit, at reasonable times and intervals, the collateral pledged to the Bank and any records pertinent thereto.

3. "RESOLVED, That the President, any Vice President or the Treasurer (or any one of them) of this corporation is authorized to execute on behalf of this corporation Night Safe Depository Contract or Contracts with the Bank in any form prescribed by the Bank and to make and from time to time to change by written notice delivered to the Bank all required or appropriate designations therein of persons, including themselves, authorized to act on behalf of this corporation in the use of the night depository service under the terms and provisions of each such contract. Persons so designated shall have complete control over the contents of deposit pouches delivered to them whenever such contracts shall specify that deposit pouches be returned to such persons unopened by the Bank's personnel.

4. "RESOLVED, That the President, any Vice President, Treasurer or Secretary (or any one of them) of this corporation, is authorized to lease on behalf of this corporation a safe deposit box or boxes from the Bank; and that any N/A of the following persons N/A (NAMES AND TITLES OF PERSONS AUTHORIZED) are authorized to have access to, and complete control over, the contents of such boxes upon identification by signatures.

5. "RESOLVED, That these resolutions shall remain in full force and effect and the Bank shall be fully protected in acting thereon until written notice of their change or revocation has been duly given to and received by the Bank, and the Bank is authorized to accept, and the Secretary of the corporation shall from time to time provide his signed certificates of change of names of officers and other persons authorized to act hereunder in behalf of the corporation which certificates shall become a part of this resolution."

8 5 0 4 0 3 9 0 5 1 7

I further certify that the adoption of the above resolutions is fully within the authority of the Board of Directors of this corporation and that no further corporate action, including no resolution or consent of the stockholders, is necessary for the efficacy of these resolutions.

I further certify that the names of officers of this corporation and any other persons authorized to act under these resolutions and their official signatures are as follows:

Name	Office	Official Signature
Robert C. Heckman	, Chairman ~~President~~	Robert C Heckman
	, Vice President	
Robert C. Heckman	, Treasurer	Robert C Heckman
	, Assistant Treasurer	
Paul G. Dietrich	, Secretary	Paul G Dietrich
	, Assistant Secretary	
Lynn Booth	, Bookkeeper (TITLE)	Lynn Booth
	, (TITLE)	

IN WITNESS WHEREOF, I have hereunto subscribed my name as Secretary and affixed the seal of the corporation this 1 day of October, 1952

(Affix Seal Here)

Paul G Dietrich

SECRETARY

I, Robert C. Heckman, the Chairman ~~President~~ of the above named corporation, do hereby certify that Paul G. Dietrich is the duly elected secretary and is now acting in this capacity.

Robert C Heckman

~~PRESIDENT~~ Chairman

(For Corporations with only one stockholder)

IN WITNESS WHEREOF, I have hereunto subscribed my name as President and affixed the seal of the corporation this ____ day of ____________, 19____ and I further certify that I am the only stockholder of such corporation.

(Affix Seal Here)

President

8 1 9 0 4 5 0 4 0 9 8

We, the undersigned, agree that Michael Thompson should be released from the loan obligation with the Bank of Virginia being executed this date from the first returns which are generated from the mailings associated with this loan. In general this means that the first $8,333 which is produced from the mailings from codes KS 27, 28, 35, 37, 38, 39, 40, 41, and 42.

Agreed to this 1st day of October, 1982 by

Robert C. Heckman

Paul Dietrich

8504059051 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

The Fund for a
Conservative Majority
Attn: Robert C. Heckman,
Treasurer
302 5th Street, N.E.
Washington, D.C. 20002

RE: MUR 2089
The Fund for a Conservative
Majority and Robert C. Heckman
Treasurer

Dear Mr. Heckman:

On , 1985, the Federal Election Commission determined that there is reason to believe that the Fund for a Conservative Majority and you as treasurer violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed questions, within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. <u>See</u> 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Laurence E. Tobey, the attorney assigned to this matter, at (202) 423-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosures
- General Counsel's Factual and Legal Analysis
- Procedures
- Designation of Counsel Statement

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Robert C. Heckman
c/o The Fund for a
Conservative Majority
302 5th Street, N.E.
Washington, D.C. 20002

RE: MUR 2089
Robert C. Heckman

Dear Mr. Heckman:

On   , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed questions, within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Laurence E. Tobey, the attorney assigned to this matter, at (202) 423-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosures
- General Counsel's Factual and Legal Analysis
- Procedures
- Designation of Counsel Statement

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Paul G., Dietrich
c/o The Fund for a
Conservative Majority
302 5th Street, N.E.
Washington, D.C. 20002

RE: MUR 2089
Paul G. Dietrich

Dear Mr. Dietrich:

On , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed questions, within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Laurence E. Tobey, the attorney assigned to this matter, at (202) 423-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosures
- General Counsel's Factual and Legal Analysis
- Procedures
- Designation of Counsel Statement

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Michael W. Thompson
c/o The Fund for a
Conservative Majority
302 5th Street, N.E.
Washington, D.C. 20002

RE: MUR 2089
Michael W. Thompson

Dear Mr. Thompson:

On , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed questions, within fifteen days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable conciliation after briefs on probable cause have been mailed to the respondent will not be entertained.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Laurence E. Tobey, the attorney assigned to this matter, at (202) 423-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 2089
STAFF MEMBER & TEL. NO.
Laurence E. Tobey
(202) 523-4143

RESPONDENT: The Fund for a Conservative Majority and Robert C. Heckman, as treasurer

SUMMARY OF ALLEGATIONS

On October 1, 1982, the Fund for a Conservative Majority (hereinafter "FCM") received a bank loan of $25,000 from the Bank of Virginia of McLean, VA. The loan was payable on November 1, 1982, and was secured by FCM assets and guaranteed by three individuals. The guarantors were: Robert C. Heckman, Chairman and Treasurer of FCM; Paul G. Dietrich, Secretary of FCM; and Michael W. Thompson. Each of the three guarantors signed a "guaranty" agreement with the Bank of Virginia agreeing to be liable for $8,333.33. The loan was repaid in full on November 1, 1982.

FACTUAL BASIS AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971 as amended (hereinafter, "the Act") provides that no political committee shall knowingly accept a contribution which is prohibited by 2 U.S.C. § 441a. 2 U.S.C. § 441a(f). The Act also provides that no person shall make contributions to any multicandidate political committee in any calendar year greater than $5,000. 2 U.S.C. § 441a(a)(1)(C). The term "contribution" includes any loan, advance, or deposit of money by any person for the purpose of influencing any election for federal office. 2 U.S.C. § 431(8)(A)(i).

Because each guarantor was liable for $8,333.33, each has made a loan or advance of money greater than $5,000, which is a prohibited contribution under 2 U.S.C. § 441a(a)(1)(C). By knowingly accepting three contributions which violated 2 U.S.C. § 441a(a)(1)(C), FCM violated 2 U.S.C. § 441a(f).

RECOMMENDATIONS

1. Find reason to believe that the Fund for a Conservative Majority and Robert C. Heckman, as treasurer violated 2 U.S.C. § 441a(f).

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 2089
STAFF MEMBER & TEL. NO.
Laurence E. Tobey
(202) 523-4143

RESPONDENT: **Robert C. Heckman**

SUMMARY OF ALLEGATIONS

On October 1, 1982, the Fund for a Conservative Majority (hereinafter "FCM") received a bank loan of $25,000 from the Bank of Virginia of McLean, VA. The loan was payable on November 1, 1982, and was secured by FCM assets and guaranteed by three individuals. The guarantors were: Robert C. Heckman, Chairman and Treasurer of FCM; Paul G. Dietrich, Secretary of FCM; and Michael W. Thompson. Each of the three guarantors signed a "guaranty" agreement with the Bank of Virginia agreeing to be liable for $8,333.33. The loan was repaid in full on November 1, 1982.

FACTUAL BASIS AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971 as amended limits the maximum contribution to any multicandidate political committee in any calendar to $5,000. 2 U.S.C. § 441a(a)(1)(C). The term "contribution" includes any loan, advance, or deposit of money by any person for the purpose of influencing any election for federal office. 2 U.S.C. § 431(8)(A)(i).

Because Robert C. Heckman was liable for $8,333.33, he has made a loan or advance of money which exceeded the $5,000 limitation of 2 U.S.C. § 441a(a)(1)(C) by $3,333.33. Therefore, Robert C. Heckman has violated 2 U.S.C. § 441a(a)(1)(C).

RECOMMENDATIONS

1. Find reason to believe that Robert C. Heckman violated 2 U.S.C. § 441a(a)(a)(C).

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 2089
STAFF MEMBER & TEL. NO.
Laurence E. Tobey
(202) 523-4143

RESPONDENT: **Paul G. Dietrich**

SUMMARY OF ALLEGATIONS

On October 1, 1982, the Fund for a Conservative Majority (hereinafter "FCM") received a bank loan of $25,000 from the Bank of Virginia of McLean, VA. The loan was payable on November 1, 1982, and was secured by FCM assets and guaranteed by three individuals. The guarantors were: Paul G. Dietrich, Robert C. Heckman, and Michael W. Thompson. Each of the three guarantors signed a "guaranty" agreement with the Bank of Virginia agreeing to be liable for $8,333.33. The loan was repaid in full on November 1, 1982.

FACTUAL BASIS AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971 as amended limits the maximum contribution to any multicandidate political committee in any calendar year to $5,000. 2 U.S.C. § 441a(a)(1)(C). The term "contribution" includes any loan, advance, or deposit of money by any person for the purpose of influencing any election for federal office. 2 U.S.C. § 431(8)(A)(i).

Because Paul G. Dietrich was liable for $8,333.33, he has made a loan or advance of money which exceeded the $5,000 limitation of 2 U.S.C. § 441a(a)(1)(C) by $3,333.33. Therefore, Paul G. Dietrich has violated 2 U.S.C. § 441a(a)(1)(C).

RECOMMENDATIONS

1. Find reason to believe that Paul G. Dietrich violated 2 U.S.C. § 441a(a)(a)(C).

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 2089
STAFF MEMBER & TEL. NO.
Laurence E. Tobey
(202) 523-4143

RESPONDENT: **Michael W. Thompson**

SUMMARY OF ALLEGATIONS

On October 1, 1982, the Fund for a Conservative Majority (hereinafter "FCM") received a bank loan of $25,000 from the Bank of Virginia of McLean, VA. The loan was payable on November 1, 1982, and was secured by FCM assets and guaranteed by three individuals. The guarantors were: Michael W. Thompson, Paul G. Dietrich, and Robert C. Heckman. Each of the three guarantors signed a "guaranty" agreement with the Bank of Virginia agreeing to be liable for $8,333.33. The loan was repaid in full on November 1, 1982.

FACTUAL BASIS AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971 as amended limits the maximum contribution to any multicandidate political committee in any calendar year to $5,000. 2 U.S.C. § 441a(a)(1)(C). The term "contribution" includes any loan, advance, or deposit of money by any person for the purpose of influencing any election for federal office. 2 U.S.C. § 431(8)(A)(i).

Because Michael W. Thompson was liable for $8,333.33, he has made a loan or advance of money which exceeded the $5,000 limitation of 2 U.S.C. § 441a(a)(1)(C) by $3,333.33. Therefore, Michael W. Thompson has violated 2 U.S.C. § 441a(a)(1)(C).

RECOMMENDATIONS

1. Find reason to believe that Michael W. Thompson violated 2 U.S.C. § 441a(a)(a)(C).

8 6 0 4 0 5 9 0 6 3 6

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2089

Date Filmed 6/11/86 Camera No. --- 2

Cameraman J.A.D.

FEDERAL ELECTION COMMISSION

Routing cards & slips; Assignment slip

12 Day Report & comments

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- ___ (1) Classified Information
- ✓ (2) Internal rules and practices
- ✓ (3) Exempted by other statute
- ___ (4) Trade secrets and commercial or financial information
- ✓ (5) Internal Documents
- ___ (6) Personal privacy
- ___ (7) Investigatory files
- ___ (8) Banking Information
- ___ (9) Well Information (geographic or geophysical)

Signed George Dennigent

date 6-4-86

FEC 9-21-77

8 5 0 4 0 1 9 0 6 3 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

THE FOLLOWING MATERIAL IS BEING ADDED TO THE PUBLIC FILE OF CLOSED MUR 2089.

GCC # 801

RECEIVED AT THE FEC

86 JUN 20 P12: 13

HERGE, SPARKS, CHRISTOPHER & BIONDI

ATTORNEYS AT LAW

SUITE 200

8201 GREENSBORO DRIVE

McLEAN, VIRGINIA 22102

J. CURTIS HERGE
ROBERT R. SPARKS, JR.
A. MARK CHRISTOPHER
GEORGE V. BIONDI
DONNA LYNN MILLER

(703) 848-4700

June 19, 1986

86 JUN 25 P4: 14

Laurence E. Tobey, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D. C. 20463

RE: MUR 2089

Dear Mr. Tobey:

With reference to the letter from Mr. Gross to me, dated May 30, 1986, regarding the acceptance by the Commission of the conciliation agreement in settlement of the above-captioned matter, I enclose herewith a check in the amount of $500.00, drawn to the order of Treasurer of the United States, in payment of the balance of the civil penalty.

It is our understanding that the file will now be closed on this matter and it will become a part of the public record in thirty days.

Sincerely,

J. Curtis Herge

:sbl

Enclosure

HERGE, SPARKS, CHRISTOPHER & BIONDI
ATTORNEYS AT LAW
TRUST ACCOUNT
8201 GREENSBORO DRIVE, SUITE 200
McLEAN, VIRGINIA 22102
(703) 848-4700

EXPLANATION
FEC Penalty
The Fund for a Conservative
Majority
MUR 2089

68-7267
2560

509

PAY THE SUM 500 DOLS 00 CTS DOLLARS

DATE	TO THE ORDER OF
[illegible]	Treasurer of the United States

CHECK AMOUNT 500.00

CONTINENTAL FEDERAL SAVINGS BANK
NORTHERN VIRGINIA

MEMORANDUM

GCC#801

TO: Debra A. Reed   TO: Judy Smith

FROM: Judy Smith   FROM: Debra A. Reed

CHECK NO. 509 (a copy of which is attached) RELATING TO MUR 2089 (Tobey) AND NAME The Fund for a Conservative Majority, Kenneth F. Boehm Treasurer WAS RECEIVED ON 6/25/86. PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT (#95F3875.16)

/✓/ CIVIL PENALTIES ACCOUNT (#95-1099.160)

/ / OTHER ________

SIGNATURE Debra A. Reed   DATE 6/26/86

86 JUN 25 P 4:14

HERGE, SPARKS, CHRISTOPHER & BIONDI
SUITE 200
8201 GREENSBORO DRIVE
McLEAN, VIRGINIA 22102

Laurence E. Tobey, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D. C. 20463